

# MMI delivering on strategy and investing in growth

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MMI Holdings Limited (MMI) today announced its interim results for the six months to 31 December 2014, delivering a solid performance with an annualised return on embedded value of 12% for shareholders. Overall core headline earnings grew by 10% to R1 852 million, while the profits from operations were up by 13%. The group declared an interim dividend of 63 cents per share, representing an 11% increase when compared to the same period in 2013.

MMI, which surpassed the R50 billion market capitalisation mark earlier this year, achieved this solid operational performance, after allowing for investment into new growth initiatives.

Nicolaas Kruger, MMI CEO, said these results are pleasing given the continuing difficult operating environment. He said the negative return from equity markets during the six-month period, South Africa's credit outlook, the ongoing energy crisis, labour challenges and the fact that consumers remain under pressure, contributed to the difficult operating environment.

MMI's value of new business increased by 11% to R420 million, compared to the same period in 2013. New business on a present

value of premiums (PVP) basis grew by 15% to R24 billion.

"Although MMI's mature businesses are delivering solid results, investments into a number of new initiatives impacted overall profit growth during the reporting period. The new initiatives are aligned to our strategic focus areas of growth, client-centricity and excellence, and support MMI's vision to be the preferred lifetime financial wellness partner for our clients" says Kruger.

Momentum Short-term Insurance, one of the group's product diversification initiatives, has increased the number of policies on book from 30 000 in December 2013 to more than 50 000 by December 2014. The Momentum middle-market initiative, a segment diversification initiative, has opened new branches and launched various products into that market.

MMI continues to seek out growth opportunities both inside and outside of South Africa, having announced a partnership in India with financial services group Aditya Birla Group in October 2014 and acquired stock broking firm Imara SP Reid in December 2014.

"Since we successfully bedded down the merger, the implementation of our client-centric strategy has become paramount. For growth, MMI will concentrate on geographical diversification, increasing our client base and increasing the value of existing clients. Client-centricity remains at the centre of everything we do and is focused on MMI's purpose to enhance the lifetime financial wellness of people, their communities and their businesses. Excellence will be achieved through a focus on

efficiencies and delivering a consistently excellent client experience," says Kruger.

"I am pleased with the progress we have made with our client-centric strategy and look forward to maintaining our track record and delivering good results for all stakeholders into the future," concludes Kruger.