

Old Mutual Limited
Incorporated in the Republic of South Africa
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("Old Mutual" or "Company" or "Group")

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23 November 2021

OLD MUTUAL VOLUNTARY OPERATING UPDATE FOR THE PERIOD ENDED 30 SEPTEMBER 2021

The global economy continues to demonstrate strong growth however the recovery remains uneven due to large differences in vaccination rates between countries. Although the investment markets where we operate continue to recover ahead of pre-COVID-19 levels, the environment remains volatile as we navigate the challenging impact of the pandemic.

Our South African retail segments, Mass and Foundation Cluster, Personal Finance and Wealth Management continue to demonstrate recovery in productivity from the low levels in the prior year driven by initiatives implemented by management which have resulted in higher issued sales. Sales in Corporate remain subdued with annuity quotes improving relative to 2020. Issued sales in Personal Finance continue to be above 2019 levels with issued sales in other South African retail segments remaining below 2019 levels due to the continued tough economic environment.

Capital position

The solvency ratio for the Old Mutual Life Assurance Company South Africa for the nine months ended 30 September 2021 was 225%, above our target range of 175% - 210%. The increase in our solvency ratio from 206% as at 30 June 2021, was largely driven by the impact of the issuance of R1.5bn subordinated debt and the introduction of a collar structure on the majority of the retained Nedbank stake. The Prudential Authority approved the unbundling of 12.2% of Nedbank held by Old Mutual, which was implemented on 8 November 2021. This is expected to decrease the Group solvency ratio by approximately 3 percentage points. We continue to monitor the Group solvency ratio of 184% which remains strong relative to our target range of 165% - 195%.

Financial performance for the period ended 30 September 2021

The table below sets out certain key performance indicators for the period ended 30 September 2021.

Key Performance Indicators (R millions unless otherwise indicated)	30 September 2021	30 September 2020	% change
Life APE Sales	8 136	6 890	18%
Value of New Business (VNB)	1 099	274	Greater than 100%
Gross Flows	146 631	137 449	7%
Net Client Cash Flow (NCCF) (Rbn)	(2,6)	3,6	Greater than (100%)
Funds Under Management ¹ (FUM) (Rbn)	1 202,4	1 104,6	9%
Loans and Advances ¹	18 194	20 320	(10%)
Gross Written Premiums	15 103	14 093	7%

¹Comparative amounts represent FY2020 balance sheet amounts.

Results from operations are above the prior year. This is driven mainly by improved profits in Mass and Foundation Cluster resulting from strong risk sales and improved credit experience due to a deliberate focus on tightening of credit criteria and more selective offers to customers in Old Mutual Finance. The non-repeat of significant mark to market losses that occurred in the prior year and higher asset-based fees in Old Mutual Investments positively impacted profits. The non-repeat of the significant level of COVID-19 business interruption and rescue claims from the prior year as well as the release of Credit Guarantee Insurance Corporation (CGIC) reserves in Old Mutual Insure further contributed to improvement in profits. We remain on track to deliver on our R750 million cost savings target by the end of 2022 through our South African insurance and savings businesses, allowing us to further pursue our investment in innovation and other initiatives.

During the year, our central costs increased largely due to the investment towards digitalisation and innovation initiatives. In addition, lower rental income received as our tenants continue to implement various working from home initiatives for their employees had an adverse impact on our central costs.

Sales momentum has continued into Q3, compared to the same period in the prior year, which was impacted by the lockdown period, with Life APE Sales up 18%. Current year sales benefited from strong risk sales in Mass and Foundation Cluster as productivity levels continue to gradually lift from prior year levels as well as higher risk and guaranteed annuity sales in

Personal Finance driven by the recovery in single and recurring premium sales. Higher living annuity and endowment sales in Wealth Management - with fixed bonds sales contributing significantly - and higher risk sales in China further contributed to total sales growth. These were partially offset by a decline in group risk and umbrella fund sales in Corporate.

The significant growth in VNB was largely driven by increased sales volumes of high margin products, the VNB margin of 2.3% is well within our medium-term target range of 2.0% - 3.0%.

Gross flows are up 7% due to good flows from single premium annuity sales in Personal Finance and strong flows in Wealth Management's platform resulting from improved rates on the fixed bond products. In addition, strong flows were secured into our Liability Driven Investment solutions (LDI) in Old Mutual Investments. These were partially offset by the non-repeat of significant inflows into our Asset Management businesses in East Africa and Southern Africa.

Despite the increase in gross flows, negative NCCF were largely due to significant volumes of mortality claims related to COVID-19 in our life businesses, higher client disinvestments in Personal Finance and Wealth Management as well as large client terminations in Corporate for the year to date. FUM increased largely due to strong equity markets, despite negative NCCF.

The decline in Loans and advances was driven by the decline in disbursements due to tightening of credit criteria in the prior year in Old Mutual Finance that has resulted in better credit experience as we manage our risk appetite in the current environment. In addition, reduced footfall in branches further impacted new loans and advances in South Africa and Rest of Africa, which has not yet fully recovered to pre-COVID-19 levels.

Strong growth in Gross Written Premiums was supported by growth experienced across all lines of business except for the commercial and agricultural portfolio in Old Mutual Insure, mainly driven by increased economic activity in the current year and a 10% premium increase in the CGIC business. Good customer retention, pleasing acquisition rates and economic activity as well as new business sales contributed to growth in Gross Written Premium for Rest of Africa.

COVID-19 update

In our South African life businesses, provisions were raised at 30 June 2021 based on our own claims experience and South African Medical Research Council (SAMRC) excess mortality data as well as an assumption for vaccination hesitancy. The rate of vaccine hesitancy observed in South Africa has, however, been higher than anticipated at the half year resulting in higher levels of claims. In our Namibian life business, we have also experienced increased claims relative to expectation as a result of the high infection rates in the country.

Our life businesses had a worse mortality claims experience than anticipated, which has resulted in the excess deaths impact on profit of approximately R6.6bn for year to date. In order to partially offset the excess deaths impact on profit for the year to date, R4.9bn of the pandemic provision was released. Taking into account the release of the provision, there is approximately R1bn of the pandemic provision remaining for expected excess mortality claims related to COVID-19.

We continue to closely monitor our mortality claims experience as future waves and their impacts remain uncertain. The adequacy of the provision will be assessed at 31 December 2021.

Investor engagement

We will be hosting an Investor Update on Tuesday, 23 November 2021, from 14h00, CAT. The agenda will focus on the Group's strategy, with an overview of Old Mutual Investments, Old Mutual Corporate, Old Mutual Insure and Rest of Africa and to provide a business update. Investors and Media are invited to attend and register on the following link:

<http://www.overendstudio.co.za/events/OldMutual/2021/InvestorUpdate/accept.html>

The financial information in this voluntary operating update is the responsibility of the Old Mutual Board of Directors and has not been reviewed or reported on by the Group's external auditors.

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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 we

have a niche business in China. 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.