

## **Old Mutual Limited 2022 Annual Results: Old Mutual Back to Growth as Earnings Soar.**

### Results Highlights:

- Results from operations up 99% to R8.7 billion
- Adjusted headline earnings grew 34% to R6.37 billion<sup>1</sup>
- Life APE sales grew by 10% to R12.5 billion
- Value of new business up 16% with the margin of 2.2% within medium-term target range of 2% to 3%
- Gross written premiums up by 12% to R22.3 billion
- Group Solvency Ratio remains robust, up by 600 basis points to 190%
- 4% decrease in Funds under management driven by lower market levels in South Africa and globally
- Return on net asset value up by 240 basis points<sup>1</sup> to 11.1%
- Old Mutual declared a final dividend of 51 cents per share, which takes the full year dividend to 76 cents per share, 13%<sup>1</sup> up on the prior year.

**Tuesday 14 March 2023.** Old Mutual Limited delivered a solid set of financial results despite the difficult macro-economic environment and market volatility.

Chief Executive Officer, Iain Williamson, said: "I am very pleased with our robust operating performance with strong sales and earnings. We demonstrated resilience as we continued to navigate a challenging environment and remained true to our purpose of championing mutually positive futures every day."

The Group reported strong earnings growth, with a 99% increase in Results from operations on the back of an improvement in core operational performance across the Group. Adjusted headline earnings grew by 34%, excluding the distributed stake of 12.2% in Nedbank in the prior year.

Life APE Sales were up 10% mainly due to strong risk and credit life sales in the Mass and Foundation Cluster, coupled with higher corporate and retail sales in Namibia.

The Group return on net asset value improved to 11.1% due to strong growth in earnings and a lower average adjusted IFRS equity base, resulting from the unbundling of 12.2% of the Group's stake in Nedbank in 2021, thus delivering on our promise to simplify the Group's capital structure and provide a substantial return of capital to our shareholders.

The value of new business grew by 16% due to strong sales growth in Mass and Foundation Cluster as well as a change in mix towards higher margin business in Mass and Foundation Cluster and Old Mutual Corporate. This was partially offset by the reduction in Personal Finance value of new business arising from challenges faced with sales volumes and business mix. The Group did, however, see an improvement in the second half of the year due to management actions implemented to improve the business mix to higher margin risk business. The value of new business margin of 2.2% remains within our medium-term target range of 2% to 3%.

While the Group reported a 4% decrease in funds under Management, driven by weaker market performance in South Africa and globally, it has worked to improve its balance sheet, increasing its solvency ratio by 600 basis points to 190%, within its target range of between 170% to 200%.

"This set of results practically demonstrates that our strategic focus on growing and protecting our core business, while working to unlock new growth engines is beginning to pay off. All of this while maintaining our ambition to responsibly build the most valuable business in the sector." Some of these highlights include:

- **Improving the overall customer experience:** Net Promoter Scores improved from 62% in 2020 to 68% in 2022. Funeral claims paid in four hours moved up from 80% in 2020 to 88% in 2022.
- **Building an entirely new financial services business:** new policies issued on the Group's flagship risk product, Old Mutual Protect, were up 20%, while Old Mutual Rewards grew from 830 000 members in 2020 to 1.8 million members in 2022.
- **The Group realised R942 million in cost savings in 2022**, exceeding its R750 million target.
- The Group's Mass and Foundation Cluster has **regained competitive advantage and market share**. The Group has also re-energised the customer and adviser experience in its Personal Finance and Wealth Management segment, while improving the investment performance in Old Mutual Investments.
- Work on **embedding digitalisation across business operations** is nearing completion, with 100% of the cloud migration of its legacy estate now concluded, and customer usage of digital channels growing steadily.

- Old Mutual received the go-ahead from the Prudential Authority to proceed with the application of a **banking license in South Africa**.
- **Over 80% of businesses within the Old Mutual Africa Regions are now profitable**, up from 56% in the previous year.
- The Group implemented its Broad-Based Black Economic Empowerment deal, **Bula Tsela**, in November 2022. This deal has put 205.3 million new Old Mutual shares in the hands of ordinary South Africans, unlocking the power of diversity and inclusion by giving qualifying South Africans the opportunity to start saving for their lifetime goals.
- **R146 billion of the Group's funds under management are invested in the Green Economy**. Old Mutual Investments Group was named the Best Responsible ESG Investor Africa by Capital Finance International for the second time.

"The macro-economic environment in our markets is expected to remain challenging, which will continue to exacerbate financial pressure on our customers. We remain focused on driving sales volumes and profitable sales mix to improve market share growth in our segments. Despite the challenging headwinds, we are through our recovery phase and have largely delivered on our medium-term targets one year ahead of schedule," concludes Williamson.

**For More on Old Mutual's 2022 Annual Results, go to [www.oldmutual.com](http://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 on the African continent, and it has a niche business in Asia. With almost 178 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](http://www.oldmutual.com).*

### **Media Enquiries:**

Vuyo Mtawa

Group Head of Communications

Cell: +27 68 422 8125

Email: [yntawa@oldmutual.com](mailto:yntawa@oldmutual.com)