

Old Mutual Limited
Incorporated in the Republic of South Africa
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LEI: 213800MON84ZWWPQCN47
JSE Share Code: OMU
LSE Share Code: OMU
NSX Share Code: OMM
MSE Share Code: OMU
ZSE Share Code: OMU
("Old Mutual" or "Company" or "Group")

Ref 18/21
18 August 2021

OLD MUTUAL TRADING STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

Shareholders are advised that Old Mutual is currently in the process of finalising its interim results for the six months ended 30 June 2021 ("**current period**"). Following on the Old Mutual Voluntary Operating Update on 23 June 2021, this trading statement provides an indication of a range for headline earnings per ordinary share (HEPS) and earnings attributable to equity holders of the Group per ordinary share (EPS) in terms of paragraph 3.4(b) of the JSE Limited Listings Requirements compared to the six months ended 30 June 2020 ("**comparative period**"). The Group's interim results will be released on the Stock Exchange News Service of the JSE Limited on Tuesday, 31 August 2021.

The local and global equity markets have recovered given the improvement in corporate profits as lockdown restrictions have eased. Markets have rallied ahead of pre-COVID-19 levels, however, the environment remains volatile as we navigate the challenging impact of the pandemic.

We continue to demonstrate agility in our response to the impact of the pandemic on our business, with good recovery in sales and earnings for the first half of the year. Productivity levels in our South African retail segments, Mass and Foundation Cluster and Personal Finance have materially improved in the first half of the year. There has been a strong customer take up in the Old Mutual Protect (OMP) proposition, which has seen rapid growth supporting the recovery in risk sales. In Mass and Foundation Cluster, issued sales in the first half of the year were above the comparative period due to the significant impact that lockdown had on issued sales in 2020. This was supported by improved credit experience in the banking business. Personal Finance had higher single and recurring premiums, driven by an increase in productivity. In Old Mutual Corporate, SuperFund umbrella quote activity improved relative to the comparative period. The recovery in local equity markets, combined with positive flows in our Asset Management business have benefited Old Mutual Investments. In Rest of Africa, we continue to upgrade the digital channels to improve customers experience and providing connectivity support to enable intermediaries to work remotely.

The mortality claims paid relating to COVID-19 in our life businesses are driving negative Net Client Cash Flows (NCCF), however this is offset by inflows in our Asset Management and Wealth businesses. Our mortality experience has been worse than anticipated with impact on profits mitigated by a partial release of

provisions raised at the end of 2020. Our 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.

In Old Mutual Insure, business interruption claims paid in the first half of the year were offset by the reserves raised at the end of 2020. The reserves raised in the comparative period still remain as the best estimate and no further provisions were raised. There was a significant turnaround in the Credit Guarantee Insurance Corporation (CGIC) business profitability due to large COVID-19 related claims in prior year that did not repeat, as well as lower attritional claims in the current year.

Taking into account the increase in operating earnings and the significant improvement in sales momentum outlined above shareholders are advised that the Group's key profit measures are expected to fall within the ranges outlined below:

Key Performance Indicators (R million unless stated otherwise)	Estimated % change	Estimated 30 June 2021	30 June 2020
Results from Operations	37% to 47%	2,113 – 2,267	1,541
Adjusted Headline Earnings	65% to 75%	2,813 – 2,984	1,704
AHEPS (cents) ¹	65% to 75%	61.6 – 65.3	37.3

¹ AHEPS defined as Adjusted Headline Earnings divided by WANS adjusted to reflect the Group's B-BBEE shares and shares held in policyholder and consolidated investment funds.

HEPS and Basic EPS are expected to fall within the ranges outlined below:

Key Performance Indicators (R million unless stated otherwise)	Estimated % change	Estimated 30 June 2021	30 June 2020
IFRS profit after tax attributable to equity holders of the parent	>100%	2,704 – 3,266	(5,621)
Basic EPS (cents)	>100%	61,4 – 74,3	(128.5)
Headline Earnings	(20%) – (30%)	2,946 – 3,368	4,215
HEPS (cents)	(21%) – (31%)	66,9 – 76,5	96.3

Shareholders are reminded that the impairments in respect of the carrying value of our investment in Nedbank and the goodwill related to our investment in Old Mutual Finance were recognised in the IFRS income statement in H1 2020 and were not repeated. These are however, not recognised in Headline Earnings, and accordingly not recognised in Adjusted Headline Earnings (AHE), as this is an explicit adjusting item in accordance with the JSE Headline Earning Circular 1/2021.

Headline earnings is lower than the prior year as AHE excludes adjustments in respect of equity and debt instruments held in life funds, the impact of restructuring as well as the results related to Residual Plc which were all lower than H1 2020, partially offset by higher results related to Zimbabwe.

On the 23 June 2021 Old Mutual announced its intention to unbundle a portion of its shareholding in Nedbank Group Limited ("**Nedbank**"). Subject to regulatory approval, Old Mutual will unbundle all the Nedbank ordinary shares currently held by Old Mutual Emerging Markets Limited (being 62,131,692 Nedbank ordinary shares and comprising 12.2% of the issued ordinary share capital of Nedbank). The remaining Nedbank Stake held by Old Mutual Life Assurance Company South Africa ("**OMLACSA**") (comprising c.7.2% of the Nedbank ordinary shares currently in issue) continues to support the capital structure of OMLACSA and will be managed in line with the Group's Financial Management Framework. In order to optimally manage the capital structure, we have entered into a zero cost collar arrangement on the majority of the OMLACSA exposure to Nedbank.

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

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Sponsors

JSE	Merrill Lynch South Africa (Pty) Limited t/a BofA Securities
Namibia	PSG Wealth Management (Namibia) (Proprietary) Limited
Zimbabwe	Imara Capital Zimbabwe plc
Malawi	Stockbrokers Malawi Limited

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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 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.