

Momentum Metropolitan Holdings Limited
(Previously MMI Holdings Limited)
Incorporated in the Republic of South Africa
Registration number: 2000/031756/06
JSE Share Code: MTM
NSX Share Code: MMT
ISIN: ZAE000269890
("Momentum Metropolitan" or "the Group")

Momentum Metropolitan Life Limited
(Previously MMI Group Limited)
Incorporated in the Republic of South Africa
Registration number 1904/002186/06
Company code: MMIG
("Momentum Metropolitan Life" or "the Issuer")

Amendment to Momentum Metropolitan Life credit ratings

Shareholders of the Group and noteholders of the Issuer are hereby advised that Moody's Investors Service, ("Moody's") has, on 01 April 2020, amended the ratings of a number of South African insurance groups, including that of Momentum Metropolitan Life following the rating action on the South African sovereign on 27 March 2020.

The outcome of the amendment is that the Insurer Financial Strength rating of Momentum Metropolitan Life has been downgraded to Baa3 from Baa2. This action follows the downgrade of the South African government's issuer rating to Ba1 from Baa3 on 27 March 2020.

As stated in the announcement by Moody's: "Momentum Metropolitan Life's Baa3 global scale, and Aaa.za national scale, IFS ratings reflect the insurer's top tier market position in South Africa, its solid capital position and its flexible product characteristics which serve to reduce the impact on the group from stress related to credit pressures at the sovereign level. The group's capital has strengthened over the past 18 months, benefiting from higher retained earnings given its more conservative dividend policy and improving profitability."

The rationale for the rating downgrade is primarily driven by the weakening credit profile of the South African government and the banking sector, given the Issuer's high exposure to government debt securities and cash and short-term instruments issued by local banks, which links its credit profiles to that of the government and the banking system. In addition, Moody's expects the increasingly difficult operating environment to place pressure on the Issuer's profitability and asset quality.

Below is a summary of the Issuer's affected ratings:

- Insurance Financial Strength rating to Baa3 from Baa2;
- National scale Insurance financial strength rating affirmed Aaa.za
- Long-term Issuer rating to Ba1 from Baa3;
- National scale Long- term Issuer rating to Aa1.za from Aaa.za;
- Subordinated debt to Ba2(hyb) from Ba1(hyb);
- Backed Subordinated debt to Ba2(hyb) from Ba1(hyb);
- National scale subordinated debt to Aa3.za(hyb) from Aa2.za(hyb);
- National scale backed subordinated debt to Aa3.za(hyb) from Aa2.za(hyb);
- Subordinated MTN program to (P)Ba2 from (P)Ba1;
- Backed Subordinated MTN programme to (P)Ba2 from (P)Ba1;
- National scale subordinated MTN program to Aa3.za from Aa2.za; and
- National scale backed subordinated MTN program to Aa3.za from Aa2.za.

The rating action does not reflect any change in the fundamental credit quality of Momentum Metropolitan or the Issuer following the review of the standalone credit rating by Moody's in 2019.

The full credit rating report has been made available at the below link:

<https://www.momentummetropolitan.co.za/en/investor-relations/debt-investor>

SENS issue: 2 April 2020

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