

OLDMUTUAL

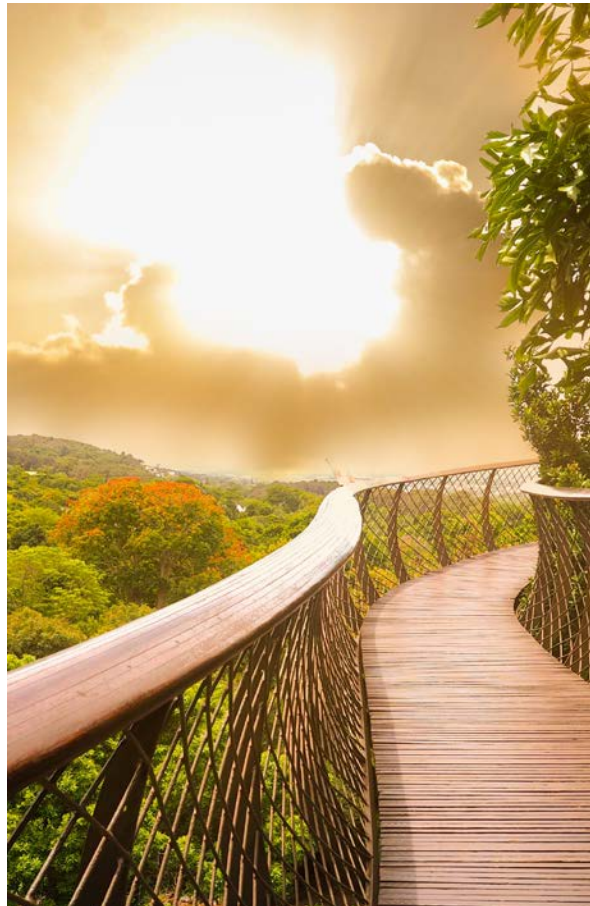
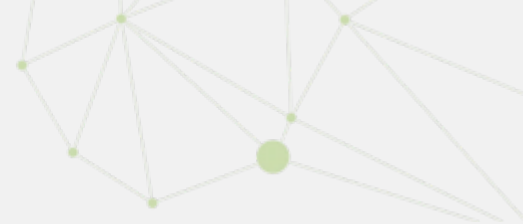
2022 ANNUAL RESULTS



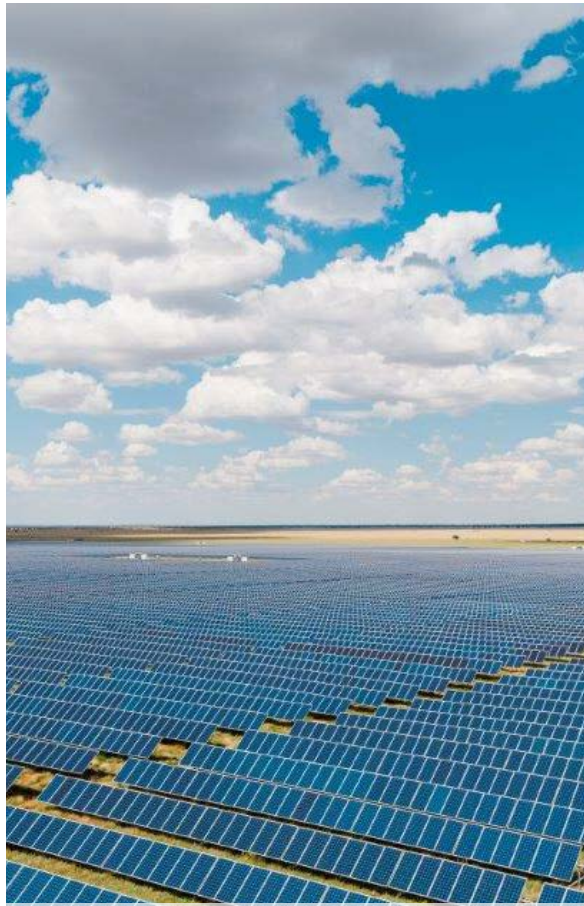
DO GREAT THINGS EVERY DAY



AGENDA



Strategic review
Iain Williamson
Group CEO



Financial review
Casper Troskie
Group CFO



Looking ahead
Iain Williamson
Group CEO



Q&A
**OML Executive
Committee**



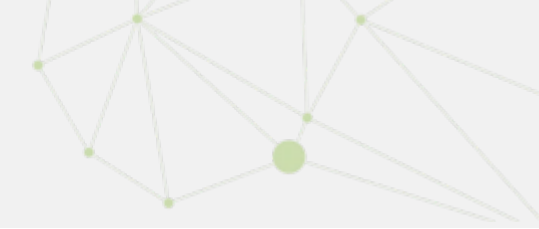
STRATEGIC REVIEW

2022
ANNUAL
RESULTS



FINANCIAL HIGHLIGHTS AT 31 DECEMBER 2022

Sustained momentum through the year



10%

Life APE
sales

R12.5bn



12%

Gross written
premiums

R22.3bn



30bps

Value of new
business margin

2.2%



600bps

Group Solvency
Ratio

190%



(4%)

Funds under
management

R1.2trn



99%

Results from
operations

R8.7bn



240bps¹

Return on
net asset value

11.1%



13%¹

Total dividend
per share

76 cents

1. Excluding the impacts of the distributed stake in Nedbank of 12.2%



OUR STRATEGIC FRAMEWORK



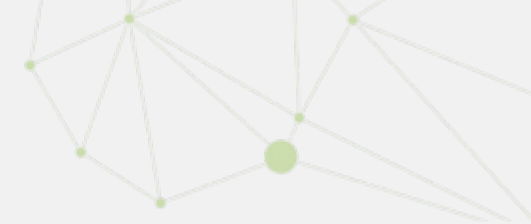
AMPLIFY

- 1 Growing and protecting the core
- 2 Unlocking new growth engines



GROWING AND PROTECTING THE CORE

Delivered on commitments to investors



CHANGE THE TRAJECTORY OF THE CUSTOMER EXPERIENCE

- Net Promoter Score moved from 62% in 2020 to 68% in 2022
- Funeral claims paid in 4 hours moved up from 80% in 2020 to 88% in 2022



BUILD AN ENTIRELY NEW FINANCIAL SERVICES BUSINESS

- Introduced Old Mutual Protect in 2020 replacing our flagship Greenlight risk product
- New policies issued on Old Mutual Protect up 20% at 61 380 per month since full operationalisation in 2021
- Old Mutual Protect enhancements bearing fruit – customer and adviser satisfaction are at 84%, up from 76% and 78% in 2020
- Old Mutual Rewards grew from 830 000 members in 2020 to 1.8 million members with higher average needs met and better persistency



REALISE R750 MILLION COST EFFICIENCIES BY 2022

- R942 million of sustainable cost savings achieved



REGAIN COMPETITIVE ADVANTAGE IN MASS AND FOUNDATION CLUSTER (MFC)

- MFC growing at 24% above 5% market average¹
 - Improved risk sales mix from 59% in 2020 to 68% in 2022, with a strong uplift for margins
 - Strategic partnerships to extend distribution footprint
- NGM indicate that



GROWING AND PROTECTING THE CORE

Delivered on commitments to investors



RE-ENERGISE BOTH CUSTOMER AND ADVISER EXPERIENCE IN PERSONAL FINANCE AND WEALTH MANAGEMENT

- Increased Registered Financial Advisers distribution footprint – grew 60% from 2019 to 2022
- Personal Financial Advice activity for 2022 grew by 22% from the levels achieved in 2019
- Growth to 11.4% in risk market share over the year¹
- Enhanced adviser experience including Old Mutual Protect servicing functionality



IMPROVE INVESTMENT PERFORMANCE IN OLD MUTUAL INVESTMENTS

Funds above benchmark:

- 1-year – Up from 38% in 2020 to 81% in 2022
- 3-year – Up from 31% in 2020 to 75% in 2022
- 5-year – Up from 25% in 2020 to 63% in 2022



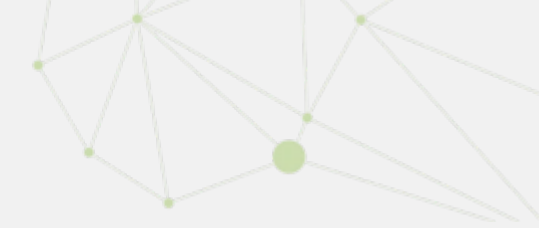
EMBED DIGITALISATION MORE FIRMLY IN OUR BUSINESS OPERATIONS

- Cloud migration of our legacy estate 95% complete
- Auto-underwriting accounting for 97% of Old Mutual Protect sales, leading to immediate policy issuance
- Entrenched digital processes – usage of WhatsApp, USSD and MyOldMutual grew 30%



UNLOCKING NEW GROWTH ENGINES

Investing in tomorrow's success



- ▶ Section 13 approval to apply for license **obtained**
- ▶ Section 16 application for registration of bank **in progress**
- ▶ Delivery **on track** within budget



- ▶ **East Africa** – Corporate sales mix grew to 38% in Uganda and 63% in Kenya
- ▶ **West Africa** – Corporate sales mix grew to 38% in Ghana
- ▶ **China** – Life APE sales up 84% on prior year

NEXT **176**

Early traction from lead indicators

- ▶ Completed wills **grew to 9 500** from 800
- ▶ Oystar – early childhood development centres **grew to 1 080** from 300



LEADING SUSTAINABILITY INITIATIVES

Driving beneficial impact for all our stakeholders



RESPONSIBLE INVESTMENTS

R146 billion

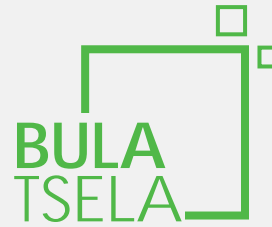
of our funds under management invested in the Green Economy

Active stewardship

968 245

resolutions supporting positive ESG outcomes

FINANCIAL INCLUSION



DIVERSITY AND INCLUSION

61%

Senior management who are Black from **58%**

42%

Senior management positions held by women from **40%**

Responsibly build the most valuable business in our industry



OPERATING ENVIRONMENT

2022
ANNUAL
RESULTS

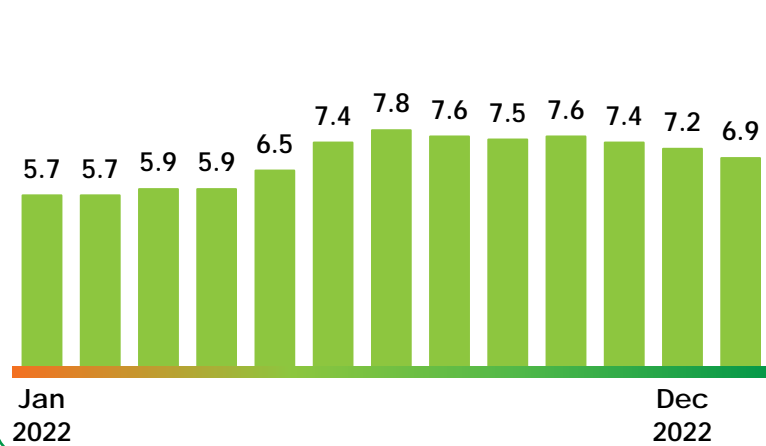


MACRO ENVIRONMENT IN OUR MARKETS REMAINS CHALLENGING

Customers experiencing tough conditions, worsened by load shedding

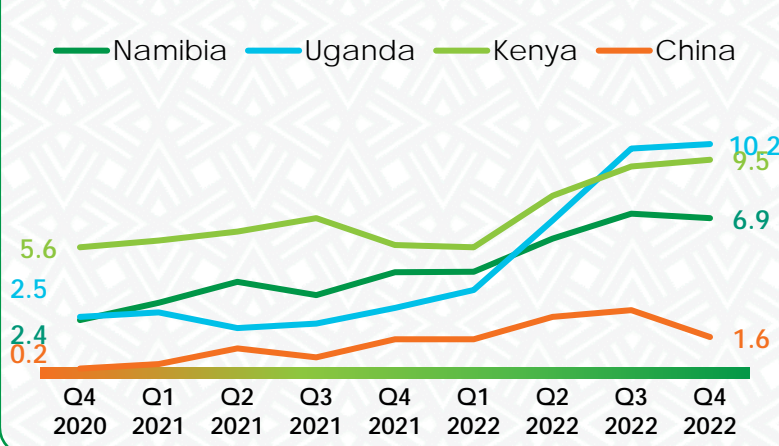
South Africa headline CPI YoY

(%)



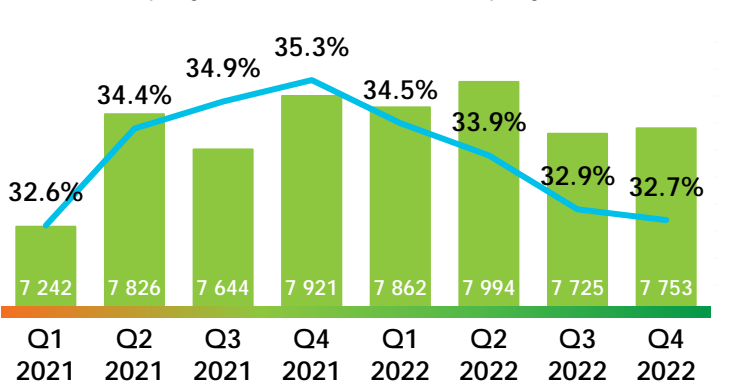
Headline CPI trending up in other markets

(%)

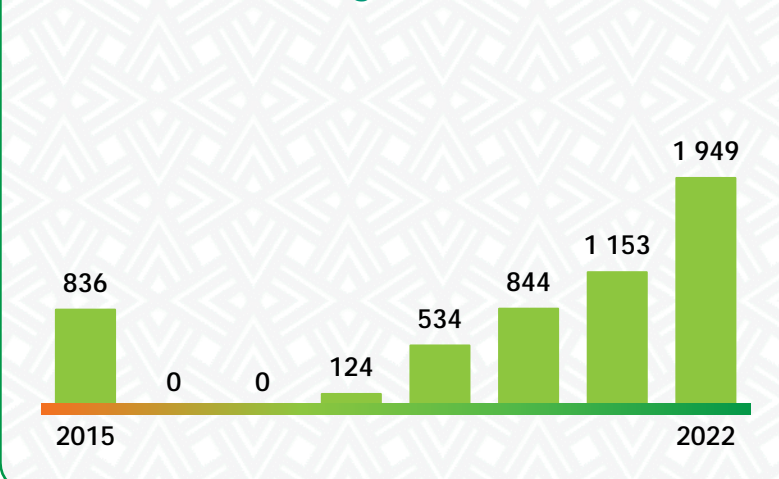


Unemployment still elevated in South Africa

Unemployed ('000) Unemployment rate (%)



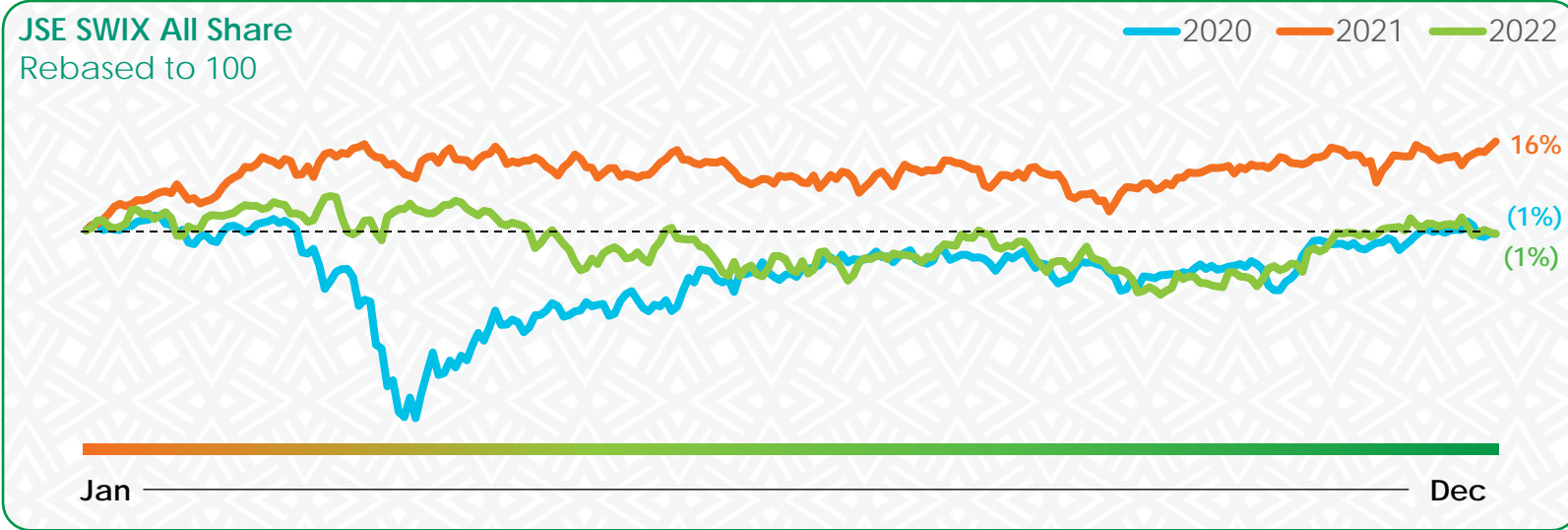
Hours of load shedding in South Africa



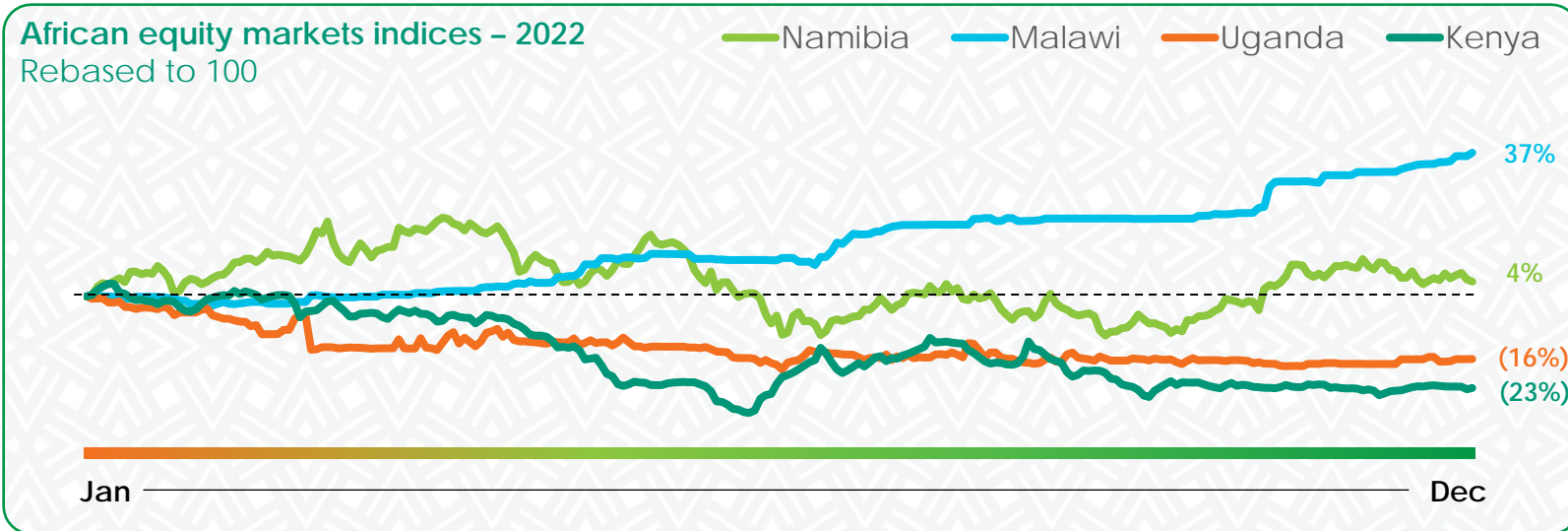
- Inflation peaked but remains elevated
- Energy crisis impacting business
- Affordability across markets under pressure with rising living costs
- Elevated unemployment and muted economic growth not supportive
- Property and Casualty experienced higher claims across all markets
- Persistency challenges intensified in lower customer segments



GLOBAL FACTORS NEGATIVELY IMPACTING MARKET LEVELS



- Markets closed flat in South Africa but volatile through the year, adding pressure on fee income
- Rising interest rates contributing to equity markets volatility in South Africa
- East Africa experiencing subdued markets with growing inflation while Southern Africa held up



- Marginal impact from debt restructuring in West Africa
- Market levels higher at start of 2023 a good indicator



SEGMENT REVIEWS

2022
ANNUAL
RESULTS



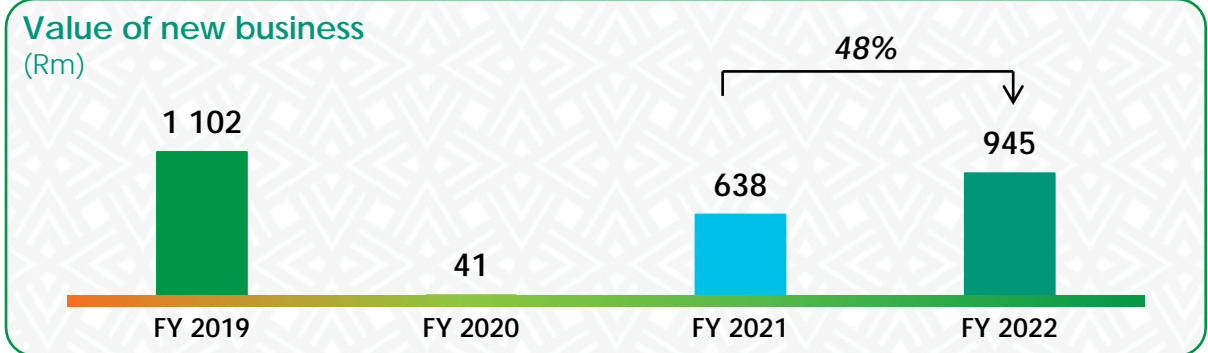
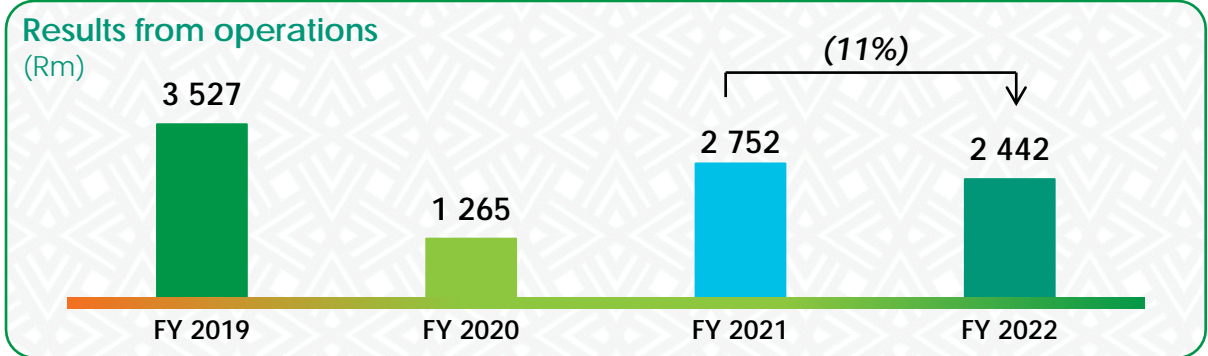
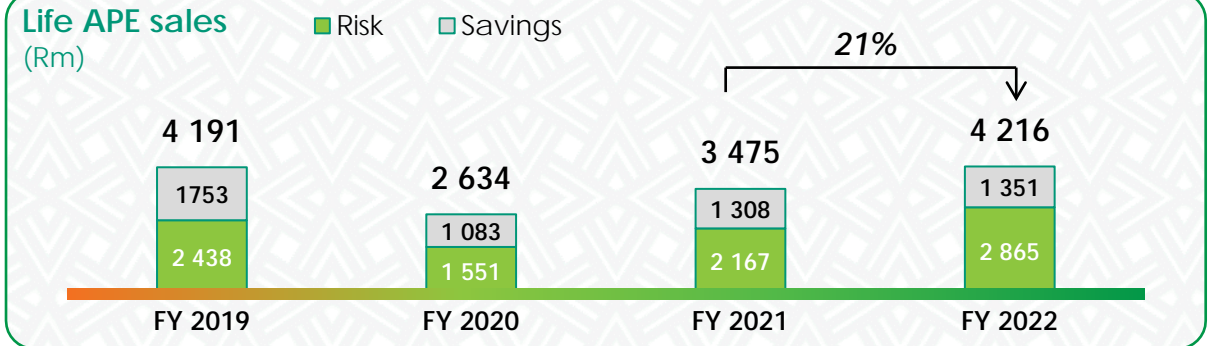
MASS AND FOUNDATION CLUSTER

Distribution diversification strategy paying off

- ▶ Foundation Market channels delivered growth in non-advice risk sales of 124%
- ▶ Old Mutual Protect underwritten life APE sales grew by 92%
- ▶ Buy out of minority shareholder in Old Mutual Finance
- ▶ Acquisition of a strategic equity stake in Two Mountains¹

Continued sales momentum

- ▶ Life APE sales up 21% with risk sales now comfortably above 2019
- ▶ Value of new business up 48% and value of new business margin of 7.6% within target range
- ▶ Net client cash flow up by 13%
- ▶ Maintained conservative lending approach with a 5% increase in the loan book
- ▶ Credit loss and net lending margin normalising towards target range



1. Subject to regulatory approvals



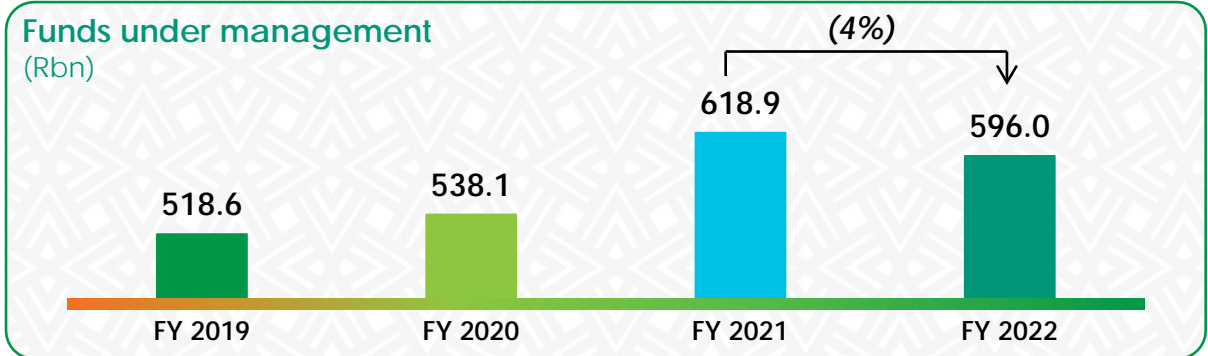
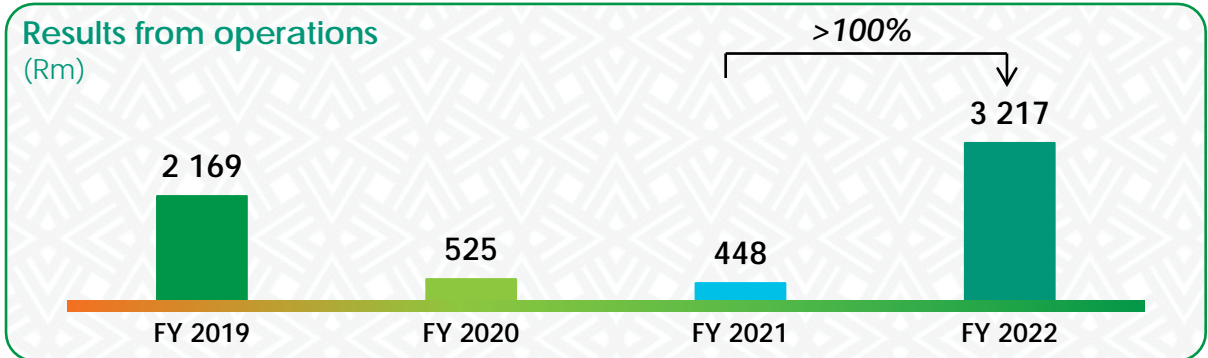
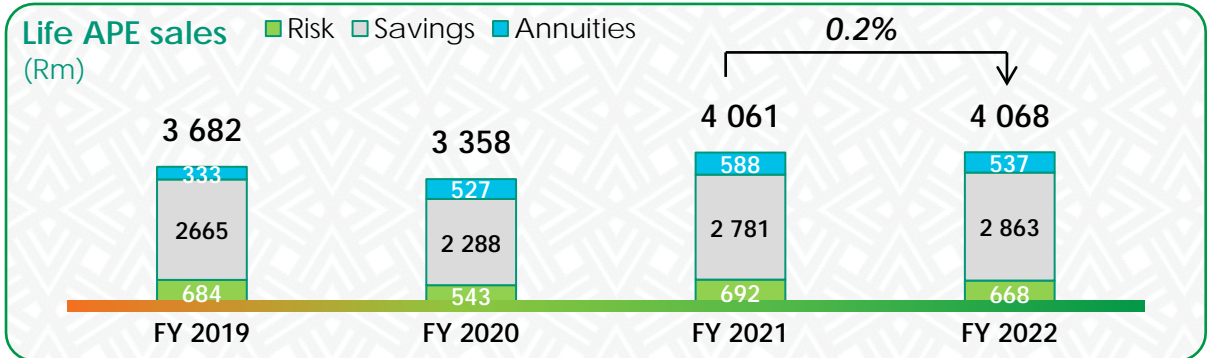
PERSONAL FINANCE AND WEALTH MANAGEMENT

Maintained competitiveness and market share in tough environment

- Focus on Registered Financial Advisors footprint growth – up 60% from 2019
- Good progress on expanding high net worth business in Wealth
- Proposition enhancements for more holistic and integrated experience

Significant recovery in profitability

- Resilient life APE sales
- Improved volumes and mix in second half resulting in improved value of new business
- Good cost management in a constrained environment





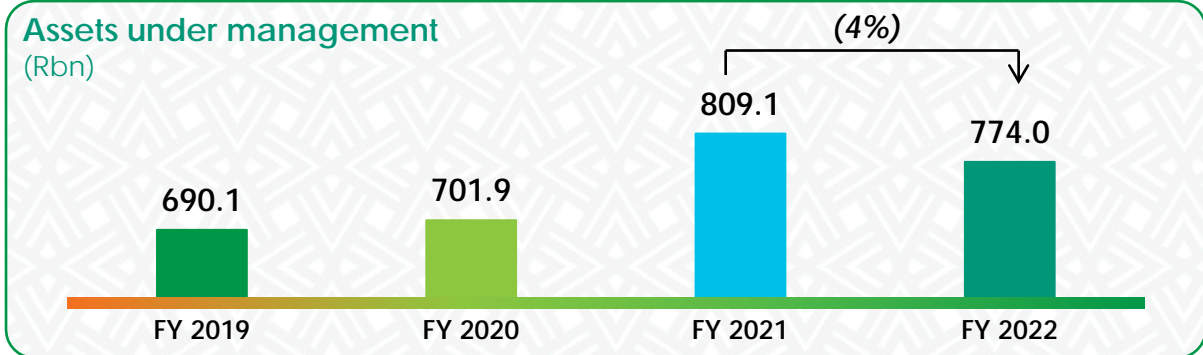
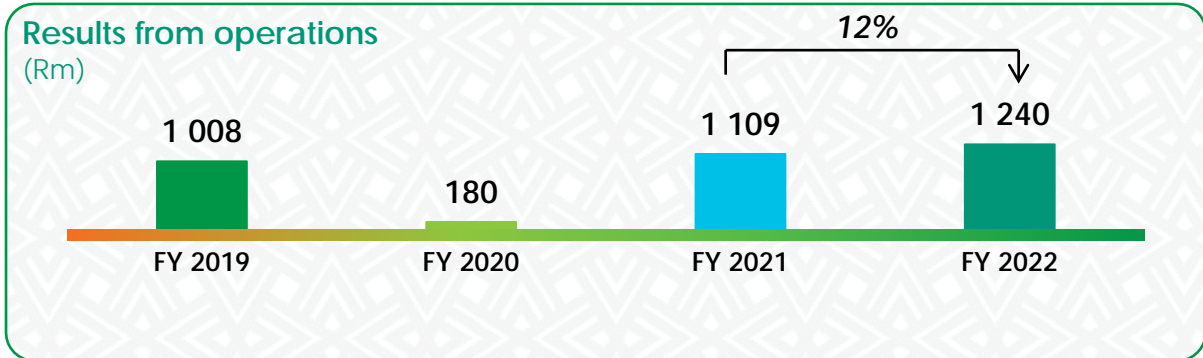
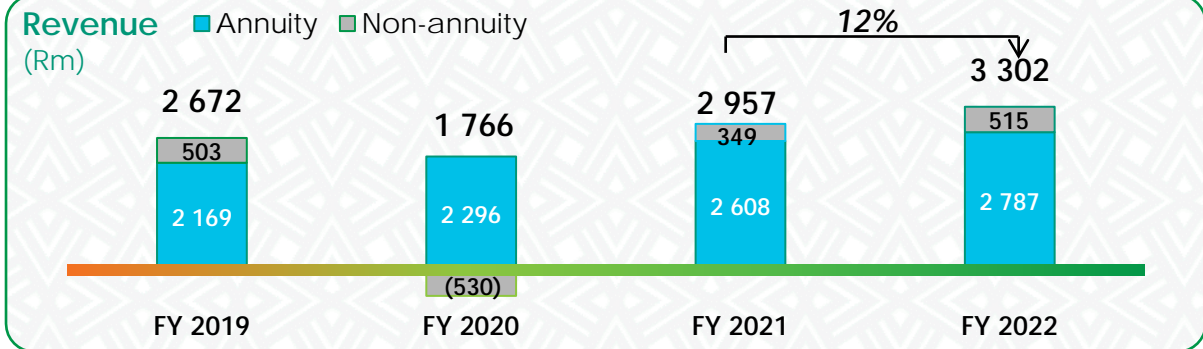
OLD MUTUAL INVESTMENTS

Diversified investment capability set

- Diversity of our platform allowed us to grow revenue despite poor markets
- Repurposing our shareholder credit capability to compete in the third-party institutional market is now complete
- Completion of AWCA and Futuregrowth B-BBEE transaction and the closing of Bula Tsela moves Old Mutual Investments Group and Futuregrowth towards being 50% black owned

Record profitability performance

- Strong core with annuity revenue up 7%
- Excellent non-annuity revenue of R515 million
- Record R17.4 billion of capital raised in Alternatives business
- Commitment and catch-up fees from capital raised outweighed the loss of fees from negative net client cash flows supporting strong revenue growth
- Lower market levels and low margin outflows impacting AUM



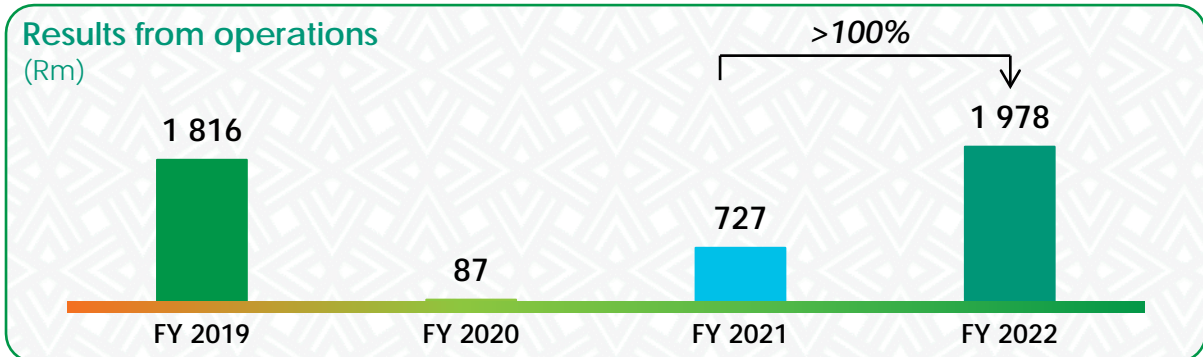
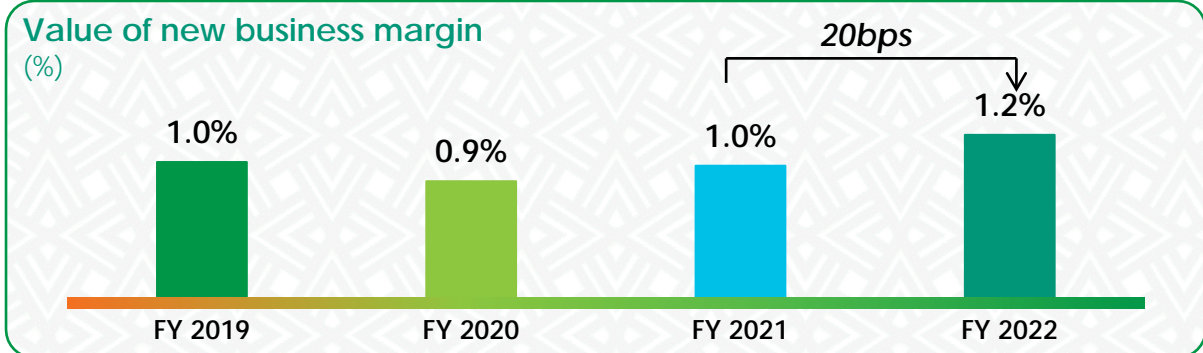
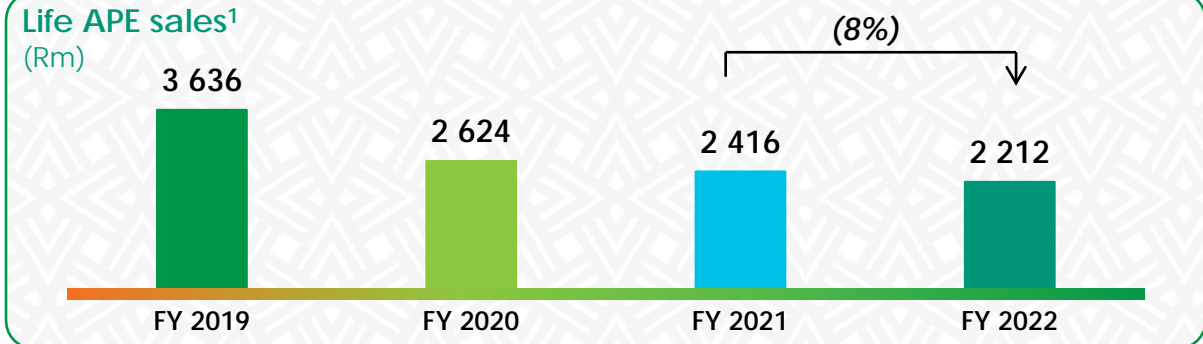


Providing leading propositions through innovation

- ▶ Group Assurance remains a leading group risk proposition
- ▶ SuperFund retained its No 1 Umbrella fund position in South Africa
- ▶ Delivering holistic SME proposition through SMEgo digital platform
- ▶ Enablement of SME funding proposition through Preference Capital

Excellent recovery in core profits

- ▶ Strong growth in Group Assurance new business sales
- ▶ Lower pre-retirement sales and annuity sales driving lower life APE sales
- ▶ Value of new business benefitting from a favourable product mix
- ▶ Deal pipeline remains strong



1. Prior year base includes Old Mutual Finance premiums previously reported in Old Mutual Corporate. Excluding this, life APE sales decreased by 6%

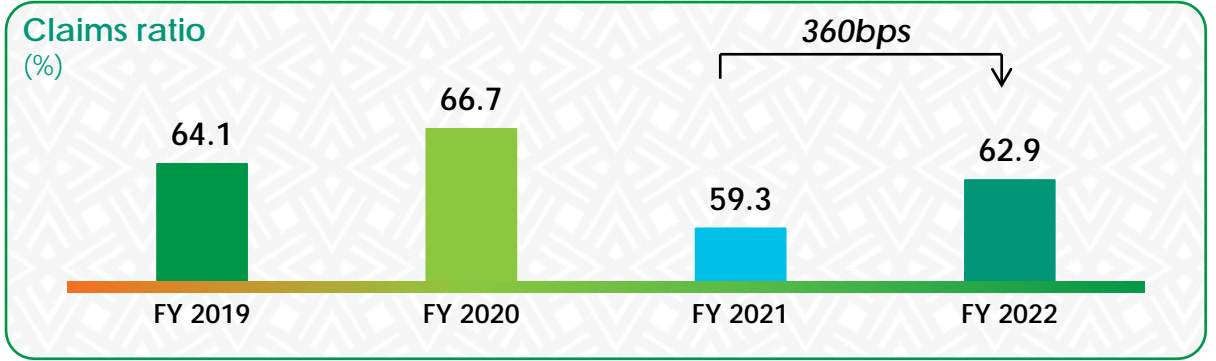
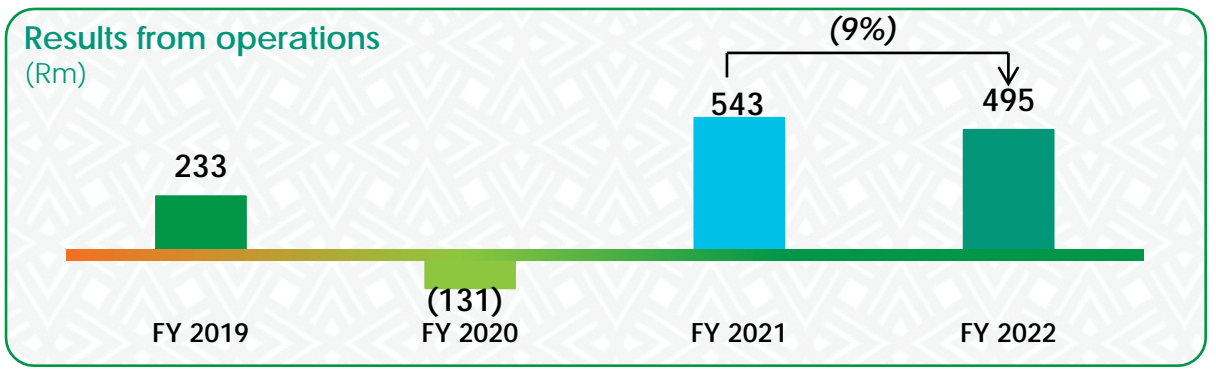
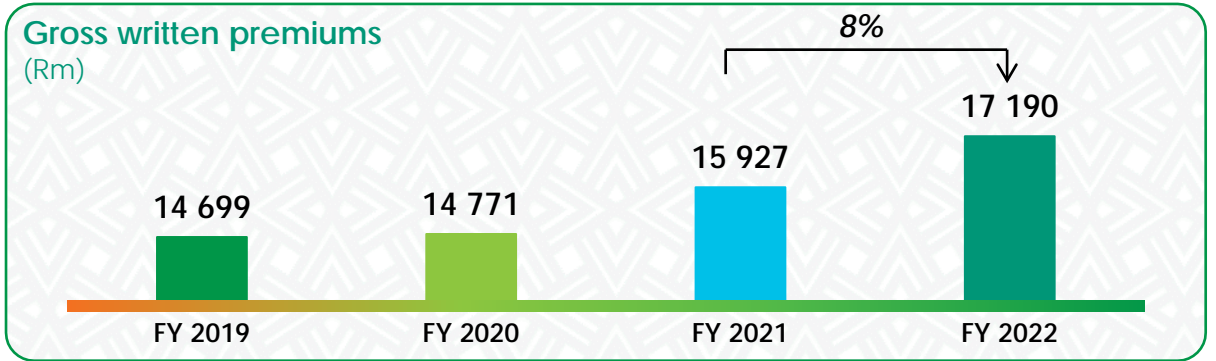


Good topline growth across business lines

- Strong growth gross written premiums
- CGIC and iWYZE delivered strong underwriting results
- Net underwriting margin under pressure due to KZN floods
- Net underwriting margin below target but still committed to 4%-6% long-term target

Making progress with consolidation

- This follows earlier acquisitions of ONE Financial Services, Versma
- Growing partnership with Pineapple
- Focus on integration and realising synergies
- Hardening cycle in reinsurance renewals
- Acquisition of Genric closed early 2023





OLD MUTUAL AFRICA REGIONS

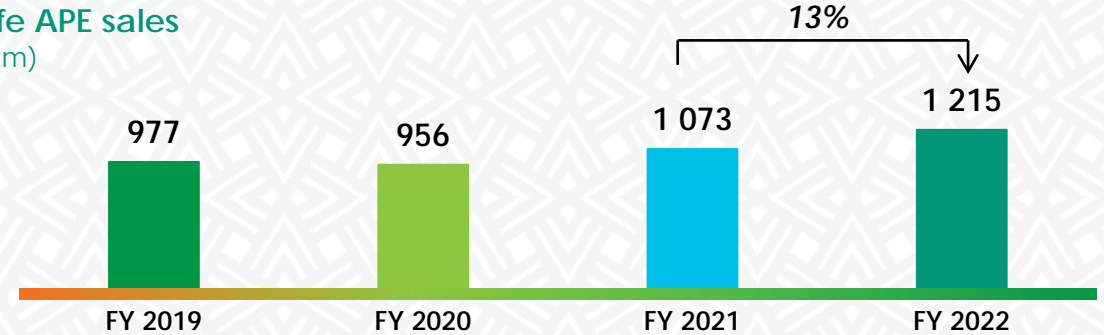
Focus on turnaround yielding results

- Strategic pivot to corporate business paying off as life profits improve in East and West Africa
- Progressing turnaround of loss-making businesses
- Rebranded Kenya and Rwanda to entrench our presence
- Improvement in net underwriting margin despite motor and health claims remaining under pressure

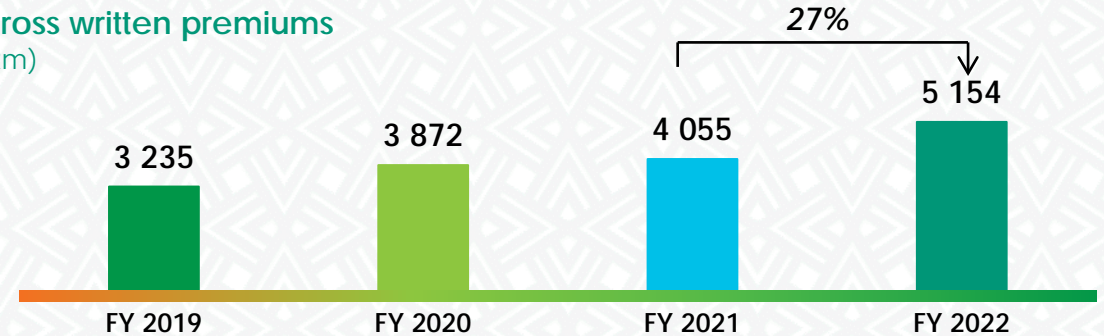
Strong topline growth in Life and Property and Casualty

- Value of new business remains stable year on year
- Gross flows increased by 26%, contributing to 5% increase in funds under management
- Cautious approach to lending resulting in an improved net lending margin

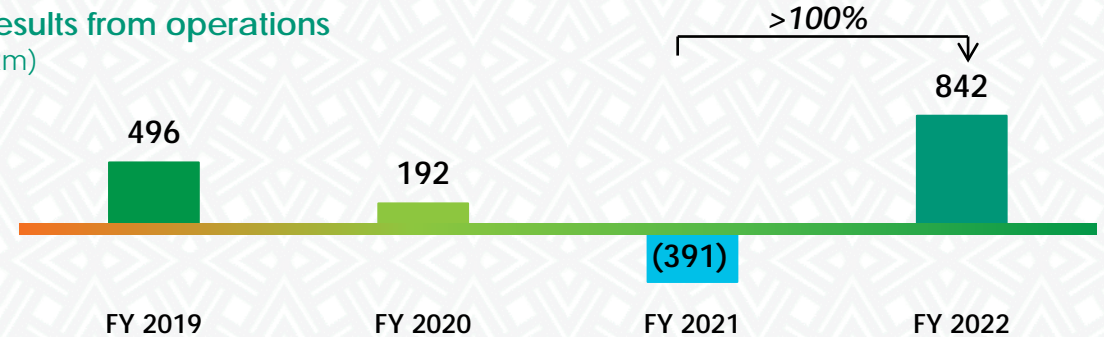
Life APE sales (Rm)



Gross written premiums (Rm)



Results from operations (Rm)



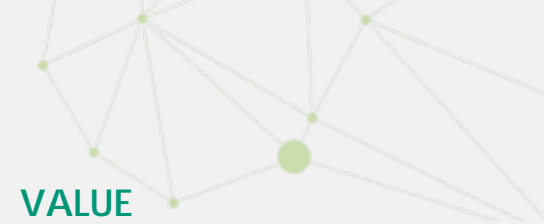


FINANCIAL REVIEW

2022
ANNUAL
RESULTS



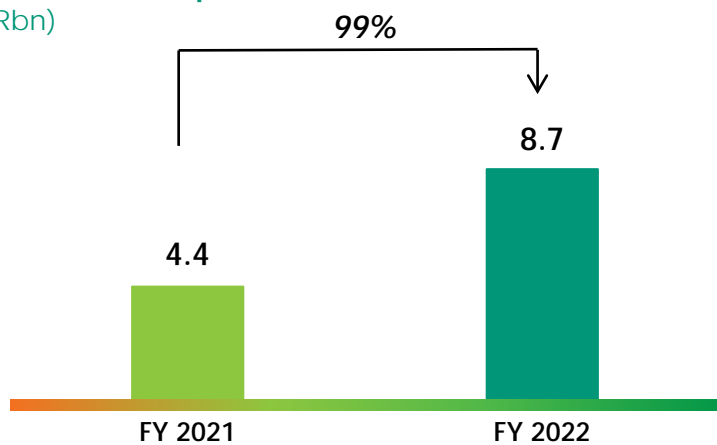
ROBUST FINANCIAL PERFORMANCE



EARNINGS

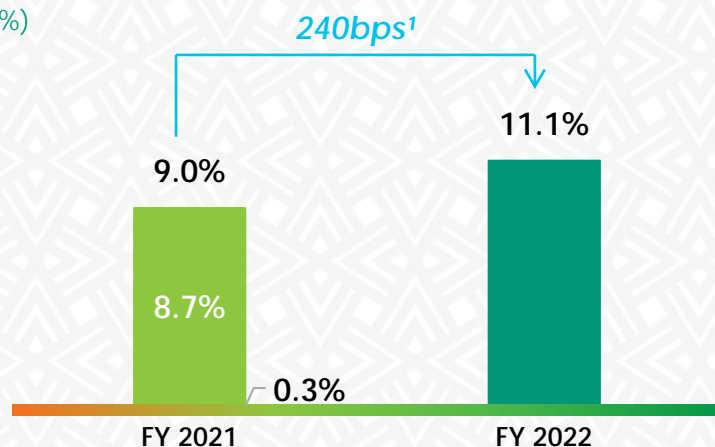
Results from operations

(Rbn)



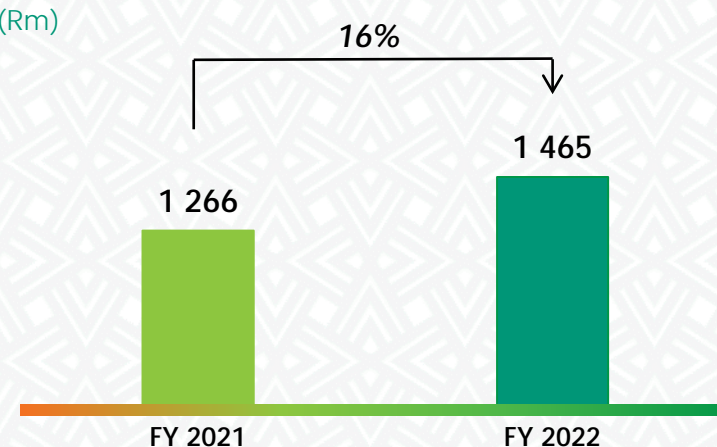
Return on net asset value

(%)



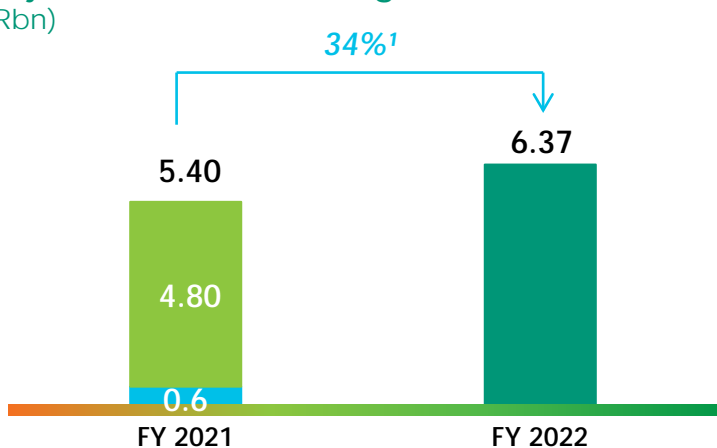
Value of new business

(Rm)



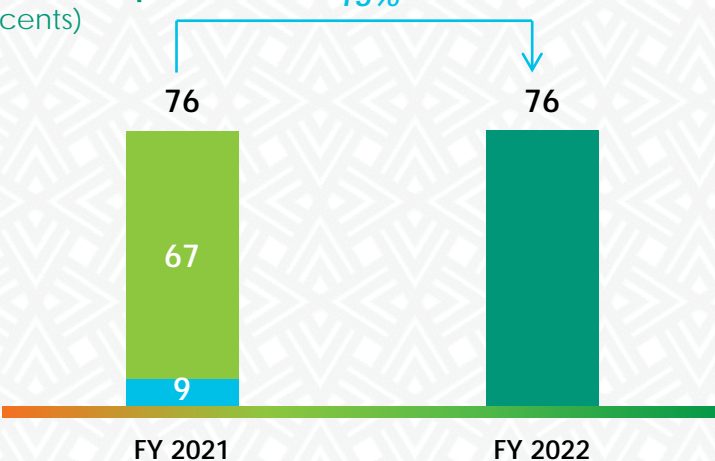
Adjusted headline earnings

(Rbn)



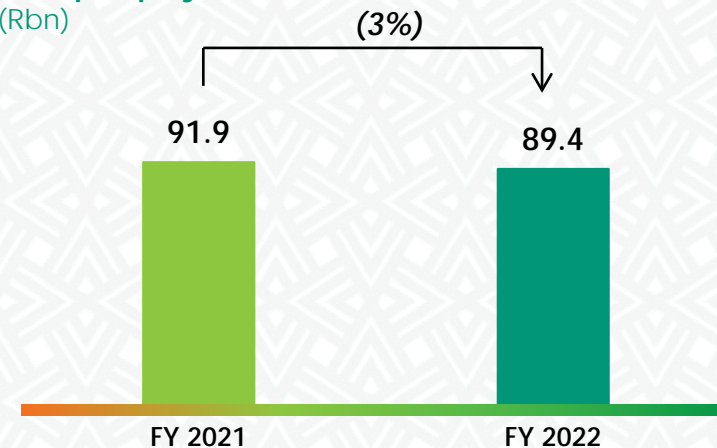
Dividend per share

(cents)



Group equity value

(Rbn)



■ Nedbank distributed stake

1. Excluding the impacts of the distributed stake in Nedbank of 12.2%

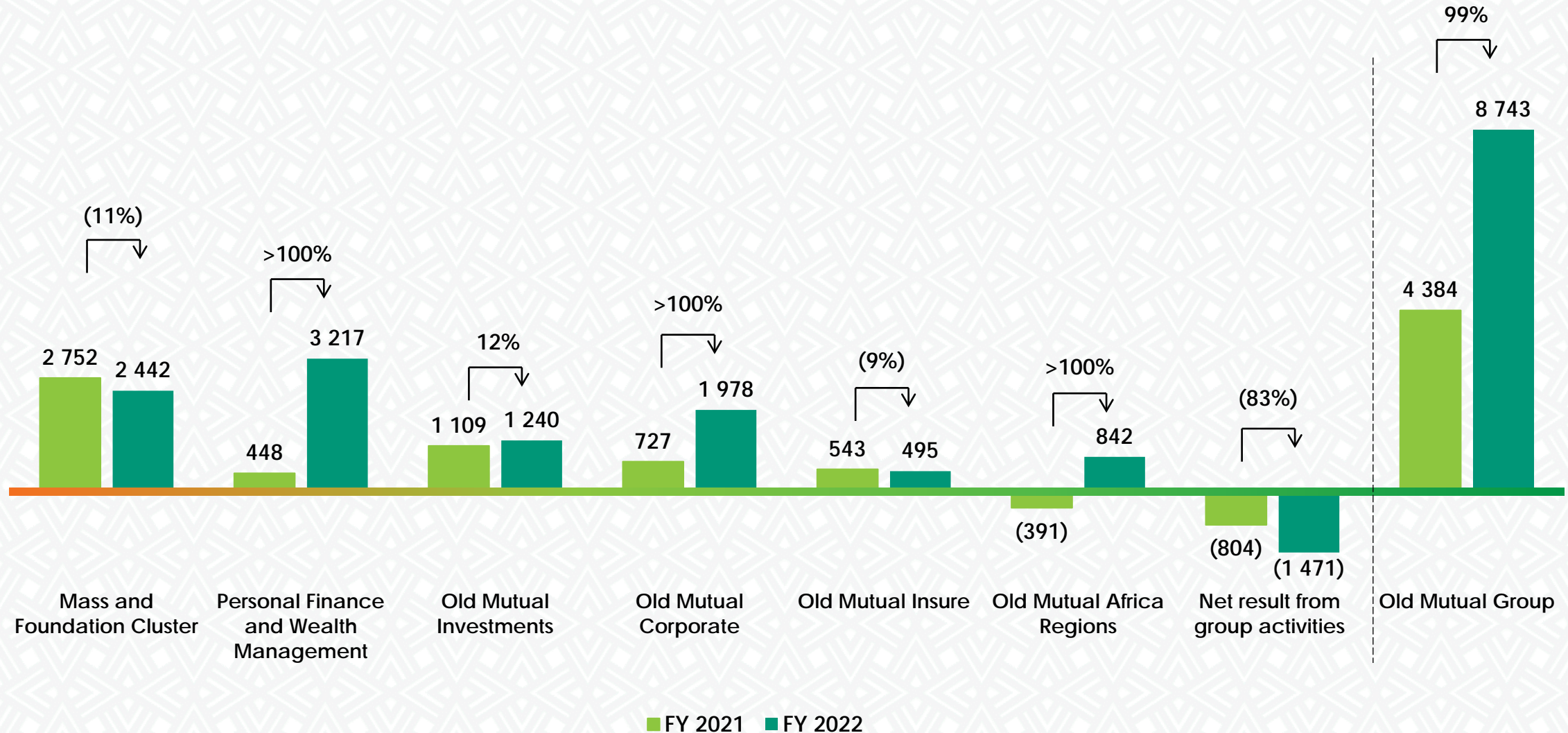


RESULTS FROM OPERATIONS

Strong sales growth and operational performance



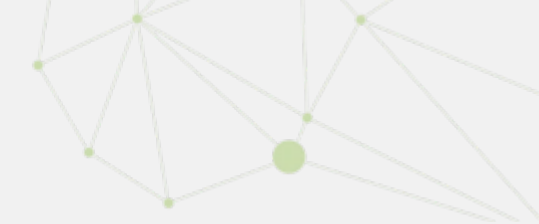
Rm





ADJUSTED HEADLINE EARNINGS UP 34%

Improvement in the core excluding earnings from Nedbank



Rm	FY 2022	FY 2021	change
Results from operations	8 743	4 384	99%
Shareholder investment return	1 468	2 726	(46%)
Finance costs	(662)	(543)	(22%)
Income from associates	(53)	1 252	(>100%)
Adjusted headline earnings before tax and non-control interests	9 496	7 819	21%
Shareholder tax	(2 866)	(2 088)	(37%)
Non-controlling interests	(259)	(329)	21%
Adjusted headline earnings	6 371	5 402	18%
Distributed stake in Nedbank	-	(646)	
Adjusted headline earnings excluding distributed stake in Nedbank	6 371	4 756	34%



ADJUSTED HEADLINE EARNINGS TO IFRS PROFIT RECONCILIATION

Zimbabwe impacted by currency devaluation

Rm	FY 2022	FY 2021	change
Adjusted headline earnings (excluding distributed stake in Nedbank)	6 371	4 756	34%
Distributed stake in Nedbank	-	646	
Adjusted headline earnings	6 371	5 402	18%
Investment return for Group equity and debt instruments	422	(190)	>100%
Impact of restructuring	(152)	(1 482)	90%
Operations in hyperinflationary economies	1 134	3 489	(67%)
Residual plc	173	(10)	>100%
Headline earnings	7 948	7 209	10%
Headline earnings adjusting items	(623)	(547)	(14%)
IFRS profit after tax attributable to ordinary equity holders of the parent	7 325	6 662	10%



ENHANCING VALUE FOR SHAREHOLDERS

Returned R60 billion to shareholders since listing

Solvency

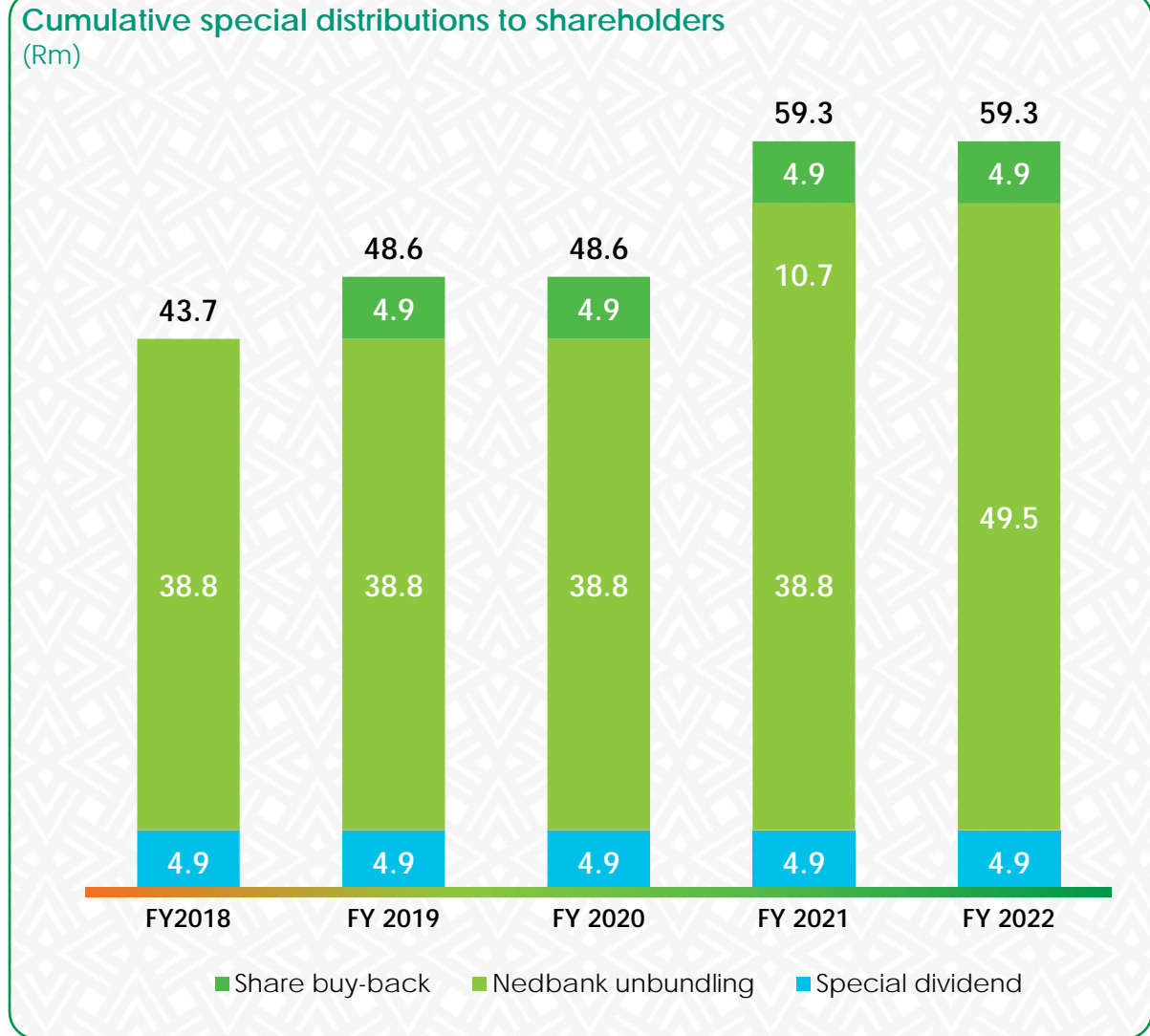
- ▶ Group coverage ratio of 190% within target
- ▶ The main driver for the improvements is the reduction in the prescribed equity stresses set by the regulator

Discretionary capital maintained at R3.5 billion

- ▶ This is the net impact of improvement and refinement of risk management strategies to release capital and capital allocations
- ▶ Balance is earmarked for:
 - The Generic transaction concluded in January 2023
 - The minority buy-out of Old Mutual Finance Namibia
 - Acquisition of a strategic equity stake in Two Mountains Group
 - Continued investment in growth initiatives

Share buyback¹ between R1 billion and R1.5 billion

1. Approval processes initiated with the Board and Prudential Authority





ENHANCING VALUE FOR SHAREHOLDERS

Optimising capital and setting up for growth

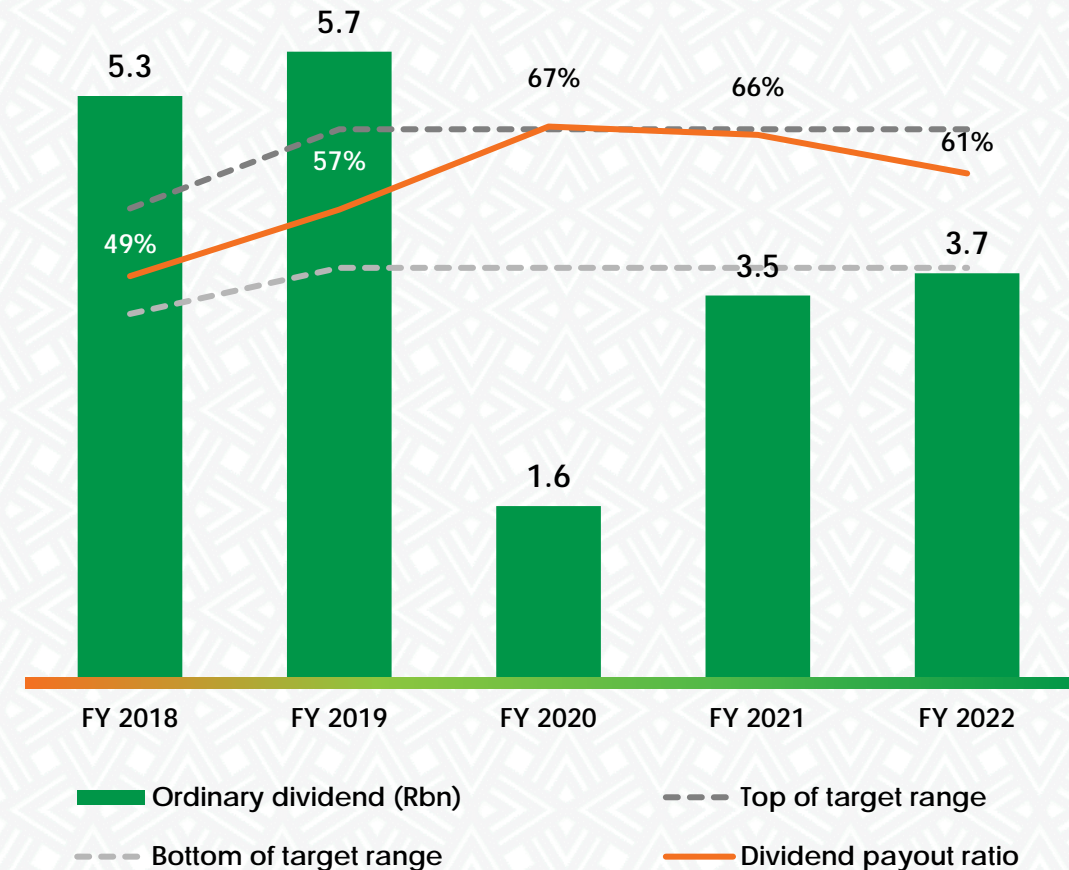
Return on net asset value of 11.1% up 240bps¹

- Improvement in adjusted headline earnings
- Optimisation of capital structure
- Issuance of subordinated debt to optimise weighted average cost of capital in line with gearing targets

Final dividend per share of 51 cents per share

- Dividend cover of 1.73 times
- Total dividend of 76 cents per share
- 13 % growth excluding the impacts of Nedbank in the prior year

Ordinary dividend and payout ratio



1. Excluding the impacts of the distributed stake in Nedbank of 12.2%

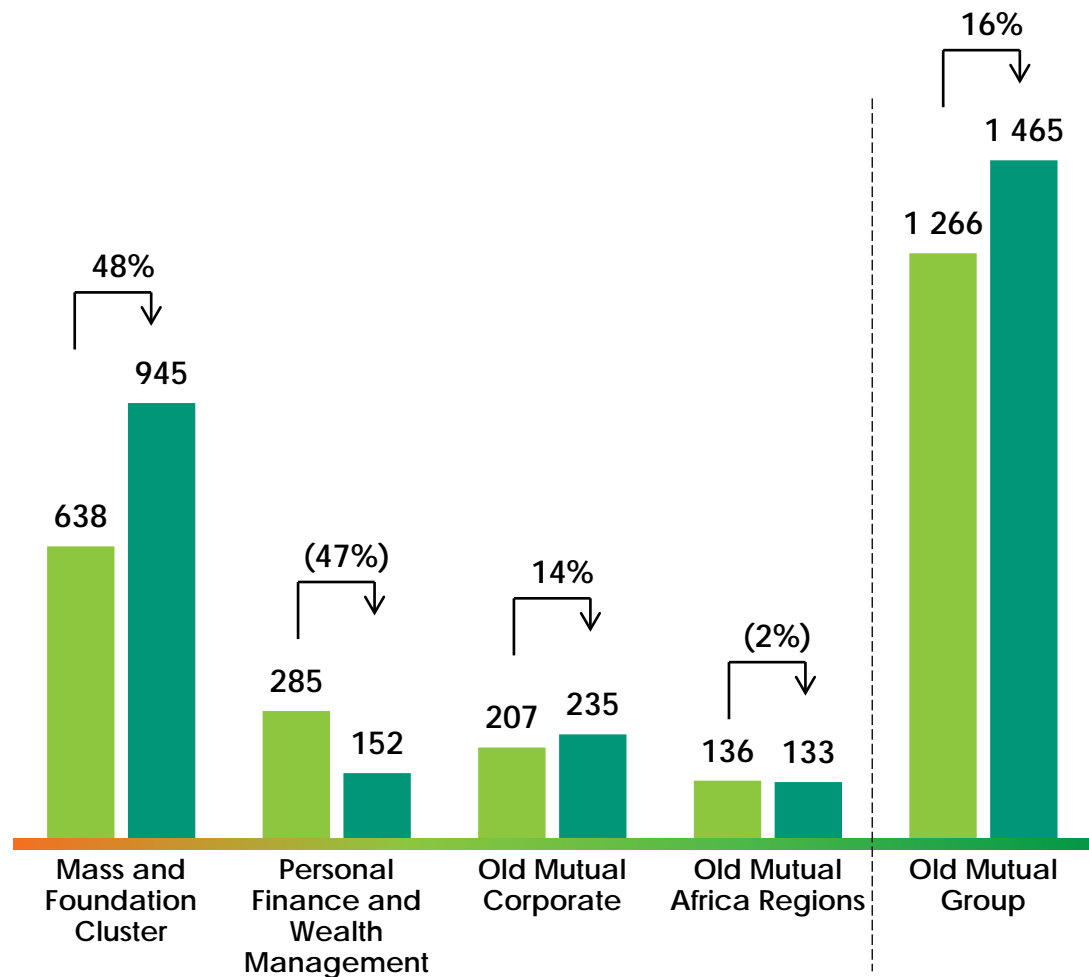


VALUE OF NEW BUSINESS

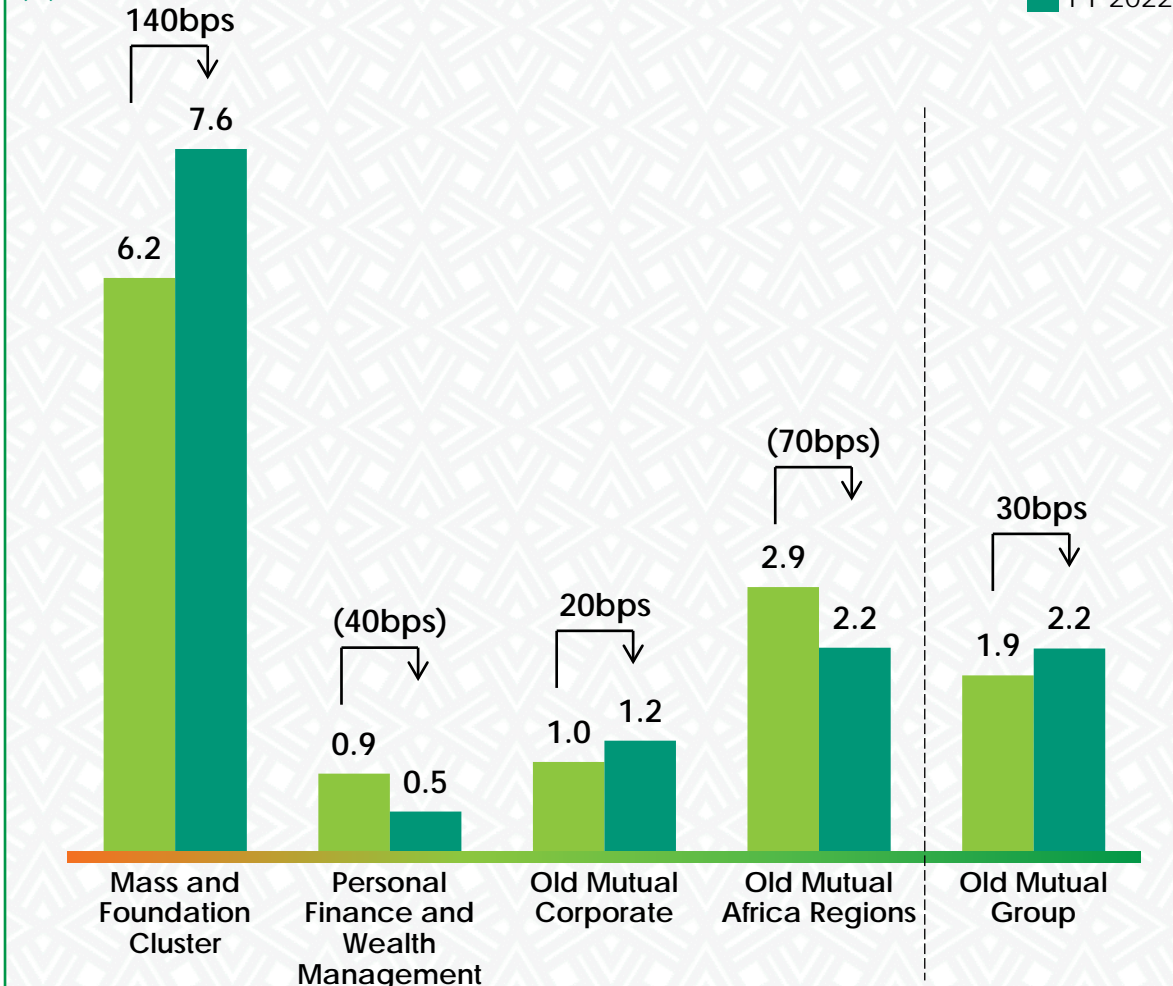
Robust result with work continuing in Personal Finance



Value of new business (Rm)



Value of new business margin (%)



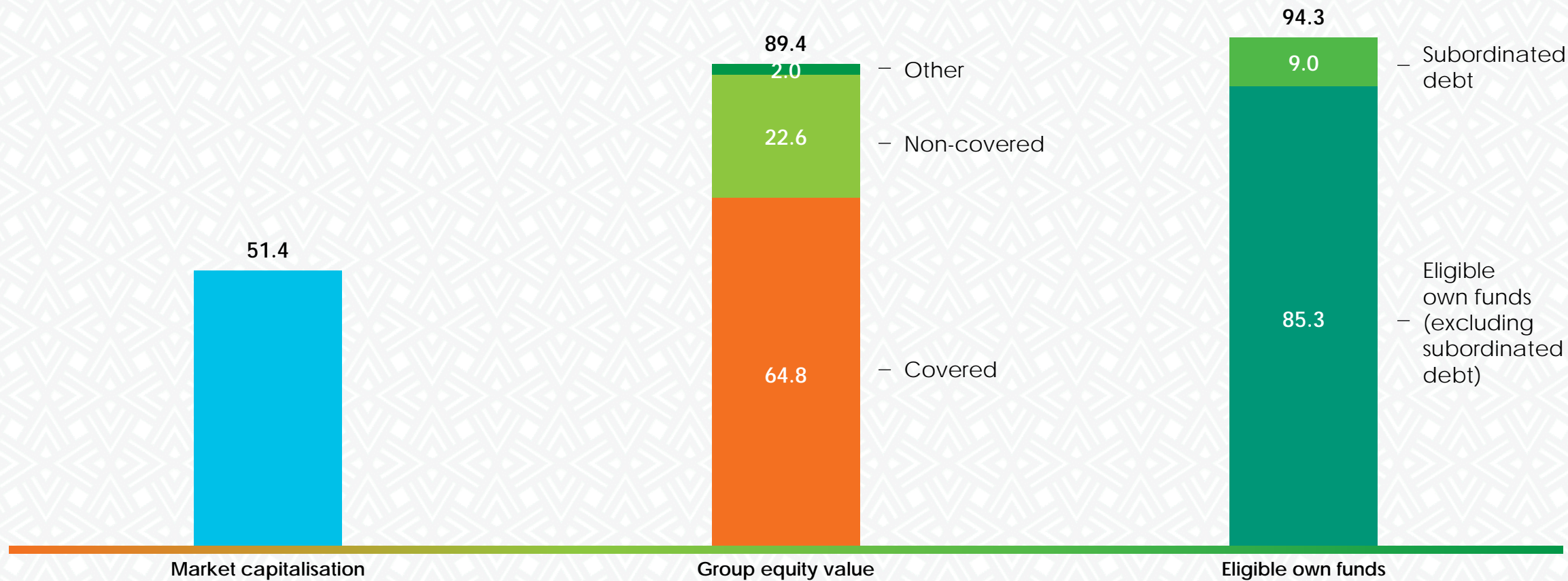


GROUP EQUITY VALUE

Share price trading at a discount to group equity value



Rbn





PERFORMANCE AGAINST MEDIUM-TERM TARGETS

Targets largely met



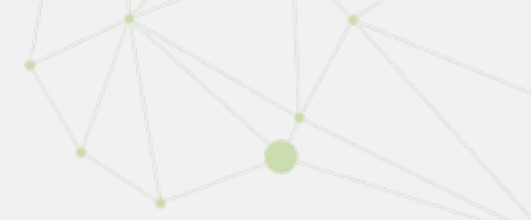
	KPI	Target	FY 2022 outcome	Status	
Growth	Results from operations	Deliver 2019 result plus 5% to 10% by 2023	R8.7bn	Delivered ¹	
	Return on net asset value	Between cost of equity ² +2% and cost of equity ² +4%	11.1%	Improvement continuing into 2023	
Efficiencies	Cost efficiencies	R750 million by the end of 2022 through our South African insurance and savings businesses	R942 million of savings	Target exceeded	
	VNB margin	Between 2% and 3%	2.2%	Within range	
	Net underwriting margin	Old Mutual Insure net underwriting margin 4%–6%	3.1%	Below range due to catastrophe claims	
Capital	Solvency	Old Mutual Limited: 170%–200%	190%	Within range	
		OMLACSA: 175%–210%	214%	Above range	
Capital returns	Dividend cover	Full year cover: 1.5x to 2.0x	1.73x	In line	

1. On the basis of excluding costs of new growth and innovation initiatives in the transactional capability and Next176
 2. Cost of equity set at 11.8% for 2022



IFRS 17 UPDATE

On track with our implementation



Completed work on IFRS17 transition



Detailed IAS 8 disclosure provided in our 2022 Annual Finance Statements



2022 IFRS 17 comparative reporting in progress



Further updates to be provided at our next Investor Engagement





IFRS 17 UPDATE

No change in the underlying economics or strategy



Accounting change that does not impact the underlying fundamentals of our insurance business

NO IMPACT
on cash or capital
generation

NO IMPACT
on our ability to
invest in our new
growth engines

NO IMPACT
on our solvency
position

NO IMPACT
on our ability to pay
dividends



*Changes the timing of insurance
profit recognition*

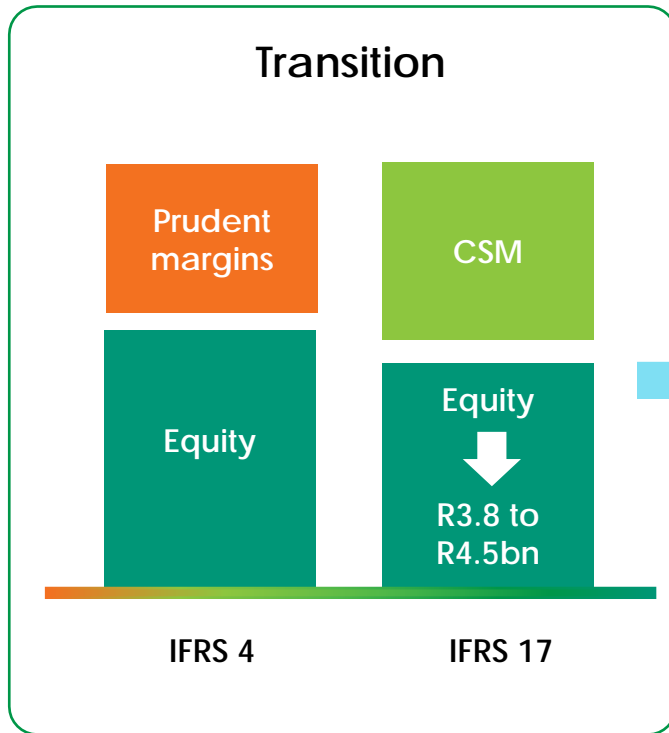


*Adjustment to **shareholders' equity**
on transition*

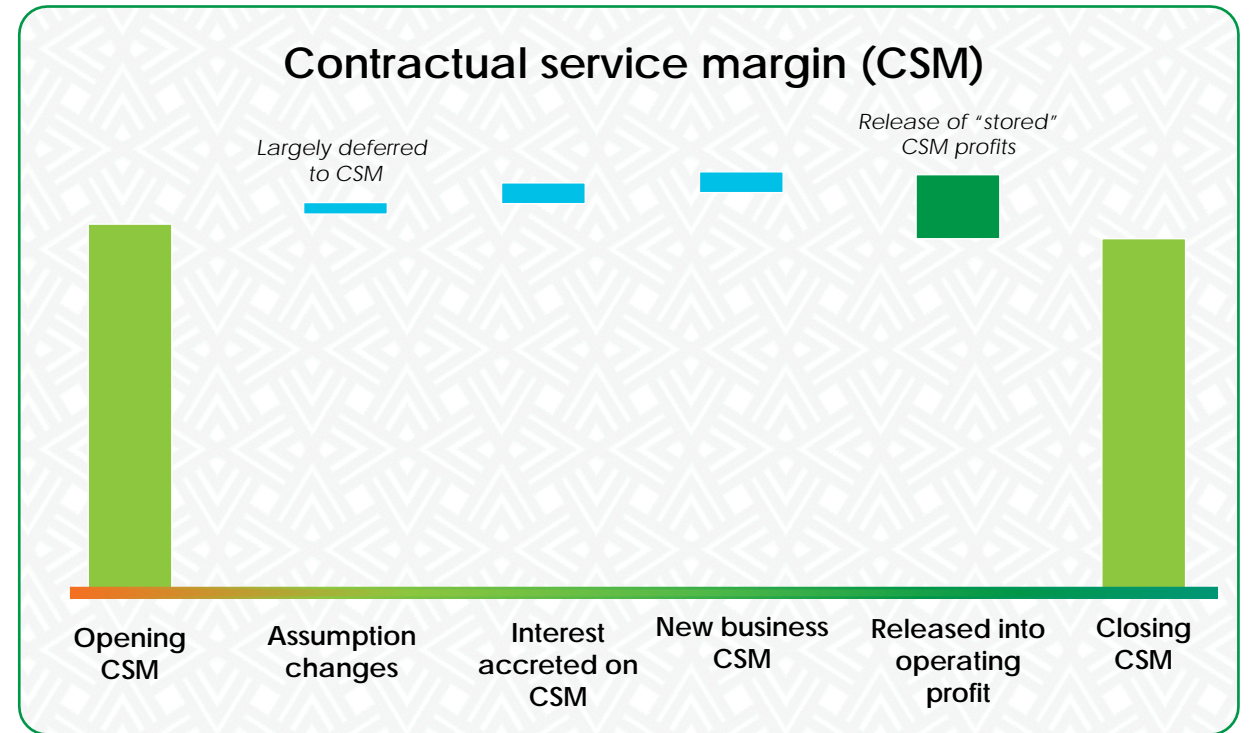


IFRS 17 UPDATE

Key impacts



Change in timing not value - Reduction in transition equity offset by CSM (stored future profits) & risk adjustment which are released into profit over time



Fundamental cash dynamics of our business not affected - We do not expect IFRS17 to materially impact how we think about future distributions



LOOKING AHEAD

2022
ANNUAL
RESULTS



WE HAVE MEANINGFULLY PROGRESSED EXECUTING OUR STRATEGY

Recap

Delivered on our commitments to investors



Achieved our 2023 medium-term targets in 2022



Determined the IFRS 17 transition impact



Growing and protecting **the core**

We are
prepared
for what lies
ahead

Unlocking **new growth engines**

New medium targets to be announced in due course



CONCLUSION

2022
ANNUAL
RESULTS

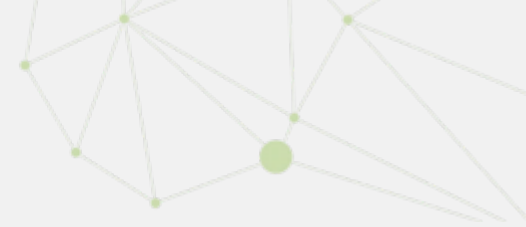


2022 ANNUAL RESULTS

Q & A



DISCLAIMER



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