



## Old Mutual Interim Results 2022: Growing and Protecting the Core, Unlocking New Growth Engines

### Results Highlights:

- Results from operations up 87% to R4.1 billion
- Life APE sales grew by 15% to R6.2 billion
- Value of new business margin of 2.2% within medium-term target range of 2% to 3%
- Gross written premiums up by 9% to R10.9 billion
- Group Solvency Ratio remains robust, up by 300 basis points to 187%
- 7% decrease in Funds under management driven by lower market levels in South Africa and globally
- Return on net asset value up by 60 basis points to 9.6%
- Old Mutual declared an interim dividend of 25 cents per share, which is in line with the prior year interim dividend.

**Tuesday 30 August 2022.** Old Mutual Limited released a strong set of results against the backdrop of a challenging operating environment characterised by increased inflationary pressure which put pressure on customers' affordability.

Chief Executive Officer, Iain Williamson, said: "I am particularly pleased that this solid set of results is not defined by the impacts of Covid-19. It is also the first set of results which excludes the income associated with our strategic investment in Nedbank, which was unbundled in November 2021."

The Group reported an 87% increase in Results from operations on the back of strong operating performance and muted Covid-19 impacts. Despite weaker market returns, Return on net asset value improved to 9.6%, due to the unbundling of Nedbank thus delivering on our promise to simplify the Group's capital structure and provide a substantial return of capital to shareholders.

Life APE Sales have increased by 15%, driven by strong recoveries in the Mass and Foundation Cluster and Rest of Africa businesses.

Strong growth in the Value of new business (VNB) in the Mass and Foundation Cluster, Old Mutual Corporate and Rest of Africa business was offset by a VNB reduction in its Personal



Finance Business. However, the Group's VNB margin of 2.2% remains within its medium-term range of between 2% to 3%.

While the Group reported a 7% decrease in Funds Under Management, driven by weaker markets and a marginally negative Net Client Cash Flow, it has worked to improve its balance sheet, increasing its solvency ratio by 300 basis points to 187%, within its target range of between 170% to 200%.

“These results are evidence of how we have shifted gears and accelerated growth, maintaining our strategic focus and ensuring that we become our customers' first choice to sustain, grow and protect their prosperity. We have also worked hard to deliver on our broader commitments to society during the period. Some of these highlights include:

- The launch of our **Bula Tsela scheme** makes Old Mutual the first insurer to offer shares directly to the Black South African public, and the first to include lower income earners via our retail scheme. It is a truly broad-based scheme that will transform the financial futures of those who participate in the scheme, including our employees, and black females particularly.
- Concluding the **sale of a 21.2% stake in Futuregrowth to African Women Chartered Accountants Investment Holdings**, a 100% black woman-owned investment company. This transaction, together with Bula Tsela, will result in Futuregrowth becoming majority Black owned and should also result in Old Mutual Investment Group becoming majority Black owned.
- We continue to focus on **creating meaningful partnerships across our portfolio** including a strategic partnership with Bridge Taxi Finance expanding our lower-end market access, a minority investment in Preference Capital building on our SME-focused eco-system as well as strategic partnerships in Old Mutual Insure growing our Property and Casualty market share and strengthening our distribution capabilities.
- The implementation of energy, waste, and water management systems across our buildings to **reduce our impact on the environment**. The Group has also joined the Net Zero Asset Manager's Initiative and Net Zero Asset Owner Alliance as part of a long-term commitment to achieving net zero across its portfolios by 2050. Read more [here](#).



- Old Mutual is providing **ongoing relief to communities and small businesses impacted by the floods in KwaZulu-Natal.**

“Looking ahead, we remain alert to the rapidly changing nature of our operating environment, as well as our customers’ changing needs and preferences. In response to this, we have defined four clear focus areas for developing and deploying a number of new growth engines. These are our East and West Africa businesses, our China joint venture, building an enhanced transactional capability and NEXT176. We believe that these investments will be critical to securing sustainable growth and value creation over the long term,” concludes Williamson.

**For More on Old Mutual’s 2022 Interim Results, go to [www.oldmutual.com](http://www.oldmutual.com)**

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#### **About Old Mutual Limited**

*Old Mutual is a premium African financial services group that offers a broad spectrum of financial solutions to retail and corporate customers across key markets segments in 14 countries. Old Mutual’s primary operations are on the African continent, and it has a niche business in Asia. With over 177 years of heritage across sub-Saharan Africa, Old Mutual continues to play a crucial part of the communities it serves as well as in broader society. For further information on Old Mutual, and its underlying businesses, please visit the corporate website at [www.oldmutual.com](http://www.oldmutual.com).*

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