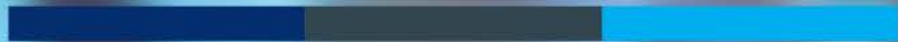




MMI HOLDINGS

ACHIEVING FOCUS

Results for the six months ended 31 December 2017



momentum



GUARDRISK

multiply



MMI strategy

1 **MMI strategy**

2 Retail business update

3 Corporate business update

4 Financial performance

5 Capital management

6 Q&A



MMI strategy

PURPOSE:

To enhance the lifetime Financial Wellness of people, their communities and their businesses

Strategic focus area



Client centricity



Growth



Excellence



Financial aspirations

Growth in earnings

Growth in value of new business

Return on embedded value



Client aspirations

“My Financial Wellness partner”



Enablers

Flexible and modular systems

Innovation

Culture

Data analytics



2

Retail business update

1 MMI strategy


2 Retail business update

3 Corporate business update

4 Financial performance

5 Capital management

6 Q&A

A man in a blue shirt is celebrating with his arms raised in a city setting. The image is overlaid with a semi-transparent blue rectangle containing text.

What we set out to achieve in the long term

Momentum

- Increasing market share at improved margins
- Winning back IFA support
- Increase tied agency workforce – 1 500 by 2022
- Product diversification
- Increased product holding per client
- Invest in technology

Metropolitan

- Increasing market share at improved margins
- Productivity
- Digital solutions



Progress to date

Client centricity

Strategic focus area



Client centricity



Growth



Excellence



Enabling Financial Wellness



Protect my family



Protect my stuff



Building my future



Protect me

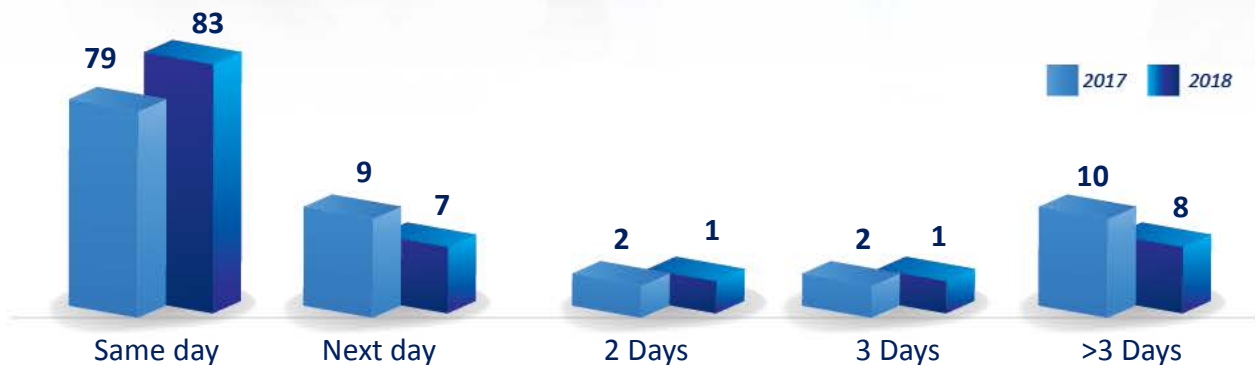
Enabling Financial Wellness



ENABLING FINANCIAL WELLNESS BY PROTECTING MY FAMILY

Industry norm is to settle a funeral claim within 48 hours of notification of death... our goal is same day settlement.

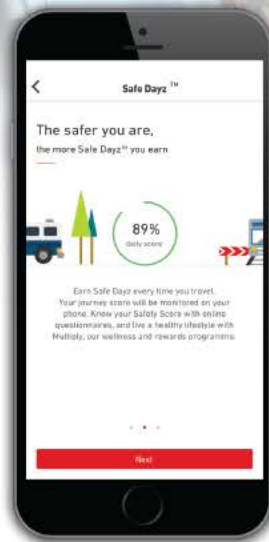
90% of funeral claims are paid within 24 hours of notification.





ENABLING FINANCIAL WELLNESS BY PROTECTING MY STUFF

Safe Dayz™



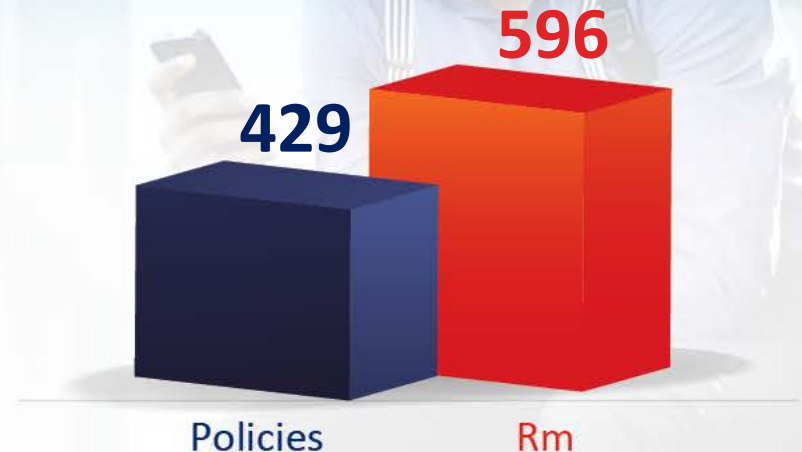


ENABLING FINANCIAL WELLNESS BY BUILDING MY FUTURE

Momentum Guaranteed Return Option

Since launch – 1 November 2017

**Number one market
share since launch**





Progress to date

Growth

Strategic focus area



Client centricity



Growth



Excellence

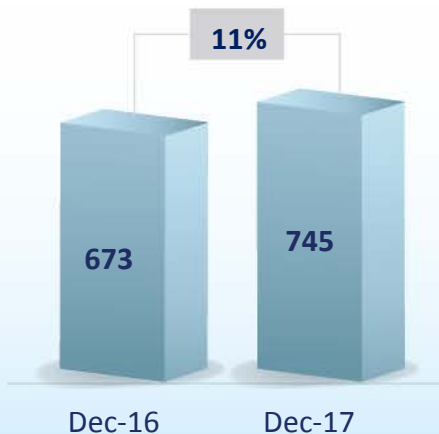


Product expansion

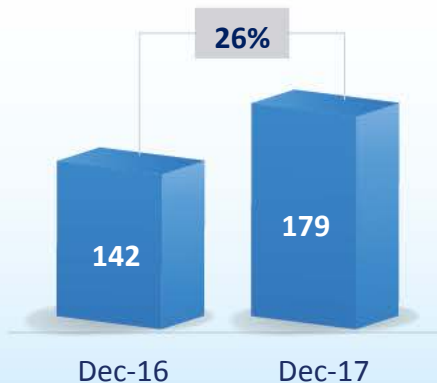
Channel expansion

INCREASING THE SALES FORCE

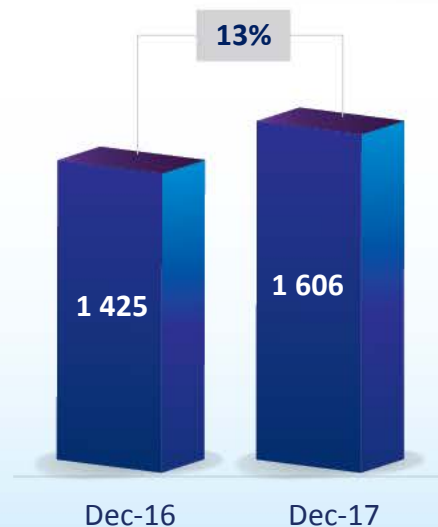
Momentum agents



Momentum Consult



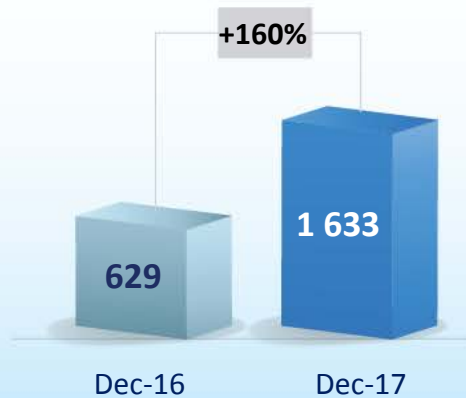
Supporting IFAs



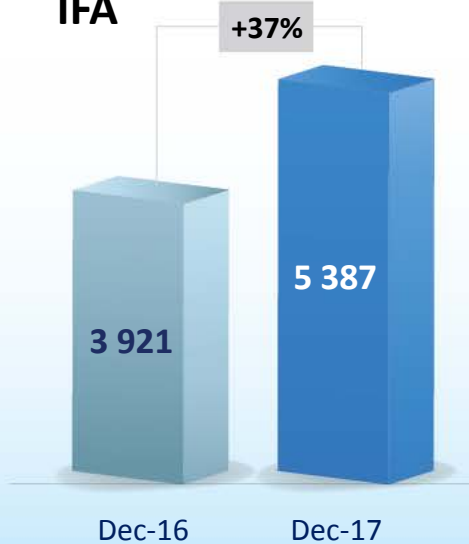
NEW BUSINESS: MOMENTUM SHORT-TERM INSURANCE

New policy count by sales channel (12 months)

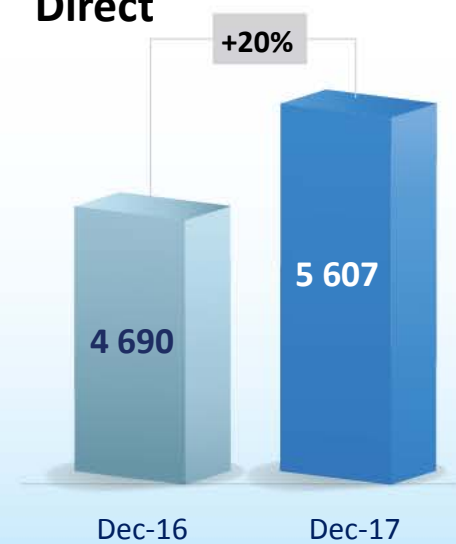
Momentum agents



IFA



Direct



FOOTPRINT GROWTH: GROWING ALTERNATIVE CHANNELS



FOOTPRINT GROWTH: GROWING ALTERNATIVE CHANNELS

INSURANCE

African Bank branches with Metropolitan presence



Branches to date



Planned branches



5 998

NUMBER OF
POLICIES



R17,7m

ANNUAL PREMIUM
EQUIVALENT

LENDING

Joint venture with African Bank through MMI Lending



263

NUMBER OF LOANS

R23m



VALUE OF LOANS



VERY FAVOURABLE EARLY RISK EXPERIENCE



Progress to date

Excellence



Strategic focus area

Client centricity



Growth



Excellence



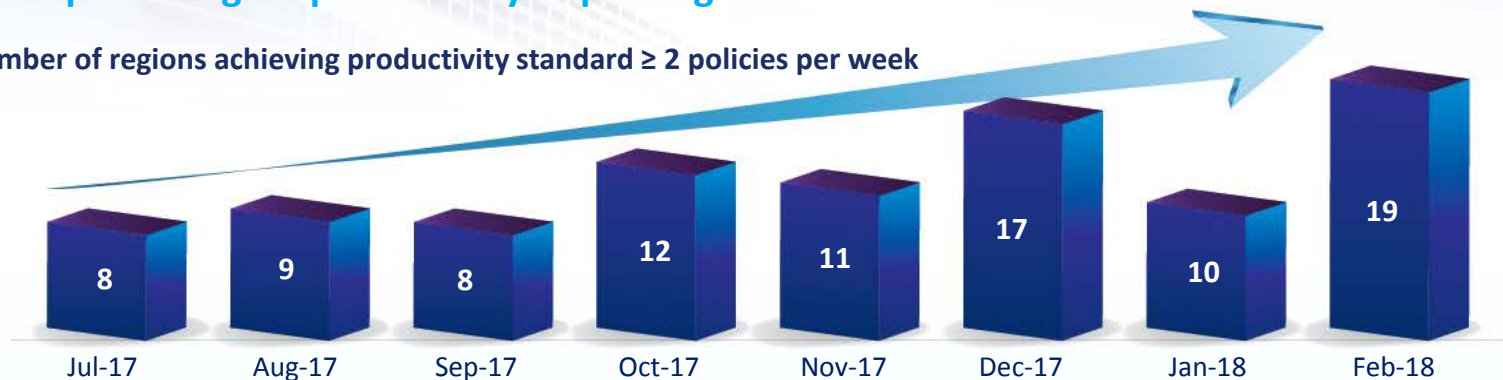
Agent productivity

Efficiency

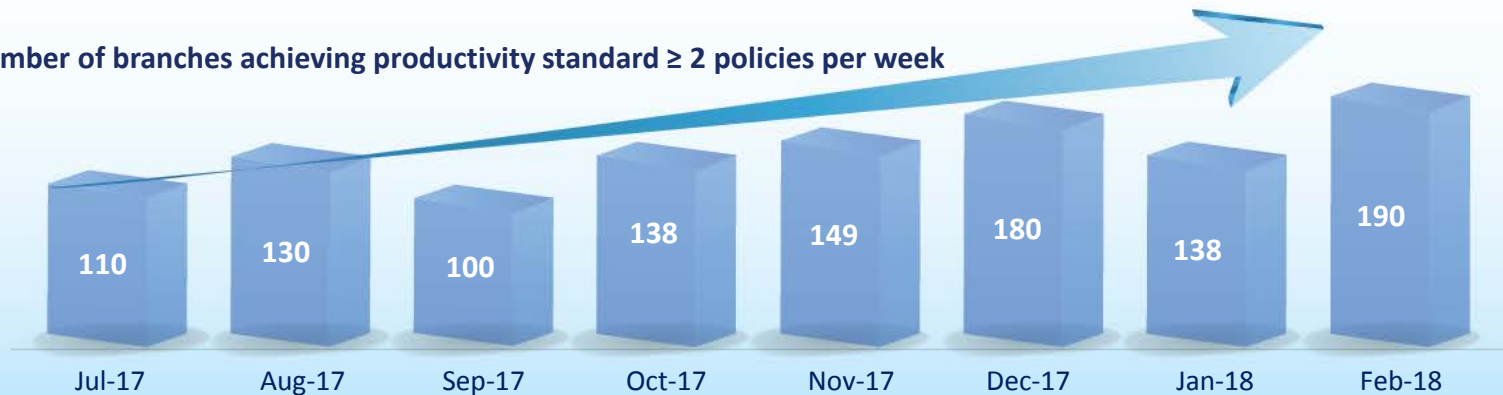
AGENT PRODUCTIVITY

Metropolitan agent productivity improving

Number of regions achieving productivity standard ≥ 2 policies per week



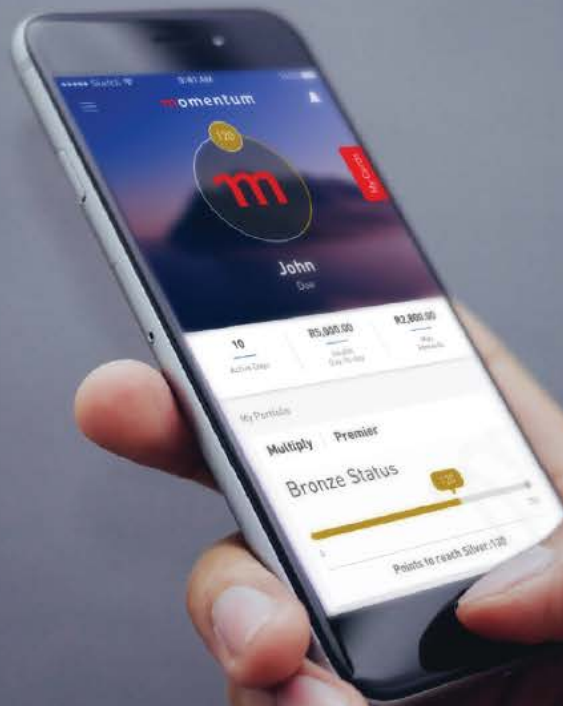
Number of branches achieving productivity standard ≥ 2 policies per week



EFFICIENCY: TECHNOLOGY

Momentum app

Your financial
wellness is in
your hands



Available on:



SHORT-TERM INSURANCE: LOSS RATIO IMPROVING



WHAT HAVE WE ACHIEVED

- Increase in Metropolitan agent productivity
- Momentum footprint expansion
- Good traction on African Bank partnership
- Solid performance by Momentum Short-term Insurance
- Product and solution innovation

FOCUS GOING FORWARD

- Continued focus on channel productivity and expansion
- Invest in client experience
- Invest in digitisation
- Continue to stay close to our intermediaries, agents and clients



3

Corporate business update

- 1 MMI strategy
- 2 Retail business update
- 3 Corporate business update**
- 4 Financial performance
- 5 Capital management
- 6 Q&A

WHAT WE SET OUT TO ACHIEVE

Momentum Corporate

- Improve client experience
- Strengthen distribution
- Focus on quality of new business
- Fix earnings

Momentum Health

- Single integrated health business
- From transactional to focusing on “health outcomes”

Momentum Investments

- One outcome-based investments business



Products **2014**

Focus

- Best products
- Appropriate rates
- Broker distribution
- Efficiencies

Differentiation

- Price
- Broker contact
- Product suite



Client centric **2017**

Focus

- Product margins
- Start client engagement
- Multi-channel growth

Differentiation

- Price
- Broker contact
- Product suite



Business Financial Wellness **2020**

Focus

- Client partnership and value proposition
- Business (and employee) Financial Wellness

Differentiation

- Client engagement
- Direct channel and broker distribution
- Multiply integration



Progress to date

Client centricity



Client centricity



Growth



Excellence



Client experience

Outcome-based investing

Health

Client service and experience excellence



Client Obsession

- Cultural change



Multiply

- Individual focus – Starter aligned to enable productivity Client Value Proposition
- Corporate focus – Engagement solution launched February 2018



Effective Employer Index

- Engagement tool to enable Financial Wellness conversations with employers
- Self-assessment tool developed and embedded in solution



Workplace Living Services

- Smart Exits – live 1 March 2018 in Momentum Retirement Administrators
- Development in progress for Smart Retirements and Smart Exits

multiply





Outcome-based investing

Our history of innovation and thought leadership



**Momentum
Investments**



**Momentum Global
Investment Management**



**Momentum Asset
Management**



**Metropolitan Asset
Management**



**FirstRand Alternative
Investments**



**RMB Asset
Management**



**Momentum
Outcome-based Solutions**



Advantage Asset Managers



PSG Escher Investment



Time Life

HOW OUR SOUTH AFRICAN HEALTH OFFERING ENABLES FINANCIAL WELLNESS OF CLIENTS



MORE THAN

46 000

BIRTHS



MORE THAN

24 000

EMERGENCY EVACUATIONS



MORE THAN

144 000

PEOPLE WITH HIV SUPPORTED



MORE THAN

670 000

HOSPITAL ADMISSIONS



MORE THAN

2.48 MILLION

LIVES COVERED



MORE THAN

36 BILLION

CLAIMS PAID



Progress to date

Growth

Strategic focus area



Client centricity



Growth



Excellence



FundsAtWork

Health

Improved margin and channels

FUNDSATWORK

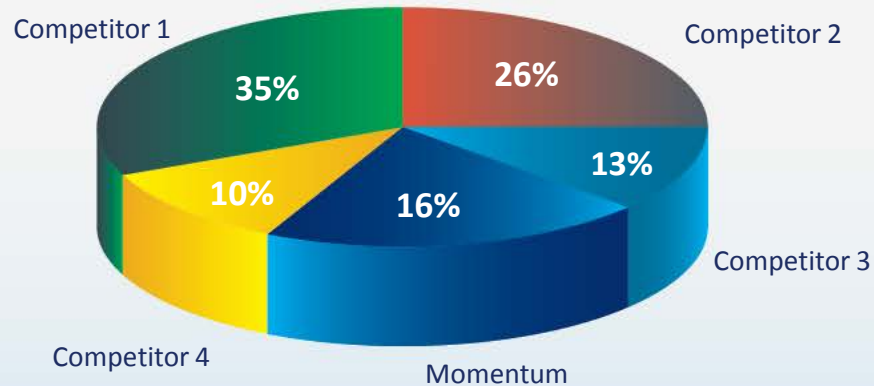
AUM Growth



Member growth



3rd Largest player in the market



80% of AUM with internal portfolios

79% of umbrella fund members have their insurance benefits with MMI

HEALTH : OPEN SCHEME GROWTH

Momentum Health showed best in industry member growth.



+7.6%_{PA}
OVERALL
GROWTH

Growth through Improved margin and channels



Earnings recovery:

- Material growth in earnings across all product lines
- Underwriting profitability recovery
- Health right-sized in F2017

New business:

- Re-built distribution channels in large corporate market
- Launched Momentum Consultants and Actuaries
- Improved new business margin
- Momentum Health, Health4Me and India all show strong growth



Progress to date

Excellence

Strategic focus area



Client centricity



Growth



Excellence



Recognition and awards

Investment performance
through an outcome-based
lens



RECOGNITION AND AWARDS



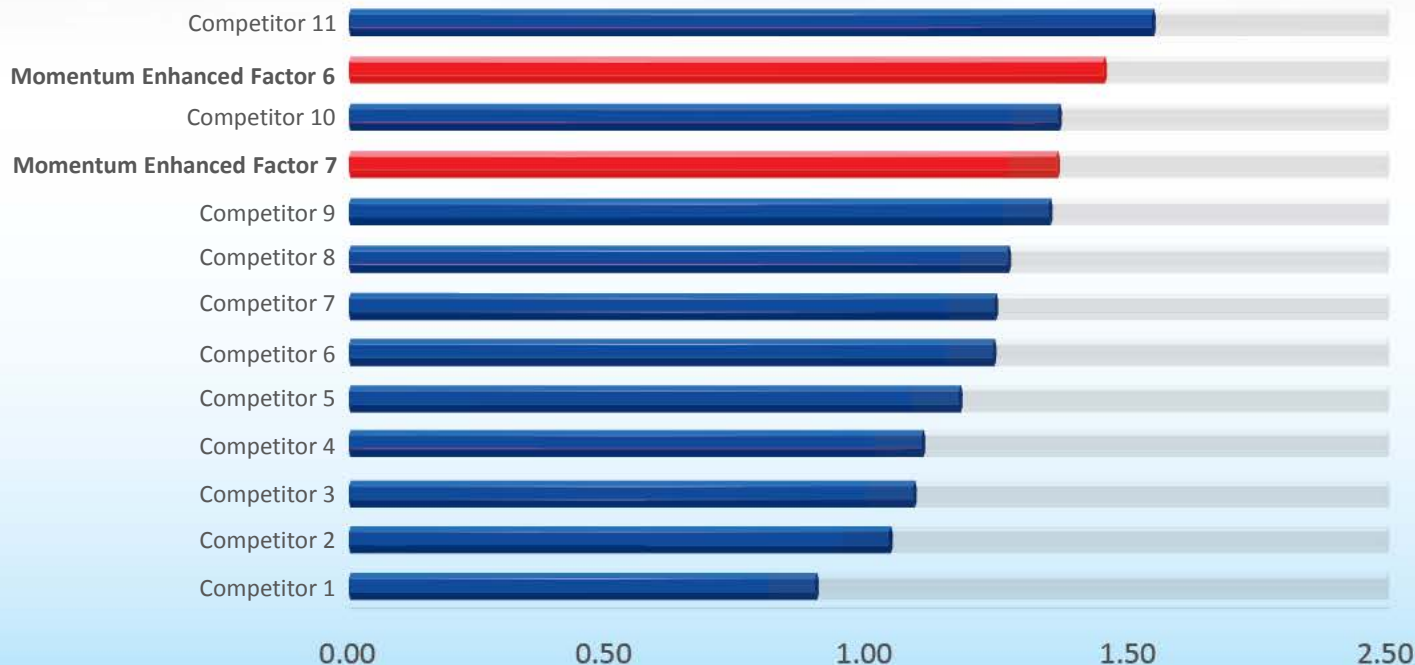
THE
LOERIE
AWARDS



Batseta | Council of
Retirement
Funds for
South Africa

INVESTMENT PERFORMANCE THROUGH AN OUTCOME-BASED LENS

Risk-adjusted returns Dec 2007 – Dec 2017



Depth of expertise in multi-asset solutions construction.

Single unified investment process and philosophy underpinned by a strong investment culture.

Access to broad & differentiated set of underlying investment classes through strategic model.



SUMMARY: WHAT WE HAVE ACHIEVED

- Excellent earnings recovery
- Improved underwriting results
- Stronger distribution channels
- Better quality of new business
- Sustained good investment performance
- Health business repositioned and strong empowerment partners



FOCUS GOING FORWARD: CORPORATE

- Culture of client obsession
- Strengthen distribution even further
- Underwriting margins can improve further
- Retailisation initiatives
- Holistic solutions



FOCUS GOING FORWARD: HEALTH

- Organic and acquisitive growth opportunities for Health
- Geographic growth through India
- Scale Momentum Health (open schemes)
- Conclusion of BBEE partnership and shareholding



Main focus for 2018
Grow the Momentum Investments brand

**outcome-based
investing**
your goal is our benchmark



4

Financial performance

- 1 MMI strategy
- 2 Retail business update
- 3 Corporate business update
- 4 Financial performance**
- 5 Capital management
- 6 Q&A



Progress to date

Financial aspirations

Financial aspirations

Growth in earnings

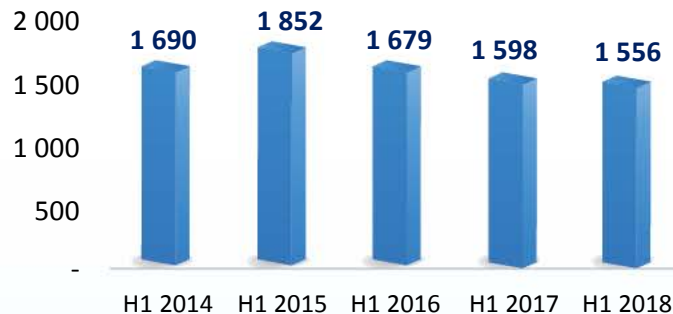
Growth in value of new business

Return on embedded value

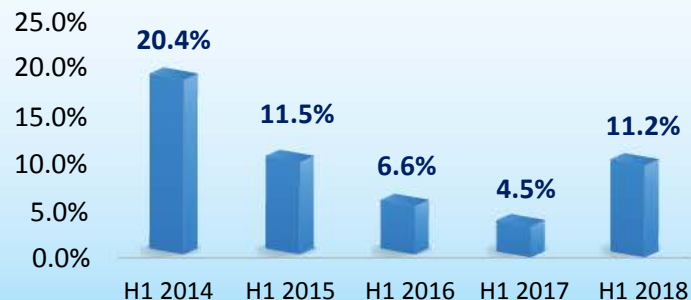
% Value of new business



R'm Core earnings



% Return on embedded value





CAPITAL DISTRIBUTION: WHAT ARE WE DOING AND WHY

1

Lower payout ratio

- R2bn vs R2.5bn in F2017
- 2.5 x dividend cover in future

2

We will use share repurchases

- 15% - 20% discount to EV
- EV per share uplift

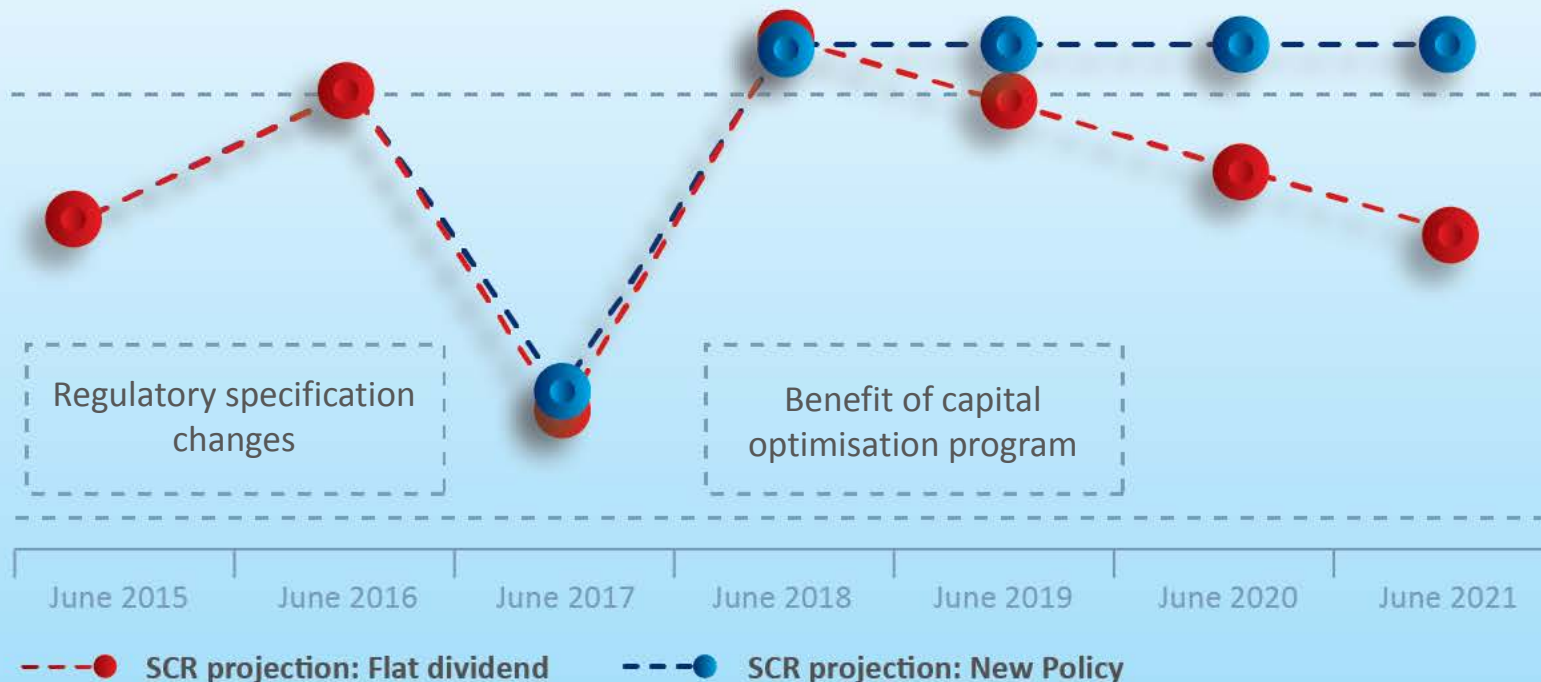
3

Why now?

- Completed a large-scale capital optimisation and modelling exercise
- SAM specifications more final

CAPITAL DISTRIBUTION: PROJECTED BALANCE SHEET RESULTS

MMI Holdings Limited: SCR coverage history and projection



CAPITAL DISTRIBUTION: CREDIT RATINGS

On 4 December 2017 Moody's affirmed MMI's top tier credit rating

Entity	Type	National scale	Global scale
MMI Group Ltd	Insurer Financial Strength	Aaa.za	Baa2
MMI Group Ltd	Subordinated Debt Rating	Aa2.za	Ba1
Guardrisk Insurance Company Ltd	Insurer Financial Strength	Aaa.za	Baa3
Guardrisk Life Insurance Company Ltd	Insurer Financial Strength	Aaa.za	Baa3

CAPITAL DISTRIBUTION: ADDITIONAL INFO ON THE BUYBACK PROGRAMME

R2bn approved to be utilised over the next 10 to 11 months vs the R2.5bn dividend in F2017

Effectively a 20% cut vs F2017

Open market repurchase

Maximum price per share set at EV per share

MMI will repurchase 5% to 6% of shares in issue and shareholder has choice to sell or not

CAPITAL DISTRIBUTION: SHARE IMPACT

EV PER SHARE UPLIFT

NUMBER OF
SHARES REPURCHASED



(EVPS - SHARE PRICE)



NUMBER OF
REMAINING SHARES

ACQUIRE **R2.5bn** OF EV FOR
R2.0bn OF CASH

THE **R0.5bn** OF VALUE
EQUATES TO **31cps**

FINANCIAL ASPIRATIONS

GROWTH IN EARNINGS

Significant factors impacting core headline earnings (CHE)



FINANCIAL ASPIRATIONS

GROWTH IN EARNINGS

Diluted core headline earnings

	Dec 2017	Restated Dec 2016	Change
	<i>Rm</i>	<i>Rm</i>	<i>%</i>
Momentum Retail	582	634	(8)
Metropolitan Retail	317	373	(15)
Momentum Corporate	455	320	42
International	103	(16)	>100
Operating divisions	1 457	1 311	11
Initiatives			
India	(102)	(39)	>-100%
aYo	(28)	(6)	>-100%
Money Management	(15)	(2)	>-100%
Shareholder Capital	244	334	(27)
Total diluted core headline earnings	1 556	1 598	(3)

FINANCIAL ASPIRATIONS

GROWTH IN VALUE OF NEW BUSINESS

New business volumes per segment

	Dec 2017	Restated Dec 2016	Change
	<i>Rm</i>	<i>Rm</i>	%
Momentum Retail	11 182	10 842	3
Metropolitan Retail	2 919	2 673	9
Momentum Corporate	4 855	6 366	(24)
International	1 367	1 414	(3)
Total PVP	20 324	21 295	(5)
Total APE	2 839	2 924	(3)

FINANCIAL ASPIRATIONS

GROWTH IN VALUE OF NEW BUSINESS

Value of new business per segment

	Dec 2017	Restated Dec 2016	Change
	<i>Rm</i>	<i>Rm</i>	<i>%</i>
Momentum Retail	89	106	(16)
Metropolitan Retail	130	94	38
Momentum Corporate	44	46	(4)
International	25	46	(46)
Total	288	292	(1)
New business margin (PVP)	1.4%	1.4%	-

RETURN ON EMBEDDED VALUE

EV PER SHARE SPLIT

Embedded value per share (cents)



ROEV (%)



■ Total ■ Covered ■ Non-covered

RETURN ON EMBEDDED VALUE

EV PROFIT STATEMENT

Embedded value profit

	Dec 2017	Dec 2016	Change
	<i>Rm</i>	<i>Rm</i>	<i>%</i>
New business profit	288	292	(1)
Unwind of discount rate	1 292	1 362	(5)
Experience variance and assumption changes	(57)	16	>(100%)
Operating EV Profit	1 523	1 670	(9)
Investment income on net worth	365	310	18
Market impacts	664	(793)	>100%
Covered EV profit	2 552	1 187	>100%
Non-covered earnings	(230)	(238)	3
Embedded value profits	2 322	949	>100%



5

Capital management

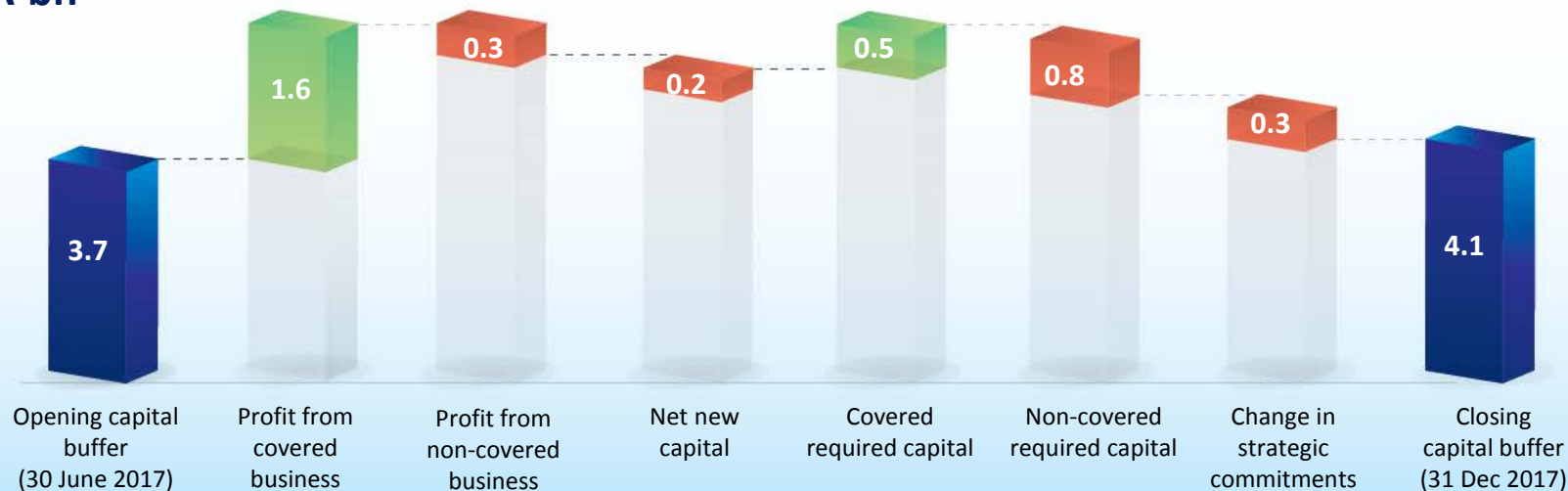
- 1 MMI strategy
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CAPITAL MANAGEMENT

CHANGE IN CAPITAL BUFFER

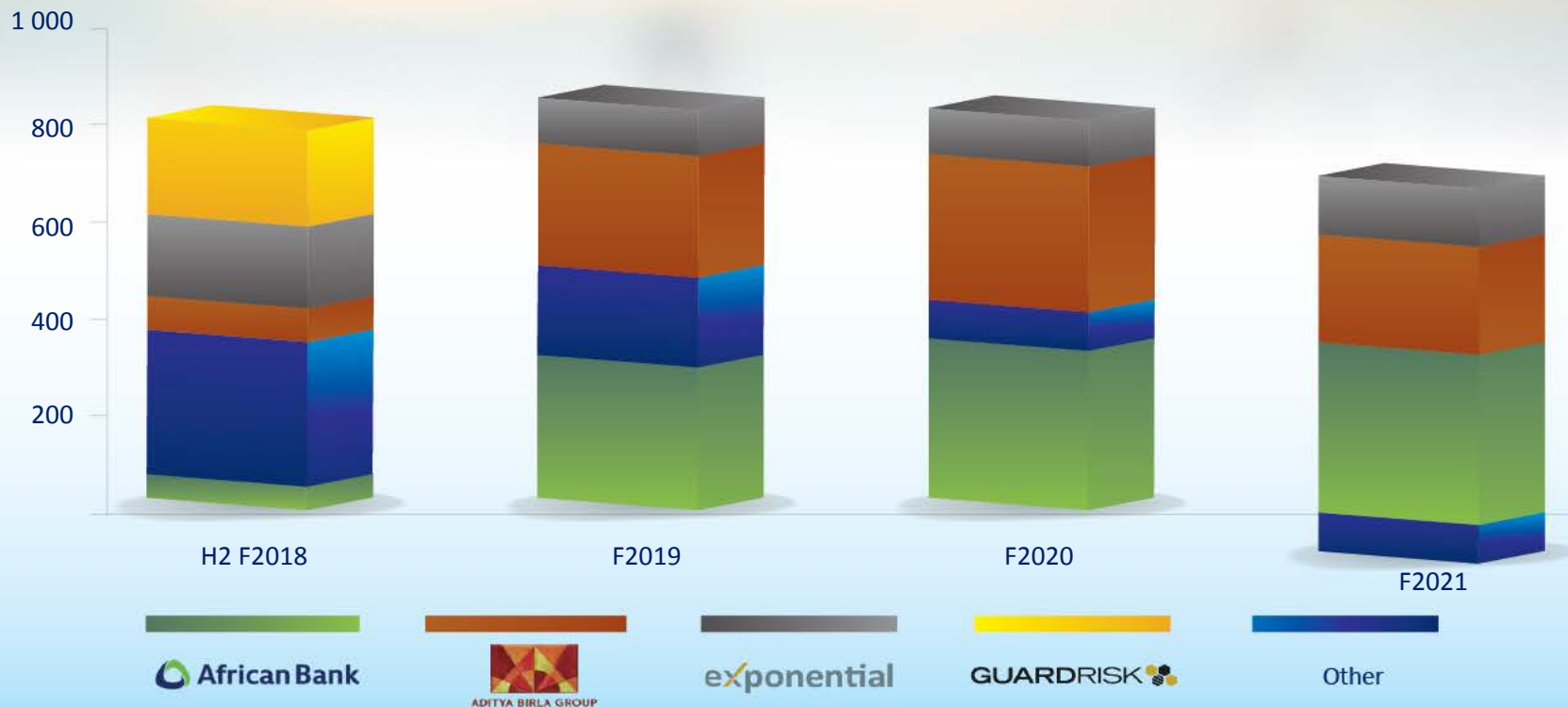
Change in excess capital position – June 2017 to December 2017

R'bn



CAPITAL MANAGEMENT

PLANNED CAPITAL DEPLOYMENT





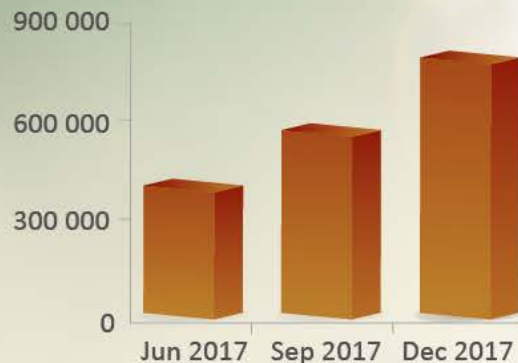
ABHI and ABW (India)

Progress to 31 December 2017



ADITYA BIRLA GROUP

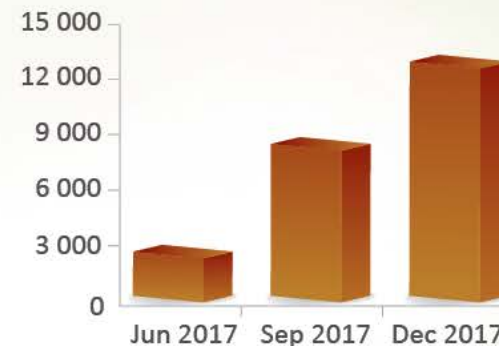
Number of lives



Gross written premium (Rm)



Number of agents



- 800 000+ lives
- R300m+ in Gross Written Premium
- 13 000+ agents in 59 branches in 36 cities
- Tied up with 3 500+ Hospitals across 509 cities

- 5 bancassurance tie ups (HDFC, DCB, RBL, Deutsche and AU Small Finance Bank)
- 65% of retail business issued through digital mode
- Retail business contribution is increasing, 28% of GWP at 31 Dec 2017 (7% at 30 June 2017)



ABHI and ABW (India)

Progress to 31 December 2017



ADITYA BIRLA GROUP

RETAIL FIXED BENEFITS PRODUCT – ACTIVE SECURE OFFERING:



“Best Health Insurance Product”
by FICCI Healthcare Excellence
Awards 2017

- Complete product suite with 2 more products launched in November 2017
- Fixed benefits products are better known in the market
- A more comprehensive retail health indemnity product “Active Secure”



PORTFOLIO OPTIMISATION

- **Momentum Financial Technologies (UK) has been sold**
- **Offers received for 5 African operations**
- **Due diligence and regulatory items take long**
- **Expect this project to last the remainder of 2018**



6

Q&A

1

MMI strategy

2

Retail business update

3

Corporate business update

4

Financial performance

5

Capital management

6

Q&A



MMI HOLDINGS



Q&A

momentum

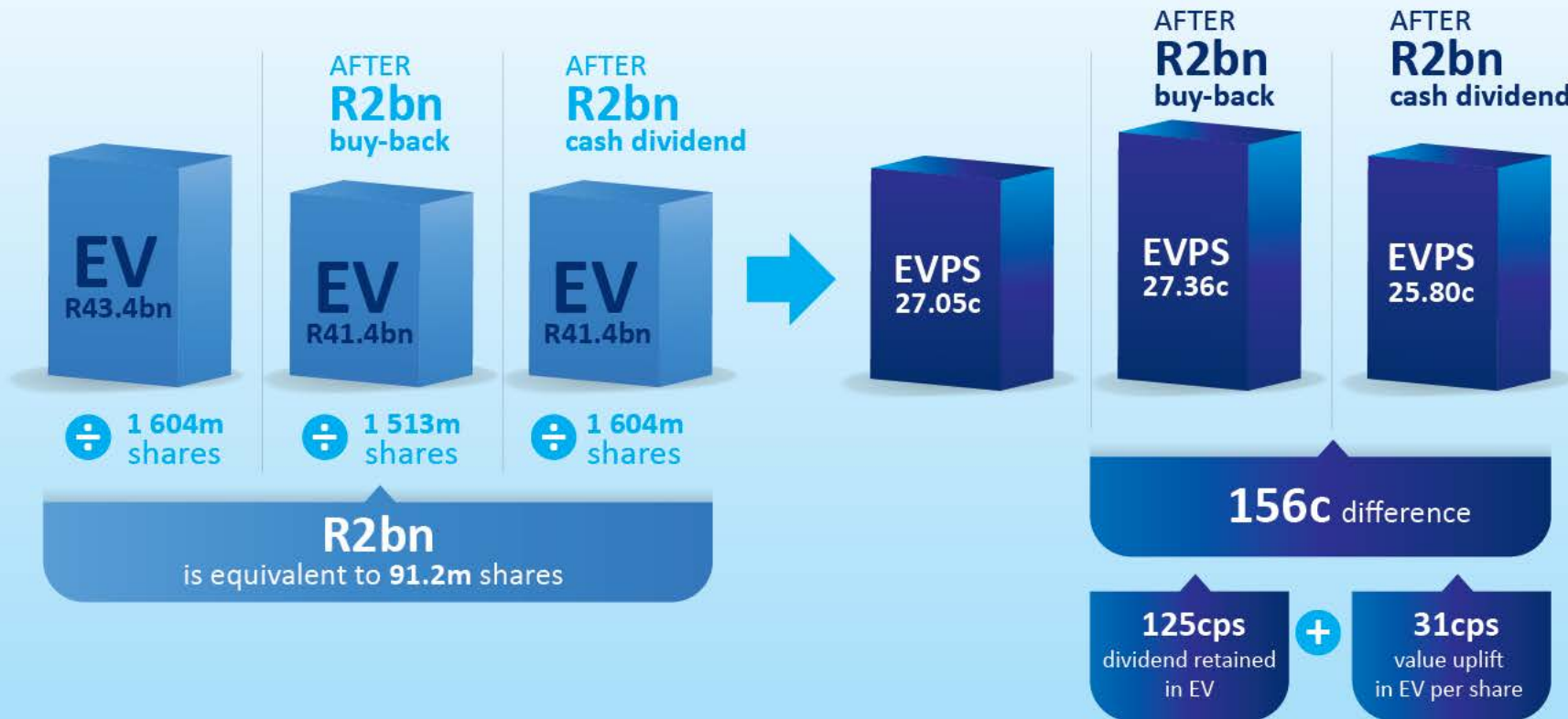


GUARDRISK 

multiply

————— Momentum, Metropolitan, Guardrisk and Multiply form part of MMI Holdings Group, an authorised financial services provider. —————

CAPITAL DISTRIBUTION: EV PER SHARE IMPACT



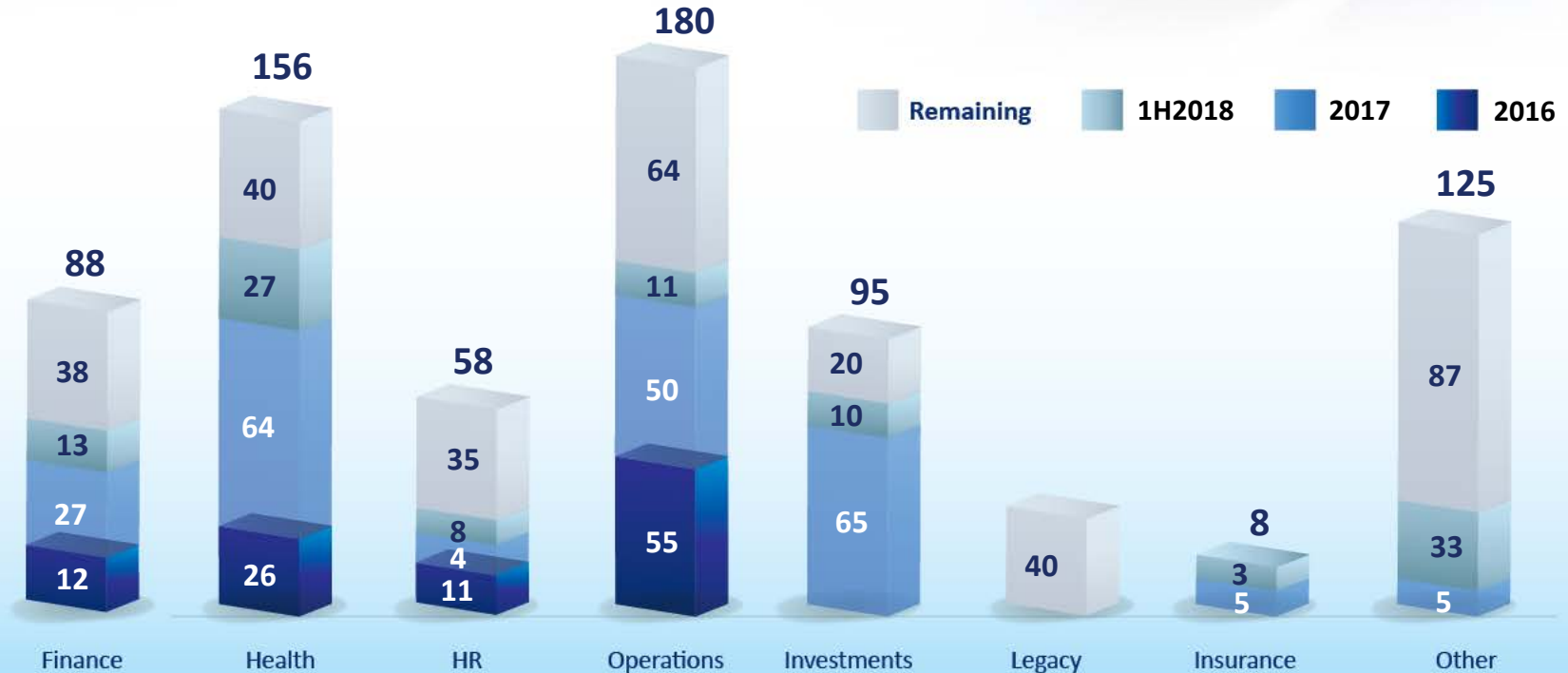
EXPENSE OPTIMISATION PROJECT

- Operating model enables optimisation
- Accumulative savings target of R750 million by F2019
- R104 million of the target achieved in F2016
- R219 million of the target achieved in F2017
- R104 million of target achieved in H1 F2018
- R323 million remaining

EXCELLENCE STRATEGIC FOCUS AREA

GOOD EARLY PROGRESS:

Achieved R427m of R750 target



MOMENTUM RETAIL

Key metrics

	Dec 2017	Restated Dec 2016	1 year change
	<i>Rm</i>	<i>Rm</i>	%
Diluted core headline earnings	567	632	(10)
New business PVP	11 182	10 842	3
Value of new business	89	106	(16)
New business margin	0.8	1.0	(0.2)

- Reduction in discretionary margin releases, reinsurance correction and Multiply discounts negatively impacted earnings
- Myriad showed recurring premium growth of 5% and new Guaranteed Return option boosted single premium sales
- Volume growth did not increase in line with expenses

METROPOLITAN RETAIL

Key metrics

	Dec 2017	Restated Dec 2016	1 year change
	<i>Rm</i>	<i>Rm</i>	%
Diluted core headline earnings	317	373	(15)
New business PVP	2 919	2 673	9
Value of new business	130	94	38
New business margin	4.5	3.5	1

- Weaker persistency and increased spending on new initiatives impacted earnings
- Single premium new business was up 25% mainly due to large flows into preservation funds
- VNB supported by lower commission, favourable new business mix and the adoption of the yield curve methodology

MOMENTUM CORPORATE

Key metrics

	Dec 2017	Restated Dec 2016	1 year change
	<i>Rm</i>	<i>Rm</i>	%
Diluted core headline earnings	455	320	42
New business PVP	4 855	6 366	(24)
Value of new business	44	46	(4)
New business margin	0.9	0.7	0.2

- Significant improvement in covered underwriting performance. Group disability improved by R80m for the year
- New business volumes lower in group risk business – market pricing is putting conversion rates under pressure
- VNB now based on actual pricing achieved at point of sale not long term assumed margin (year-on-year is not like for like)

INTERNATIONAL

Key metrics

	Dec 2017	Restated Dec 2016	1 year change
	<i>Rm</i>	<i>Rm</i>	%
Diluted core headline earnings	(27)	(61)	56
New business PVP	1 367	1 414	(3)
Value of new business	25	46	(46)
New business margin	1.8	3.3	(1.5)

- Earnings aided by better Namibia PHI experience and reduced support costs in SA offset to some extent by increased losses on aYo and India
- VNB was negatively impacted by increase in expenses in Namibia and a significant fall in the volumes of the corporate business in Lesotho