

MOMENTUM METROPOLITAN HOLDINGS LIMITED

Incorporated in the Republic of South Africa

Registration number: 2000/031756/06

ISIN code: ZAE000269890

JSE Share Code: MTM

A2X Share Code: MTM

NSX Share Code: MMT

(“Momentum Metropolitan” or “the Group”)

MOMENTUM METROPOLITAN LIFE LIMITED

Incorporated in the Republic of South Africa

Registration number: 1904/002186/06

Company code: MMIG

Trading statement for the six months ended 31 December 2020

Momentum Metropolitan is currently in the process of finalising its results for the six months ended 31 December 2020, which will be published on 4 March 2021. Pursuant to paragraph 3.4(b) of the JSE Limited Listings Requirements, shareholders are advised that the Group's earnings per share, headline earnings per share and normalised headline earnings per share are expected to be within the following ranges relative to the comparative numbers reported for the six months ended 31 December 2019:

	1H2021	1H2020	Range $\Delta\%$
Earnings per share (cents)	52 to 73	104	-30% to -50%
Headline earnings per share (cents)	51 to 71	101	-30% to -50%
Normalised headline earnings per share (cents)	59 to 83	118	-30% to -50%

When the Group published its financial results for the 12 months ended 30 June 2020 in September 2020, it was explained that Momentum Metropolitan had raised additional provisions against the impact of the Covid-19 pandemic and the resultant deterioration in economic conditions. The experience to date, since September 2020, has unfortunately been more severe than what was initially modelled. Covid-19 related claims were especially severe in January 2021.

The Group has therefore updated its modelling to take account of the most recent internal claims data, South African Medical Research Council (“SAMRC”) Report on Weekly Deaths, as well as possible future development of the pandemic in South Africa. As a result, the group has decided to increase its Covid-19 reserves by approximately R850 million (gross of tax) for the interim F2021 results. This will result in the Group’s earnings per share, headline earnings per share and normalised headline earnings per share declining as per the table above.

Excluding these additional provisions, the Group delivered earnings similar to those in the prior comparative period. This was supported by solid growth in the operating profit of Momentum Investments, Non-life Insurance and Momentum Metropolitan Africa. It should also be noted that the results reported in the comparative period ended 31 December 2019, were achieved before Covid-19 impacted the Group’s financial results. To date our persistency experience and disability experience has remained at pre-Covid-19 levels, but we continue to maintain reserves against possible deterioration in these items.

Normalised headline earnings adjust the standard JSE definition of headline earnings for the dilutive impact of finance costs related to preference shares that can be converted into ordinary shares of the Group, the impact of treasury shares, the amortisation of intangible assets arising from business combinations and B-BBEE costs. The adjustment for the impact of treasury shares removes mismatches that might arise from elimination of treasury shares (potential mismatches that are peculiar to financial institutions that invest in their own securities on behalf of clients). The definition of normalised headline earnings remains unchanged.

The full financial and operating results for the six months are expected to be released on Thursday, 4 March 2021 at approximately 7:30 via SENS, followed by a live webcast at 13:00. Pre-registration for the webcast is required, which can be accessed at <https://www.corpcam.com/MM04032021>. In addition, the announcement will be broadcast live on Business Day TV, DSTV Channel 412.

Centurion

15 February 2021

The information in this trading statement has not been reviewed and reported on by Momentum Metropolitan's external auditors.

Equity sponsor

Merrill Lynch SA (Pty) Ltd

Debt sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)