

About this report

Our 2018 integrated report provides a comprehensive overview of the activities of MMI, and its financial and non-financial performance for the 12 months from 1 July 2017 to 30 June 2018. The report also gives detail on the group's refocused and simplified operating model, strategy and various matters that are considered to be material.

Material matters

In determining the content to be included in this report, we consider factors that impact value creation for our stakeholders over the short, medium and long term. We also consider factors that affect the economic growth and social development of the countries we operate in. We regard an issue to be material when it impacts our ability to achieve our strategy. Over the past few months, MMI's leadership reassessed our material issues and identified factors required for the group to sustain its earnings growth and drive value creation.

True client focus is at the very centre of our strategy. As we move forward we are determined to ensure that we simplify our businesses which had become over complicated. We will do this by:

- Implementing the new simplified operating model by:
 - Creating end-to-end businesses with increased accountability.
 - Empowering business leaders to improve agility and to speed up decision making.
 - In doing this, driving product innovation to become more competitive.
- Investing in and rebuilding our various distribution capabilities to drive new business volumes by:
 - Expanding our footprint.
 - Improving productivity per intermediary.
 - Developing improved adviser tools and deepening their user experience.
 - Enhancing our direct client capability.
- Improving client and intermediary satisfaction to retain clients and increase intermediary support by:
 - Improving the service model and engagement platform.
 - More intensive monitoring of delivery against client expectations.
- Continuously improving efficiency in everything we do by:
 - Digitising the client, intermediary and employee engagement environment.
 - Migrating dated IT solutions to fit-for-purpose platforms.
 - Managing operating expenses.
 - Innovating to generate business efficiencies and to reduce costs.

- Maximising value from our main areas of capital deployment by:
 - Achieving optimal returns from existing initiatives (Joint ventures respectively with African Bank, Aditya Birla Capital and aYo with MTN and our Exponential Ventures business).
 - Following a more disciplined approval and funding model for future initiatives.
- Driving excellence in the way we operate to enhance delivery and execution by:
 - Continuing to drive growth and profitability in Momentum Short-term Insurance and Health.
 - Rebuilding our investment brand to generate flows and maintain our excellent investment performance.
 - Capital optimisation and deployment.
- Exiting marginal operations outside of South Africa.

Reporting frameworks

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

The full report:

- International Integrated Reporting Council (IIRC) Framework.
- JSE Listings Requirements.
- King IV Report on Corporate Governance for South Africa™ 2016 (King IV).

Corporate governance report and remuneration report:

- King IV.
- JSE Listings Requirements.
- Companies Act, 71 of 2008 (Companies Act).

Financial statements:

- International Financial Reporting Standards (IFRS).
- Companies Act.
- JSE Listings Requirements.
- King IV.
- Long-term Insurance Act, 52 of 1998 (Long-term Insurance Act).
- Short-term Insurance Act, 53 of 1998 (Short-term Insurance Act).
- Insurance Act, 18 of 2017 (Insurance Act).
- Guidelines issued by the Actuarial Society of South Africa (ASSA).

The capitals impacting our ability to create value

Financial capital, intellectual capital, human capital and social capital are imperative for the successful creation of value for our business and our stakeholders. Although MMI is not a major consumer of natural capital, we acknowledge the important role of business in protecting natural capital and act to reduce our impact accordingly.

This report is not structured according to the IIRC Framework's six capitals, but these are embedded within the report as appropriate.

Assurance

The non-financial content of this report was prepared by management and approved by the MMI Board of Directors (the 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 2018. External assurance of non-financial content 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).

Certificates in respect of our B-BBEE scorecard and carbon footprint are available on the MMI website www.mmiholdings.com.

Forward-looking statements

Certain statements in this integrated report may be defined as forward-looking as defined by 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. 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, addresses the material matters and issues sufficiently, and fairly presents the group's 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.



HILLIE MEYER
Group Chief Executive Officer



JJ NJEKE
Chairman

MMI online

All information contained in our integrated report is published on our website. Where information is only available on the website, it is indicated accordingly.

Stakeholders can also access the following information on the MMI website www.mmiholdings.com:

- *Sustainability information in the sustainability section.*
- *Information on our share price performance and other economic data in the investor relations section.*

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