

OUR APPROACH TO INTEGRATED REPORTING

ABOUT MMI

MMI is a JSE Top 40 listed South African financial services group, committed to a client-centric strategy that is purposefully focused on solving our clients' problems in order to enhance their lifetime financial wellness. We use our client-facing brands, mainly Metropolitan, Momentum, Guardrisk and Eris, and 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

SCOPE OF THE REPORT

Our 2015 integrated report provides a comprehensive overview of the activities of the MMI Holdings Ltd group (MMI) as well as its financial and non-financial performance for the 12 months from 1 July 2014 to 30 June 2015.

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 material. Matters are considered material if they can affect the group's ability to create value for all stakeholders.

FINANCIAL STATEMENTS

Our financial statements for the financial year ended 30 June 2015 have been prepared in accordance with the provisions of the South African Companies Act, 71 of 2008, the Long-term Insurance Act, 52 of 1998, and the Short-term Insurance Act, 53 of 1998, as amended and comply with International Financial Reporting Standards (IFRS) and guidelines issued by the Actuarial Society of South Africa.

The financial disclosure in this report is consistent with that of the 2014 year-end and the 2015 interim financial results. MMI is in the process of phasing in a new client-centric operating model announced in March 2014. Appropriate changes in financial reporting will be introduced as the group progresses with the operating model implementation.

ASSURANCE

The non-financial content of this report was prepared by management and approved by the MMI Holdings board through its relevant committees. External assurance of non-financial matters has been limited to our broad-based black economic empowerment scorecard, verified by accredited ratings agency NERA (please see page 23 for more detail), and our carbon footprint, verified by Global Carbon Exchange. Both certificates are available on our website, www.mmiholdings.com.

Our independent auditors, PricewaterhouseCoopers, have provided external assurance in respect of the group annual financial statements and reviewed the group embedded value report.

APPROVAL BY THE MMI BOARD OF DIRECTORS

The board acknowledges its responsibility for ensuring the integrity, objectivity, reliability and transparency of the integrated report.

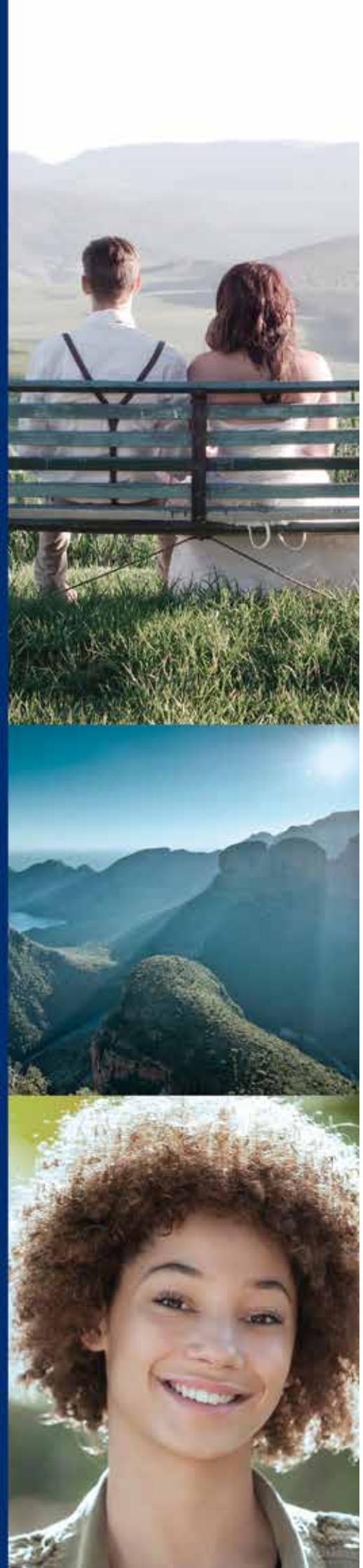
The Audit Committee of the board has also evaluated the integrated report, prepared from information provided by management and considers the group annual financial statements compliant, in all material respects, with the required legislation and standards.



NICOLAAS KRUGER
Group chief
executive officer



JJ NJEKE
Chairman



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.

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MMI ONLINE

All information contained in our integrated report is published on our website at www.mmiholdings.com.

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.

Our registered office is situated at 268 West Avenue, Centurion, South Africa

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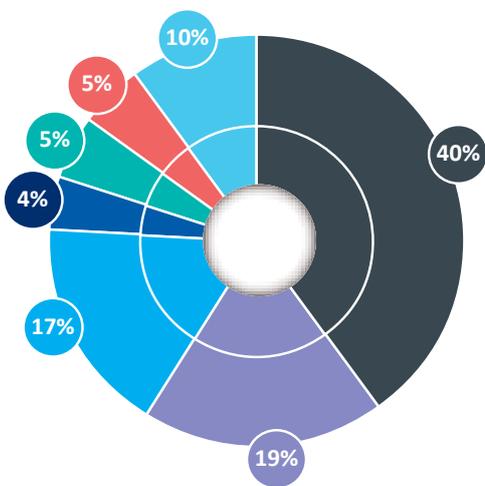
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HIGHLIGHTS

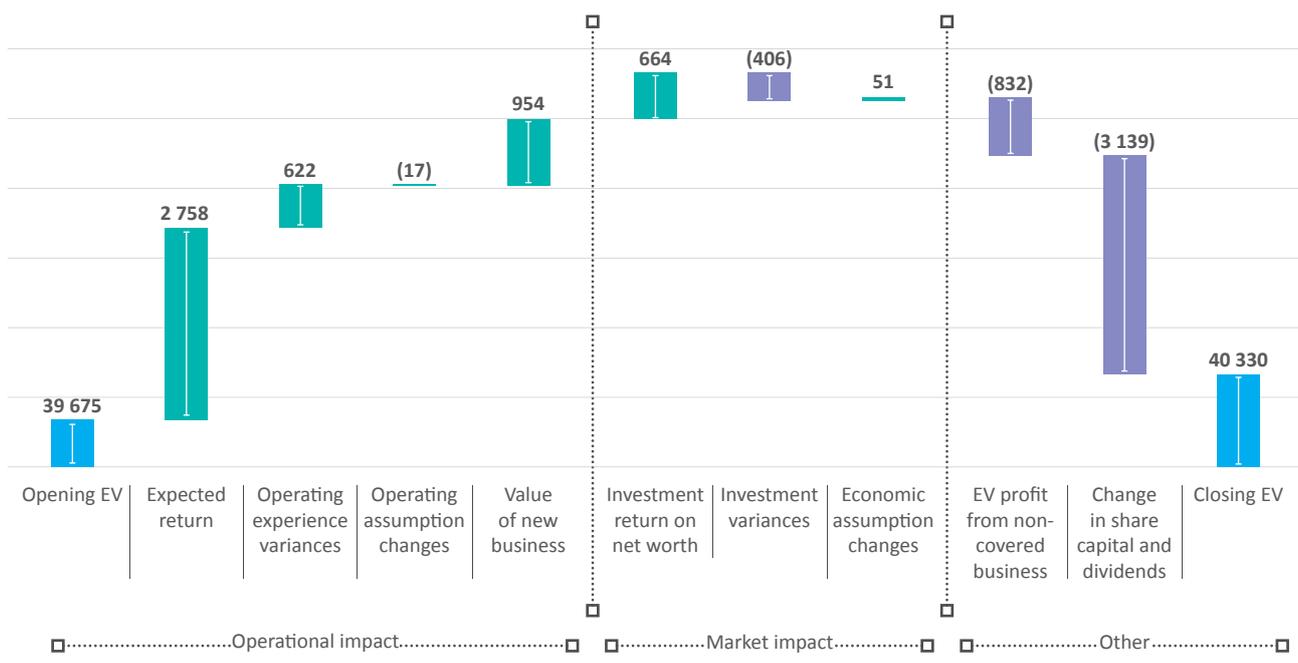
<p>New business PVP</p> <p>↑ 21% to R50 billion</p>	<p>VALUE of NEW BUSINESS</p> <p>↑ 22% to R954 million</p>	<p>RETURN on EMBEDDED VALUE of</p> <p>10%</p>
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DILUTED CORE HEADLINE EARNINGS CONTRIBUTION PER DIVISION AT 30 JUNE 2015



	June 2015 Rm	June 2014 Rm	Change
Momentum Retail	1 531	1 372	12%
Metropolitan Retail	738	587	26%
Momentum Employee Benefits	660	516	28%
International	152	122	25%
Momentum Investments	181	197	(8%)
Metropolitan Health	209	171	22%
Operating divisions	3 471	2 965	17%
Shareholder capital	365	656	(44%)
Total	3 836	3 621	6%

EMBEDDED VALUE (EV) ANALYSIS (Rm)



ROEV 10%

PROFITS from OPERATING DIVISIONS

↑ **17%**
to R3.5 billion

CORE HEADLINE EARNINGS

↑ **6%**
to R3.8 billion

TOTAL DIVIDEND

↑ **9%**
to 155 cents per share

CAPITAL STRENGTH

Economic capital	Rbn
Net asset value as per embedded value statement	16.5
Qualifying debt	3.3
Less: net asset value of strategic subsidiaries	(2.0)
Less: required capital	(10.6)
Capital buffer before deployment	7.2
Deployed	(2.9)
Final dividend	(1.5)
Debt issue and redemption	0.3
Strategic: Committed	(0.7)
Growth initiatives	(1.0)
Capital buffer after deployment	4.3

MMI SHARE INFORMATION

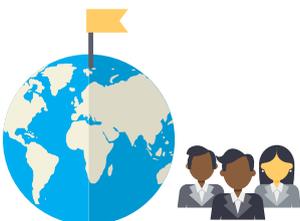
	2015	2014	
Listed ordinary shares	1.6	1.6	bn
Preference shares	32	34	m
Total shares in issue	1.6	1.6	bn
Share price at year-end	3 015	2 625	cents
Fully diluted headline earnings per share	181.4	204.0	cps
Market capitalisation at year-end	48	42	bn

EMPLOYEES



SA employees:

14 595



International employees:

2 644

SKILLS DEVELOPMENT



Investing R94 million on the provision of learnerships and internships for black employees and unemployed youth; R51 million (54%) was allocated to black females

TRANSFORMATION

Level 2 B-BBEE status

