

MMI makes good progress in third quarter

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Highlights:

- Diluted normalised headline earnings increased by 19% to R2.4billion
- Diluted normalised headline earnings per share increased by 26%
- Group's present value of new business premiums (PVNBP) increased by 11% to R40.6bn
- Reset and Grow strategy on track to meet financial targets of between R3.6 billion and R4 billion by 2021
- Momentum Corporate delivered outstanding growth in PVNBP of 62%

MMI Holdings (MMI), today issued an operating update for the third quarter of the financial year, indicating that diluted normalised headline earnings increased 19% to R2.4 billion relative to the prior period. Diluted normalised earnings per share increased 26% – reflecting the positive impact of the share buy-back programme and the group's Reset and Grow strategy. The PVNBP for the nine months was R40.6bn for the group, an increase of 11% from the prior period.

The main contributors to the earnings growth were Momentum Corporate, Momentum Life and Momentum Investments.

Momentum Corporate delivered outstanding growth of 62% to R12bn, with both single and recurring premium businesses increasing. This was supported by substantial single premium business and a 36% growth in recurring premium volumes.

Momentum Life PVNBP increased 6% due to good volumes from the recurring premium savings business.

Momentum Investments PVNBP was marginally down by 1%, mainly due to subdued new business volumes on the Wealth platform.

Metropolitan Retail's PVNBP of R3.6 billion slid 14% compared to the prior period. Focus remains on stabilising and growing the Metropolitan distribution channels and improving the quality of new business. Metropolitan Retail's tied agency force saw a pleasing increase in productivity per agent compared to the prior period, and the proportion of new business for which premiums are collected via salary deduction has improved – this bodes well for future persistency.

Africa had improved third quarter results with PVNBP growing by 1%, a marked improvement from the declines reported in previous quarters. Lesotho delivered strong single premium business from annuities whilst Namibia experienced an increase in recurring premium risk business from corporate clients. The plans to exit certain countries in Africa are progressing according to plan.

Momentum Short-term Insurance delivered an improved claims ratio and 18% growth in net earned premiums compared to the

prior period, whilst Guardrisk continued on its growth trajectory through organic growth.

The **India joint** venture with Aditya Birla is performing in line with expectations and continued its focus on growing retail business through channel expansion and productivity.

Hillie Meyer, MMI Holdings CEO commented “The current emphasis on financial discipline and improving our service is having a positive impact on the business. Good progress has been made with the Reset component of the Reset and Grow strategy, and focus will increasingly shift toward the Grow component going forward.”