

Old Mutual Limited
Incorporated in the Republic of South Africa
Registration number: 2017/235138/06
ISIN: ZAE000255360
LEI: 213800MON84ZWWPQCN47
JSE Share Code: OMU
LSE Share Code: OMU
NSX Share Code: OMM
MSE Share Code: OMU
ZSE Share Code: OMU
("Old Mutual" or "Company" or "Group")

Ref 19/21
31 August 2021

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021 AND TRADING STATEMENT

A MESSAGE FROM OUR CEO

During the first half of 2021, we maintained focus on driving the recovery of our underlying business activity from the disruptions caused by COVID-19 and the associated hard lockdown of 2020. The impact of the pandemic continued to create a challenging operating environment for our organisation, however we remained focused on driving recovery in Results from Operations (RFO) to surpass 2019 levels and improving Return on Net Asset Value (RONAV) to above cost of equity. We have seen a significant improvement in most of our key performance indicators and momentum from our strategic initiatives in the first half of the year which has provided the base for us to increase our medium term targets for 2023. Our diversified business model and strong balance sheet have enabled us to consistently demonstrate resilience in the face of great adversity and keep our promise of being a certain friend in uncertain times. Despite the challenging operating environment we have remained true to our purpose of championing mutually positive futures every day. The latest Brand Finance Report ranked Old Mutual as the fourth most valuable brand in South Africa, an improvement from fifth in 2020 and the only insurer in the top 10.

Throughout the pandemic, our focus has been on safeguarding the health of all of our stakeholders and contributing to initiatives that support the recovery of the economy. As part of our ongoing initiatives, we have joined forces with leading healthcare provider Netcare, to open a large private vaccination centre at our Mutualpark campus in Pinelands. We also launched the Sisonke campaign to create public vaccination awareness. Our business in Namibia launched the campaign using #OnsIsSaam, contributing towards the procurement of vaccines through the Vaccines for Hope coalition, an alliance of more than 50 private sector partners and individuals who are coordinating support towards the procurement and administration of COVID-19 vaccines. We are encouraged that the vaccination programme in South Africa appears to have gained momentum and we encourage all those eligible to take the vaccine to do so promptly, as this remains our key defence mechanism against the virus. In South Africa, our premium free cover for frontline healthcare workers was extended to the end of 2021, with R9 million benefits paid since inception.

Our employees and intermediaries continue to adapt to new ways of working. Intermediaries are servicing customers while taking necessary precautions in branches and worksites. Some of our employees continue to work from home, with critical employees being on site in office locations as we embark on a managed process toward a hybrid model of working. We have rolled out an extensive pandemic support programme across the continent, providing our employees with care packs if they test positive for COVID-19. We extend our deepest condolences to the families of our 46 colleagues who have sadly passed away due to COVID-19.

Our Truly Mutual strategy is anchored in our long-term victory condition of becoming our customers' first choice to sustain, grow and protect their prosperity. This is underpinned by our fundamental belief that becoming our customers' first choice will result in sustainable returns to our shareholders over the long term. We recently introduced 'Rectify-Simplify-Amplify' as the execution framework for our strategy and I am pleased with the progress we have made across our businesses.

Our efforts to rectify and simplify our business processes continue to bear fruit. We remain on track to deliver the previously communicated R750 million cost savings target by end of 2022 through our South African insurance and savings businesses, allowing us to further our investment in innovation and other initiatives. We continue to simplify our business by building digital capabilities that have enabled enhanced engagement with customers and intermediaries.

We have made significant progress to amplify our customer and adviser experiences through digital offerings. We are on track to add the savings and income propositions in South Africa and Namibia alongside the OMP range utilising the same core infrastructure. We are embarking on initiatives to support growth adjacent to our traditional channels and markets and will actively partner with international and local players to explore opportunities relating to fintech, insurtech, transactional services and value added services.

Productivity levels in Mass and Foundation Cluster and Personal Finance improved materially in the first half of the year. Customer take-up of the Old Mutual Protect (OMP) proposition continued to be strong, supporting the recovery in risk sales. In Mass and Foundation Cluster, issued sales in the first half of the year were above the prior year due to the significant impact that lockdown had on issued sales in 2020. Sales remain below 2019 levels given the tough economic environment but are expected to exceed 2019 levels in the near-term. In Personal Finance, issued sales were above those of the prior year and 11% above the first half of 2019. In Old Mutual Corporate, SuperFund umbrella quote activity improved relative to the levels seen in 2020.

Value of new business (VNB) recovered well from 2020 levels due to higher sales volumes and a shift towards a more profitable mix of new business. At 2.3%, VNB margin was 180 bps above the prior

year and well within our medium-term target range of 1.5% - 3.0%.

Mass and Foundation Cluster and Personal Finance reported a good recovery in RFO excluding COVID-19 impacts in the first half of the year. In Mass and Foundation Cluster, RFO excluding direct COVID-19 impacts increased due to higher sales volumes and a combination of lower credit losses compared to the prior year and improved credit experience in Old Mutual Finance. In Personal Finance, RFO was up largely due to the partial release of discretionary margins following enhancements to the modelling and hedging methods behind the new investment strategy for risk products and higher asset based fees driven by the recovery in market levels. Old Mutual Investments and Wealth Management benefitted from the recovery in local and global equity markets with strong inflows reported in the first half of the year. Net Client Cash Flows (NCCF) in Old Mutual Corporate continue to be under pressure due to a combination of lower new business sales and higher outflows due to the weak economic environment. Old Mutual Insure showed good growth in gross written premiums from the Credit Guarantee Insurance Corporation (CGIC) business, iWYZE and Specialty divisions. Rest of Africa reported an increase in RFO excluding COVID-19 impacts, driven by positive investment variances in the Life business, higher management fees and positive fair value movements on investment properties in the Asset Management business.

Our segments had worse mortality claims experience than anticipated during the first half of the year. We continue to monitor our mortality claims experience closely. Based on current expectations and with the information currently on hand, we expect that our pandemic provisions will be sufficient to cover the expected future costs of the pandemic.

When I reflect on the first six months of this year, I am extremely proud of the progress that our efforts to rectify, simplify and amplify our underlying businesses have produced. These have enabled us to strengthen our position in the market, with continued progress towards becoming our customers' first choice.

Iain Williamson
Chief Executive Officer

GROUP HIGHLIGHTS (EXCLUDING ZIMBABWE)

(Rm unless otherwise stated)	H1 2021	H1 2020	% change (H1 2021 vs H1 2020)
Gross flows	96,989	90,835	7%
Life APE sales	5,343	4,716	13%
NCCF (Rbn)	(3.4)	1.5	(>100%)
FUM (Rbn) (1)	1,171.2	1,057.2	6%
VNB	740	125	>100%
VNB margin (%)	2.3%	0.5%	180 bps
Results from Operations (RFO)	2,190	1,541	42%
RFO excluding direct COVID-19 impacts	4,665	4,334	8%
Adjusted Headline Earnings (AHE)	2,899	1,704	70%
Adjusted Headline Earnings per share (cents) (2)	63.4	37.3	70%
Return on Net Asset Value (RoNAV) (%)	9.0%	5.2%	380 bps
Free Surplus Generated from Operations	3,090	808	>100%
% of AHE converted to Free Surplus Generated	107%	47%	6 000 bps
Group Solvency ratio(%) (1,3)	177%	190%	(1 300 bps)
Interim dividend per share (cents)	25	-	>100%

(1.) The % change has been calculated with reference to FY 2020.

(2.) WANS used in the calculation of the Adjusted Headline Earnings per share is 4,570 million (H1 2020: 4,574 million).

(3.) We have re-presented the December 2020 solvency position to align with the Prudential Authority (PA) submission.

Headline earnings is lower than the prior year as AHE excludes adjustments in respect of equity and debt instruments held in life funds, the impact of restructuring as well as the results related to Residual Plc which were all lower than H1 2020, partially offset by higher results related to Zimbabwe.

IFRS HIGHLIGHTS (Rm unless otherwise stated)	H1 2021	H1 2020	% change (H1 2021 vs H1 2020)
IFRS Profit/(Loss) after tax attributable to equity holders of the parent	2,984	(5,621)	>100%
Headline Earnings (HE)	3,155	4,215	(25%)
Headline Earnings per share (HEPS)	71.7	96.3	(26%)
Basic earnings/(loss) per share (cents)	67.8	(128.5)	>100%

OUTLOOK

We have seen a significant improvement in RFO, RoNAV and VNB margin. Our sales volumes and productivity levels have improved which has led to a recovery in our VNB margin. Further provisions of R1,977 million have been established for the expected impact of remaining claims from wave 3 and future waves, taking into account the government vaccination rollout plan and an allowance for management actions.

Despite the challenging operating environment, during the second half of the year we are focused on efforts to rectify, simplify and amplify our business through various management actions. We remain committed to support our productivity levels in order to continue the momentum gained in the first half of 2021, coupled with growing our rewards base as we continue to give value back to our customers. We will also continue to rollout Old Mutual Protect across our business.

Taking the above into account, we have revised our medium term targets for 2023. We have increased our Results from Operations target to deliver 2019 plus 5% to 10% by the end of 2023. We strive to achieve RoNAV of between Cost of Equity +2% and Cost of Equity +4%. We expect cost

savings to be delivered from our South African insurance and savings businesses, allowing us to further our investment in innovation and other initiatives. We have tightened the range on our VNB margin to be between 2.0% and 3.0%. Our solvency and dividend cover targets remain unchanged.

Work is underway to understand the impact of IFRS 17 on our revised medium term targets and additional information will be provided once greater certainty is available. The targets included in this announcement do not constitute profit forecasts and have not been reviewed or reported on by the Group's auditors.

INTERIM DIVIDEND DECLARATION

The Board of directors has approved and declared an interim dividend of 25 cents per ordinary share.

The interim dividend of 25 cents per share is in line with Old Mutual Limited's dividend policy, which is set at 40% of Adjusted Headline Earnings. The interim dividend will be paid out of distributable reserves and is payable on 11 October 2021 to all ordinary shareholders recorded on the record date.

Shareholders on the London, Zimbabwean, Malawian and Namibian registers will be paid in the local currency equivalents of the interim dividend.

Old Mutual Limited's income tax number is 9267358233. The number of ordinary shares in issue in the company's share register at the date of declaration is 4 708 553 649.

Declaration date	Tuesday, 31 August 2021
Transfers suspended between registers	Close of business on Monday, 06 September 2021
Exchange rates announced	Tuesday, 07 September 2021 by 10.00am SA
Last day to trade cum dividend for shareholders on the South African Register and Malawi, Namibia and Zimbabwe branch registers	Tuesday, 14 September 2021
Ex-dividend date for shareholders on the South African Register and Malawi, Namibia and Zimbabwe branch registers	Wednesday, 15 September 2021
Last day to trade cum dividend for shareholders on the UK register	Wednesday, 15 September 2021
Ex-dividend date for shareholders on the UK register	Thursday, 16 September 2021
Record date (all registers)	Close of business on Friday, 17 September 2021
Transfers between registers restart	Opening of business on Monday, 20 September 2021
Interim Dividend payment date	Monday, 11 October 2021

Share certificates for shareholders on the South African register may not be dematerialised or rematerialised between Wednesday, 15 September and Friday, 17 September 2021, both dates inclusive. Transfers between the registers may not take place between Tuesday, 07 September and Friday, 17 September 2021, both dates inclusive. Trading in shares held on the Namibian section of the principal register through Old Mutual (Namibia) Nominees (Pty) Limited will not be permitted between Tuesday, 07 September and Thursday, 16 September 2021, both dates inclusive.

For South African shareholders, the dividend will be subject to dividend withholding tax of 20% for all shareholders who are not exempt from or do not qualify for a reduced rate of withholding tax. International shareholders who are not exempt or are not subject to a reduced rate in terms of a double taxation agreement will be subject to dividend withholding tax at a rate of 20%. The net dividend payable to shareholders subject to withholding tax at a rate of 20% amounts to 20 cents per ordinary share. Distributions made through the dividend access trust or similar arrangements established in a country will not be subject to South African withholding tax but may be subject to withholding tax in the relevant country. We recommend that you consult with your tax advisor regarding the in country withholding tax consequences.

Shareholders that are tax resident in jurisdictions other than South Africa may qualify for a reduced rate under a double taxation agreement with South Africa. To apply for this reduced rate, non-SA taxpayers should complete and submit a declaration form to the respective registrars. The declaration form can be found at:

<https://www.oldmutual.com/investor-relations/dividend-information/>

SHORT FORM ANNOUNCEMENT

This short form announcement is the responsibility of the directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decision should be based on the full announcement accessible from Tuesday, 31 August 2021, via the JSE link <https://senspdf.jse.co.za/documents/2021/jse/isse/OMUE/HY21Result.pdf> and also available on the Company's website at www.oldmutual.com. The short form announcement has not been reviewed or reported on by the external auditors.

A webcast of the presentation of the 2021 Interim Results and Q&A will be broadcast live on 31 August 2021 at 11.00 am South African time on the Company's website www.oldmutual.com. Analysts and investors who wish to participate in the call may do so using the following link or telephone numbers below:

<https://services.choruscall.za.com/DiamondPassRegistration/register?confirmationNumber=87237>

02&linkSecurityString=ea15ddda2

South Africa +27 10 500 4108
UK +44 203 608 8021
Australia +61 73 911 1378
USA +1 412 317 0088
International +27 10 500 4108
Replay Access Code 40216

Pre-registration to participate in the call is available at the following link:
<https://78449.themediaframe.com/links/oldmutual210831.html>

TRADING STATEMENT

In terms of paragraph 3.4(b) of the Listings Requirements of the JSE Limited, shareholders are advised that we expect EPS for the year ended 31 December 2021 to be more than 20% higher than the reported EPS for the comparable period (FY 2020 EPS: -116.3 cents) due to the non-repeat of the Nedbank impairment in H1 2020. We will publish a further update once there is more certainty on the probable ranges of the expected increase in EPS.

Shareholders are advised that the information in this trading statement has not been reviewed or reported on by the group's joint auditors.

Sponsors

JSE	Merrill Lynch South Africa (Pty) Limited t/a BofA Securities
Namibia	PSG Wealth Management (Namibia) (Proprietary) Limited
Zimbabwe	Imara Capital Zimbabwe plc
Malawi	Stockbrokers Malawi Limited

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Notes to Editors

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 market segments in 14 countries. Old Mutual's primary operations are in South Africa and the Rest of Africa and it has a niche business in Asia. With over 176 years of heritage across sub-Saharan Africa, Old Mutual is a crucial part of the communities they serve and the broader society on the continent.

For further information on Old Mutual and its underlying businesses, please visit the corporate website at www.oldmutual.com.