



Press Release

Old Mutual 2021 Interim Results: Growing from a firm foundation

Results at a glance:

- Results from Operations (RFO) showed solid performance at R2.2 billion, growing 42% from the same period last year.
- RFO excluding the impacts of COVID was up 8% compared to the prior year, driven by strong performance in Mass and Foundation Cluster and resilient performances from Personal Finance and the Rest of Africa.
- Adjusted Headline Earnings (AHE) grew by 70% to R2.9 billion due to strong growth in RFO, higher shareholder investment returns and higher income from associates.
- RoNAV improved from 5.2% to 9% given the higher AHE.
- Old Mutual declared an interim dividend of 25 cents per share, in line with its dividend policy.

Iain Williamson, Old Mutual Limited CEO commented: "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 business have produced. These have enabled us to strengthen our position in the market, with continued progress towards becoming our customers' first choice."

The Group delivered a solid set of financial results, with growth in both sales and earnings in the first half of the year, despite the tough economic conditions. The recovery in local and global equity markets positively impacted its asset base, resulting in closing Funds Under Management (FUM) of R1.2 trillion, 6% up from the end of December 2020. Higher average FUM levels drove higher asset-based fees for the period.

Productivity levels in Mass and Foundation Cluster (MFC) and Personal Finance (PF) improved materially in the first half of the year. Customer take-up of the Old Mutual Protect proposition continued to be strong, supporting the recovery in risk sales.

In MFC, 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 PF, 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.

The Group reported that the 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%, the VNB margin was 180 bps above the prior year and well within its medium-term target range of 1.5% – 3.0%.

Old Mutual Insure delivered a positive net underwriting margin which was driven by large business interruption and rescue claims from the prior year not repeating, and higher underwriting results from the CGIC business. Business interruption and rescue claims of R261 million paid in the first half of the year were offset by the provision raised at the end of 2020.

Old Mutual's mortality experience has been worse than anticipated with impact on profits mitigated by a partial release of provisions raised at the end of 2020. The COVID-19 provisions have been increased by R2 billion as at 30 June 2021, to take into account the emerging expectations of wave 3 and 4 as well as potential future waves. The provisions have been updated to take into account the additional available data to date as well as the anticipated impact of the proposed vaccination rollout plan.

The significant COVID-19 claims in our life businesses drove the negative NCCF. These effects were offset, to an extent, by large inflows in Wealth Management and Old Mutual Investments.

"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:

- We paid R10 billion in mortality claims, fulfilling our commitment to our customers.
- Approximately 90% of funeral claims were paid out within four hours, up from 80% reported at the end of 2020.
- The Old Mutual rewards programme reached a milestone of 1 million members during H1, up from 826,000 reported at the end of 2020.
- Old Mutual Investment Group was awarded the Best ESG Responsible Investor (Africa) by Capital Finance International.



- 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.
- Following the recent civil unrest in South Africa, the Group has committed over R70 million to rebuild efforts, working with impacted SMEs and communities.

“We have revised our medium-term outlook on the basis of this solid performance and remain optimistic of our ability to sustain this growth going forward. In keeping with our promise to protect and grow the prosperity of our customers, we will continue to support vaccination rollout efforts in the markets where we have a presence. 176 years on, and we are more confident than ever that our business is best positioned to drive truly mutual outcomes for all of our stakeholders!”

For More on Old Mutual's 2021 Interim Results, go to 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 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.

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