

MMI and African Bank conclude partnership agreement to expand financial services

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MMI Holdings Limited (MMI) and African Bank Holdings Limited (African Bank) are pleased to announce that they have entered into a mutually beneficial partnership.

Subject to regulatory approval, the partnership will enable each group to leverage each other's strengths and provide greater value to their respective customer bases, through offering a wider range of products and services. The partnership results in an expanded distribution network and solution set and ultimately provides greater access and enhanced customer experience.

The value sharing partnership is based on three business lines, including lending and insurance business ventures. The third venture will involve the provision of transactional banking capabilities to enable the MMI value proposition.

The lending venture will enable MMI to offer needs-based credit to its customer base through its various distribution channels. African Bank will be the exclusive unsecured credit provider for MMI clients

and credit will be granted within the parameters of a mutually agreed credit policy.

The insurance opportunity will enable African Bank to provide MMI insurance products to its customer base through the various African Bank distribution channels. MMI will become the insurance partner to African Bank on an exclusive basis.

This partnership between African Bank and MMI is an extension of an already existing relationship with MMI's wholly owned subsidiary Guardrisk. Guardrisk currently underwrites the African Bank's credit life insurance, insuring African Bank's risk exposures through a cell captive structure.

African Bank CEO Brian Riley says: "We are delighted to have concluded this partnership with MMI. Achieving our mission to become a successful retail bank includes partnering where it makes sense; therefore the MMI and African Bank partnership reaches into the essence of our strategy. It will enable the bank to enhance the value offered to our customers and it will broaden our reach into a new customer base."

MMI CEO Nicolaas Kruger says: "We are very pleased to enter into this partnership with African Bank as it extends our product offering to include banking services to our clients, an integral component to enabling Financial Wellness. We are also excited to be extending our Financial Wellness offering to more than 1.2 million African Bank clients, enabling them to incorporate important solutions into their financial planning process."

The partners expect to build a loan book within the lending joint venture in excess of R10 billion in the first five years. The insurance venture is expected to build a distribution channel able to generate in-force premiums in excess of R1 billion within five years from inception.

The first phase of the venture will be with Metropolitan, a division within MMI Group Limited, and is expected to go live in the second half of 2017. The lending activities will become fully functional during the first half of 2018.

About MMI Holdings

MMI Holdings Limited (MMI) is a South African based financial services group listed on the South African stock exchange, the JSE. The group operates in the market through multiple client-facing brands including insurance and investment brands Metropolitan and Momentum, South Africa's number one cell captive insurer Guardrisk and wellness & rewards programme Multiply. MMI operates in 14 countries, 12 in the African continent, United Kingdom, and India through a direct presence, strategic partnerships and joint ventures.

MMI's purpose is to enhance the lifetime Financial Wellness of people, their communities and their businesses. Financial Wellness is a continuous process of planning and management for individuals, households and businesses, with the aim of affording expenses and achieving goals over one's lifetime. Our promise to our clients is to be their Financial Wellness partner over this life-

long journey, using our expertise and solutions to help them develop and reach their goals.

Visit us at www.mmiholdings.co.za.

About African Bank

African Bank's mission is to be a successful retail bank, offering a wide range of products and services to the consumers of South Africa. African Bank seeks to provide more value to its customers than they expect. The Bank promises to live its purpose of 'humanity through banking' in all that it does and is confident that it can, having a client-centric ethos expressed in the payoff line 'We are You'.

African Bank Limited is a 100% subsidiary of African Bank Holdings Limited (ABHL). ABHL is an unlisted registered bank controlling company under the Banks Act, Act 94 of 1990. The shares in ABHL are privately held by the South African Reserve Bank, the Government Employees Pension Fund, Barclays Africa Group Limited, Nedbank Limited, FirstRand Bank Limited, Investec Bank Limited, The Standard Bank of South Africa Limited and Capitec Bank Limited.

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