



***Press Release – Old Mutual remains resilient, despite lockdown limitations***

**Results at a glance:**

- Results from Operations (RFO) were resilient on a pre-Covid basis at R7.7 billion, 14% down on the prior year
- Direct COVID-19 impacts for the full year amounted to R6.1 billion due to an increase in pandemic reserves, business interruption and rescue claims and negative mark-to-market losses in the Group's credit and private equity portfolios.
- Adjusted Headline Earnings of R2.5 billion were down 75% on the prior year, impacted further by lower shareholder investment returns and Nedbank earnings.
- The Group's solvency position ended the year strongly, with the benefits of key regulatory approvals and other capital management actions offsetting lower earnings and additional provisions raised for Covid-19.
- Also reflecting the strength of the business in these trying times, return on embedded value remained positive despite absorbing large negative impacts relating to the pandemic.
- Old Mutual declared a dividend of 35 cents per share, in line with the dividend policy.

**23 March 2021.** Old Mutual today announced its full year results for the year ended 31 December 2020.

A difficult macro environment and significant market volatility brought on by the Covid-19 pandemic adversely impacted the Group's performance in 2020. The Group said that its customers had less disposable income in 2020 and that it saw a significant rise in claims as a result of the pandemic, especially during the second half of the year through the year, all of which had a negative bearing on its earnings. Despite the negative impact of Covid-19 on its earnings, the Group remains well capitalised through decisive management actions and its liquidity position was strong.



Old Mutual reported that the impact of directly attributable Covid-19 items on its results amounted to some R6.1 billion before tax. Results from Operations (RFO) excluding direct Covid-19 impacts demonstrated resilience in this environment, with most segments seeing a recovery in the second half of the year.

Chief Executive Officer Iain Williamson explained that despite an extremely challenging 2020, the Group's fundamentals – its brands and its channels - remained solid:

“The Mass and Foundation customer base was particularly vulnerable to the impacts of the pandemic, and it was here that we paid many of our Covid-related mortality claims. Encouragingly, we witnessed a solid and sustained growth in productivity and sales during the second half of the year and this momentum is continuing. Covid-19 and effect of basis changes notwithstanding, Personal Finance RFO was encouraging. The Old Mutual Investments segment demonstrated some encouraging trends, with good origination in our alternatives business and positive NCCF performance driven by buoyant retail inflows to our Income Solutions franchise. Our Group Life Assurance offering in Old Mutual Corporate experienced substantial mortality losses and was further impacted by the limited ability to generate new business as employers took a cautious view in responding to the pandemic. Old Mutual Insure achieved pleasing growth in most of its business lines, although the underwriting result as well as margins suffered due to large business interruption and rescue claims. Meanwhile, the Group's Rest of Africa business was less impacted by the impacts of Covid-19 than in South Africa and we continued to make improvements in Our Rest of Africa business during 2020.”

Adjusted Headline Earnings for the period were down 75% to R2.5 billion, impacted further by lower shareholder investment returns and a decline in earnings from Nedbank. The Group's equity value remains robust at R98.5 billion. It has maintained its traditionally strong balance sheet and capital positions and a solvency ratio of 185%, confirming that the Group is well capitalised. Old Mutual declared a final dividend of 35 cents per share, in line with its dividend policy.



“2020 proved to be a formative year for Old Mutual. Despite the challenges, we remained true to our purpose of championing mutually positive futures every day for all of our stakeholders. Part of this promise included:

- We fast tracked the payment of mortality claims worth R13 billion to support customers and their families during this difficult period.
- The expansion of our integrated digital platforms which enabled us to continue servicing customers throughout the lockdown periods. This includes reimagined public websites, mobile applications, WhatsApp and USSD channels across the continent.
- Committed R400 million towards customer relief initiatives with R290 million disbursed in 2020.
- Additionally, interest free loans and commercial settlements were provided to qualifying SMEs of approximately R70-million by Old Mutual Insure.
- Approximately R70 million committed to Covid-19 community initiatives in education, health, nutrition and food security.

We have come through an exceptionally difficult year in good shape and extremely well equipped to build on our core, our brand, our strategy, and our strengths.”

**For More on Old Mutual’s 2020 Annual Results, go to [www.oldmutual.com](http://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 in South Africa and the rest of Africa, and it has a niche business in Asia. With over 175 years of heritage across sub-Saharan Africa, we are a crucial part of the communities we serve and broader society on the continent. 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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