

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

Ref 44/23
 25 May 2023

OLD MUTUAL VOLUNTARY OPERATING UPDATE FOR THE QUARTER ENDED 31 MARCH 2023

The global macro-economic environment remains challenging however easing of the COVID-19 policy in China has boosted economic activity. Our customers' disposable income remains under pressure due to rising inflation and interest rate increases. The sustained high levels of load shedding in South Africa continues to reduce customers confidence.

Financial key performance indicators for the quarter ended 31 March 2023

The table below sets out certain key performance indicators for the quarter ended 31 March 2023.

Key Performance Indicators (R millions unless otherwise indicated)	31 March 2023	31 March 2022	change
Life APE sales	2 873	2 890	(1%)
Gross flows	49 046	40 197	22%
Net client cash flow	899	(4 999)	>100%
Loans and advances ¹	19 023	19 009	0%
Gross written premiums	6 512	5 465	19%

¹Comparative amounts represent FY2022 balance sheet amounts.

Life APE sales were marginally lower compared to the prior period despite good sales momentum in our retail segments. The decrease in Life APE sales was driven by lower savings products sales in the broker channel in China as we ceased selling certain products in anticipation of regulatory changes. Excluding China, Life APE sales were 7% up on the prior period due to growth in credit life sales and strong risk sales in Mass and Foundation Cluster driven by good momentum in productivity levels as observed in issued sales compared to the prior period. Personal Finance and Wealth Management delivered higher single premium guaranteed annuity sales and better recurring premium savings sales compared to the prior period due to improved productivity levels. Old Mutual Africa Regions sales were above the prior period mainly due to corporate sales growth in East Africa driven by new business secured, renewals and improved productivity.

Persistency remains under pressure despite the strengthening of our persistency basis as at 31 December 2022. We remain focused on deploying the identified set of management interventions which we expect to mitigate the persistency pressure. We expect this together with our sales momentum to contribute positively to value of new business.

Gross flows increased by 22% mainly due to strong flows in Old Mutual Investments driven by higher inflows into money market, fixed income and corporate cash products in Futuregrowth as well as higher Alternative flows compared to the prior period. The increase in flows was also driven by new business secured and high unit trust sales in East Africa.

Net client cash flow improved compared to the prior period mainly due to strong growth in flows. This was partially offset by large outflows in Wealth Management across all platforms.

There has been no significant movement in loans and advances compared to the prior period. A slight increase in Mass and Foundation Cluster was offset by a decrease in Old Mutual Africa Regions. This decrease was driven by depressed disbursements in line with our stricter lending criteria and write offs in our non-performing loan book due to tough economic conditions.

Gross written premiums grew by 19% from the prior period mainly due to better retention and new business growth in both the medical and general insurance book in Old Mutual Africa Regions. Good premium growth in Old Mutual Insure across all divisions and the acquisition of Generic Insurance Company Limited contributed to the growth in gross written premiums.

Capital

The Group solvency ratio remains stable within our target range of 170% - 200%.

The Group discretionary capital balance as at 31 March 2023 has decreased to R1.4 billion from the R3.5 billion reported at 31 December 2022 principally as a result of capital allocations. This includes the Generic Insurance Company Limited acquisition of R300 million, minority buy of Old Mutual Finance Namibia of N\$214 million in the first quarter of 2023 and the share buyback to return up to R1.5 billion to shareholders. The Group has received approval from the Board and Prudential Authority for the share buyback. We are in the process of execution which is expected to be completed during 2023. The discretionary capital balance of R1.4 billion has been earmarked for the acquisition of an equity stake in the Two Mountains Group which is still subject to regulatory approvals as well as continued investment in our growth and innovation initiatives.

Investor engagement

Investors are invited to participate in a conference call to address matters related to this voluntary operating update on 25 May 2023 at 17:15pm, SAST. Investors and media may register on the following link: <https://www.oldmutual.com/investor-relations>.

Please note that registered participants will receive their dial in number upon registration. We advise callers to dial in at least five minutes before the conference call starts.

A recorded playback will be available for three days after the conference call.

Access numbers for recorded playback:

Access code for recorded playback: 44293

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

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Sponsors

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Zimbabwe	Imara Capital Zimbabwe plc

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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 Africa, and it has a niche business in Asia. With over 178 years of heritage across sub-Saharan Africa, Old Mutual is a crucial part of the communities it serves as well as broader society on the continent.

For further information on Old Mutual and its underlying businesses, please visit the corporate website at www.oldmutual.com.