

# MMI issues positive first quarter trading update

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MMI Holdings Limited (MMI) today issued its first quarter trading update to 30 September 2012, recording a 13% increase in new business annual premium equivalent (the sum of new recurring premiums plus 10% of single premiums) compared to the same period in 2011.

This increase in new business was achieved against the background of an ongoing difficult and uncertain operating environment characterised by low interest rates, weak employment levels, the rising cost of electricity and petrol, a volatile currency and weak global demand conditions that continue to impact negatively on domestic economic growth and confidence.

MMI expects growth in new business volumes to remain dependent on economic conditions. Diversification of distribution, geographies, markets and products continue to underpin the Group's growth strategy and has to some extent cushioned MMI from negative economic conditions.

MMI continues to focus on expense management and merger efficiencies in order to realise the expense savings envisaged through the merger. The Group achieved a recurring cost saving of

R201 million over the past year as a direct result of the merger integration process. Further cost savings will be realised from other projects, including the proposed amalgamation of the long-term insurance licences of Metropolitan and Momentum during 2013.

## **Two years of MMI**

MMI celebrates its second birthday on 1 December 2012. During the past two years, the Group developed and implemented a strategy to realise its vision of being a leader in meeting financial service needs across its market segments in South Africa, other African countries and selected international markets. It also successfully launched the MMI values, which shape the company's culture and commitment to excellence.

MMI has paid out dividends totalling 304 cents per share since the launch of the group; an impressive 19% of the opening share price.

The Group renewed its empowerment partnership with Kagiso Tiso Holdings, which has an effective shareholding of 7% in MMI. It has also maintained a level 3 Broad-Based Black Economic Empowerment status.

MMI has made significant strategic acquisitions including full ownership of the short-term insurance business, full ownership of Namibian operations, and a majority shareholding in the property company Eris.

The Group recently announced that it joined the Allianz's worldwide employee benefits network (All Net) which will expand its African footprint. The partnership means that MMI will have a network into

which Metropolitan International can provide financial products for countries where it previously did not have a presence.

MMI is proud of the milestones achieved and looks forward to establishing and entrenching the Group as a leader and delivering superior shareholder returns on a sustainable basis.