



Press Release

Old Mutual Limited 2021 Annual Results: Shifting Gears – Accelerating Growth

Results at a glance:

- Results from Operations (RFO) more than doubled to R4.4 billion
- RFO excluding the impacts of COVID-19 was up 18% compared to the prior year, driven by recoveries across all divisions.
- Adjusted Headline Earnings (AHE) more than doubled to R5.4 billion due to strong growth in RFO and higher shareholder investment returns.
- RoNAV increased by 520 basis points to 9% as a result of the strong growth in AHE and lower average adjusted IFRS equity.
- Old Mutual declared a final dividend of 51 cents per share, in line with its dividend policy.

15 March 2022. Iain Williamson, Old Mutual Limited CEO commented: *"2021 was a really significant year for us, as we recovered from the enormous impacts that COVID-19 had on our operational and financial performance. I am proud and very pleased with the resilience and the agility we demonstrated in responding to the challenging operating environment, as well as the opportunities created by our business, which resulted in a strong recovery in both sales and earnings. This has enabled us to strengthen our position in the market, with continued progress towards becoming our customers' first choice."*

In the Mass and Foundation Cluster, RFO (excluding COVID impacts) increased by more than 50%. This was enabled by more streamlined tied channels and a focus on both advised and non-advised products which resulted in a sharp increase in productivity. Excluding considerable pandemic claims, the Personal Finance business had an outstanding year, with sales exceeding 2019 levels. This as a result of a strong focus on adviser productivity and improving customer experience. Old Mutual reported good traction in the take-up of its new solutions, particularly Old Mutual Protect, which supported the Group's recovery in the recurring premium business, replacing its previous flagship risk product, Greenlight.

Gross flows increased by 4% to R194.8 billion due to strong inflows in Old Mutual Investments and Wealth Management. Life APE sales increased by 16% to R11.4 billion, due to a strong recovery in sales following improved productivity levels. Despite improved inflows, net client cash flows declined to R0.1 billion from R9.6 billion recognised in 2020, mainly as a



result of COVID-19 related mortality claims from the Life businesses and lower inflows compared to the prior year in Rest of Africa.

The Group reported that the Value of new business (VNB) grew to R1.3 billion from R621 million in 2020 due to strong new business sales. The VNB margin improved from 1.1% to 1.9%, recovering to just below its medium-term target range of 2% - 3%.

Old Mutual's mortality experience has been worse than anticipated, with R6.8 billion in excess death claims. The Group reported that it released R5.3 billion from its pandemic provisions, which partially offset the impact of excess deaths on its profit. *"We have R2.9 billion in pandemic provisions remaining to be utilised against future COVID-19 related mortality claims. There remains uncertainty around the pace of vaccination rollouts across most of our markets, the emergence of new COVID-19 variants and the changes in expected immunity. However, we continue to closely monitor our mortality claims experience"*, noted Williamson.

The Group's solvency ratio decreased by 1500 basis points to 184%, mainly as a result of a higher prescribed equity risk stress factor. Despite this decrease, the ratio remains robust and well within our target range.

"I am exceptionally proud of the work we have done to turnaround our performance. Despite the challenges, we remained true to our purpose of championing mutually positive futures every day for all our stakeholders. Part of this purpose includes:

- The payment of approximately R21 billion in claims in our Life Businesses in South Africa, fulfilling our commitment to supporting our customers in their time of need.
- Old Mutual has moved from an overall customer satisfaction score of 78.9 to 82.5, climbing to second place against traditional insurers in the 2021 South African Customer Satisfaction index Report (SA-csi). Part of this included an enhancement to our end-to-end automated capability by leveraging machine learning tools to improve customer servicing.
- The establishment of the New Growth and Innovation Office to enhance our competitive advantage by essentially "inventing the future" and focussing on new solutions and capabilities adjacent to our core business.



- The Old Mutual rewards programme reached a milestone of 1 million members in 2021.
- Old Mutual Investment Group concluded the sale of 21.2% of its stake in Futuregrowth to African Women Chartered Accountants Investment Holdings, a 100% black and women-owned investment company at market value.
- Old Mutual Investment Group was also awarded the Best ESG Responsible Investor (Africa) by Capital Finance International.
- Across Africa, our financial education content reached 22 million people.

"Looking forward, we expect continued growth in 2022, albeit at a slower pace than 2021. Our business is substantially rectified, a lot simpler than it was only a few years ago, and it is already starting to be amplified in many areas. Notwithstanding the uncertainties posed by potential new COVID-19 variants as well as recent events in Europe, we remain optimistic in the Group's ability to shift gears and accelerate our growth trajectory."

For More on Old Mutual's 2021 Annual Results, go to www.oldmutual.com

Ends

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 176 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.

Media Enquiries:

Vuyo Mtawa

Group Head of Communications

Cell: +27 68 422 8125

Email: vmtawa@oldmutual.com