

ABOUT MMI

MMI Holdings Limited (MMI), a South African financial services group, listed on the JSE, is committed to a client-centric strategy that is purposefully focused on providing for our clients' needs in order to enhance their lifetime Financial Wellness. We believe Financial Wellness is a continuous process of planning and managing your money so that you can afford your expenses and reach your goals over your lifetime. We use our client-facing brands, mainly Metropolitan, Momentum, Guardrisk and Multiply, as well as MMI's financial services and other capabilities to enhance the Financial Wellness of individual clients, small and medium businesses, large companies, organisations and public enterprises in South Africa, the rest of Africa and selected international countries. MMI has strong capabilities in:

- Long and short-term insurance for individuals and corporates.
- Asset management, property management, investment and savings.
- Healthcare administration and health risk management.
- Client engagement solutions, including Financial Wellness and rewards programmes.



MMI HOLDINGS

OUR APPROACH TO INTEGRATED REPORTING

SCOPE OF THE REPORT

Our 2016 integrated report provides a comprehensive overview of the activities of MMI as well as financial and non-financial performance for the 12 months from 1 July 2015 to 30 June 2016. The report also gives a detailed overview of the group's client-centric operating model, its strategy and all financial and non-financial matters that are considered to be material.

MATERIAL MATTERS

In determining the content to be included in this report, we consider what the impact will be on value creation for our stakeholders over the short, medium and long term. We regard an issue to be material when it impacts our ability to achieve our strategy and developments that will influence an assessment of MMI's performance. We also consider factors that affect the economic growth and social development of the countries we operate in.

MMI regards the following as material to the group:

- The successful execution of the group's client-centric strategy of which the focus areas are:
 - client centricity
 - growth
 - excellence.
- Channel growth across all segments.
- Value creation to unlock Financial Wellness through Client Engagement Solutions.
- Group-wide expense optimisation project.
- Significant progress with geographical diversification into India and the UK.
- Streamlining portfolio in Africa.
- Embed the outcomes-based investment philosophy in the Investment and Savings Centre of Excellence.
- Implementing a turnaround strategy for the group's health administration businesses.
- Drive profitability in Momentum Short-term Insurance.
- Implementing actions to improve underwriting experience.

This is underpinned by our values of accountability, integrity, teamwork, diversity, innovation and excellence.

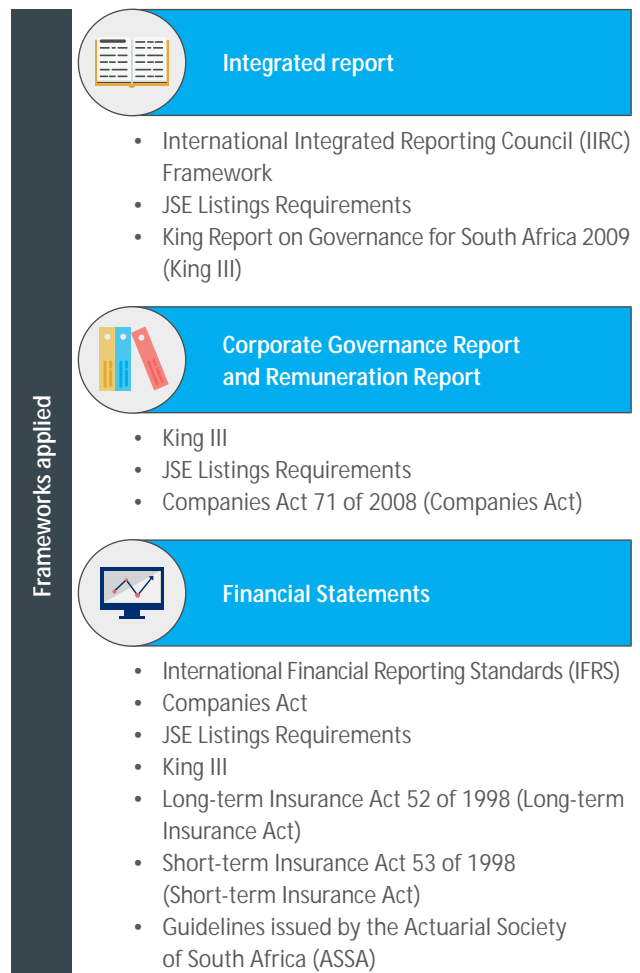
THE CAPITALS

MMI has identified financial capital, intellectual capital, human capital and social capital as imperatives for the successful creation of value for our business and our stakeholders. Although not a major consumer of natural capital, the group acknowledges the role business plays in the protection of natural capital and acts accordingly.

We have not structured the report using the capitals but we have embedded them within the relevant sections of the integrated report.

REPORTING FRAMEWORK

The integrated report has been prepared in accordance with the following key frameworks:



From 1 July 2015 MMI embarked on a new segmental reporting view that is aligned with the client-centric goals of the group. The segmental report has been disclosed on this new internal structure and the prior periods have been restated. The new segmental reporting had no impact on the current or prior year reported earnings, diluted earnings or headline earnings per share, or on the net asset value or net cash flow.

ASSURANCE

The non-financial content of this report was prepared by management and approved by the MMI board through its relevant committees. PricewaterhouseCoopers Inc. have audited the consolidated and separate annual financial statements and expressed an unmodified opinion for the year ended 30 June 2016. External assurance of non-financial matters has been limited to our broad-based black economic empowerment (B-BBEE) scorecard, verified by accredited ratings agency NERA, and our carbon footprint, verified by Global Carbon Exchange. Refer to page 30 for our transformation review.



For certificates in respect of our B-BBEE scorecard and our carbon footprint, refer to the MMI website www.mmiholdings.com.



FORWARD-LOOKING STATEMENTS

Certain statements in this integrated report may be defined as forward-looking within the meaning of the United States Securities Legislation.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that could result in the actual results, performance or achievements of the group being materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements may be identified by words such as *expect, believe, anticipate, plan, estimate, intend, project, target, predict, outlook*, and words of similar meaning.

Forward-looking statements are not statements of fact but statements by the management of MMI based on current estimates, projections, beliefs, assumptions and expectations regarding the group's future performance.

No assurance can be given that forward-looking statements will prove to be correct and undue reliance should not be placed on such statements.

Forward-looking statements apply only as of the date on which they are made, and MMI does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

APPROVAL BY THE MMI BOARD OF DIRECTORS

The board acknowledges its responsibility for ensuring the integrity, objectivity, reliability and transparency of the integrated report. In the opinion of the board the integrated report has been prepared in accordance with the IIRC Framework and addresses the material matters and issues and fairly presents the group's integrated performance.

The Audit Committee of the board has also evaluated the integrated report, prepared from information provided by management and considers the group annual financial statements compliant, in all material respects, with the required legislation and standards.

NICOLAAS KRUGER
Group chief executive officer

JJ NJEKE
Chairman

MMI ONLINE

All information contained in our integrated report is published on our website at www.mmiholdings.com. Where information is only available on the website, it will be indicated accordingly.

Sustainability information is available in the sustainability section of the MMI website www.mmiholdings.com. You can also find information on our share price performance and other economic data in the investor relations section on the website.

Our registered office is situated at:

268 West Avenue,
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WWW.MMIHOLDINGS.COM

AT A GLANCE

New business
PVP
↑ 35%
to R68 billion

Diluted
CORE HEADLINE EARNINGS
↓ 16%
to R3.2 billion

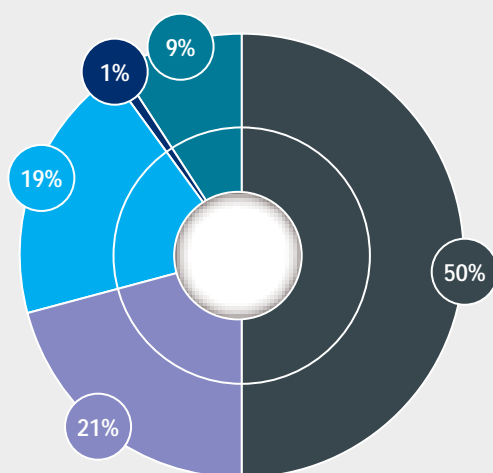
RETURN on
EMBEDDED
VALUE
13%

VALUE of
NEW BUSINESS
R850 million
+13% on
consistent basis

EXPENSE OPTIMISATION
PROJECT
on track

Total
DIVIDEND
increased to
157 cents
per share

DILUTED CORE HEADLINE EARNINGS CONTRIBUTION PER DIVISION AT 30 JUNE 2016



- Momentum Retail
- Metropolitan Retail
- Corporate and Public Sector
- International
- Shareholder capital

CAPITAL MANAGEMENT

	June 2015 Rbn	June 2016 Rbn
Economic capital		
Net asset value as per embedded value statement	16.5	16.9
Qualifying debt	3.3	3.5
Less: net asset value of strategic subsidiaries	(2.0)	(2.7)
Less: required capital	(10.6)	(10.0)
Capital before deployment	7.2	7.7
Deployed	(2.9)	(3.7)
Final dividend	(1.5)	(1.5)
Strategic initiatives	(1.4)	(2.2)
Capital buffer after deployment	4.3	4.0

TRANSFORMATION
LEVEL 2 B-BBEE STATUS



CORPORATE SOCIAL
INVESTMENT SPEND
R33 MILLION

EMPLOYEES



SOUTH AFRICA
14 697



INTERNATIONAL
2 863

SHAREHOLDER STRUCTURE

