



Press Release - Interim Results 2020

Old Mutual Interim Results 2020: Performance negatively impacted by Covid-19 but Group remains resilient

1 September 2020. Old Mutual today announced its Interim Results for the six months ended 30 June 2020. A difficult macro environment and significant market volatility as a result of the ongoing Covid-19 pandemic negatively impacted Results. The Group has, however, maintained a strong balance sheet and capital position and remains optimistic about weathering the Covid-19 storm.

The Group said that the impact of directly attributable Covid-19 items on its results amounted to some R2.8 billion before tax. However, it noted that, excluding these Covid-19 impacts, its overall Normalised Results from Operations (RFO) were very similar to that of H1 2019, with most segments returning resilient performance despite the challenging operating conditions.

Old Mutual CEO Iain Williamson explained: "While the Mass and Foundation Cluster has been most impacted by the pandemic, Personal Finance RFO has held up relatively well. The Wealth segment benefited from a strong performance by Old Mutual International. As far as Old Mutual Insure is concerned, a much better normalised underwriting profit was registered during the period. RFO for our Rest of Africa business was also up 27% and 23% in constant currency respectively. Overall, a solid performance from the segments through very tough conditions."

Adjusted Headline Earnings for the period were down 67% to R1.7 billion, compared to R5.2 billion for the same period last year. "This was largely driven by much lower new business sales volumes as a result of the lockdown, lower average equity market levels across the board, as well as the raising of short-term provisions in anticipation of worsening mortality, morbidity and persistency expected in the second half of the year."

The Group's embedded value remains robust at R67.8 billion. It has maintained its traditionally strong balance sheet and capital positions and a solvency ratio of 182%



confirming that the Group is well capitalised. "We have performed extensive stress testing of our capital ratios and balance sheet and are comfortable that we will remain in our optimal solvency range even in the most severe economic recovery scenarios," noted Williamson.

Old Mutual also noted swift progress against its strategic priorities, including:

- The implementation of a range of significant digital improvements for customers and employees undertaken in record time as a result of the lockdown
- The continued provision of market-leading solutions such as Old Mutual Protect, its recently launched bespoke personal risk cover offering
- Ongoing comprehensive Covid-19 relief initiatives across the continent. This includes premium free life cover to qualifying healthcare workers in Kenya, Malawi, South Africa and Zimbabwe. Significant pledges towards high impact and sustainable initiatives that address educational needs, hygiene awareness, nutritional support and access to personal protective equipment for essential service workers across the continent. Customer and Small Business relief worth over R350 million.

"This is a business that continues to prove its resilience time and again, especially in the face of adversity. We have weathered many storms throughout our 175-year history and we remain optimistic that the business will rise above these challenges, coming out even stronger than before. We remain committed to delivering shared value for all our shareholders and stakeholders alike", concludes Williamson.

For more on Old Mutual's H1 2020 Interim Results, click [here](#).

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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 175 years of heritage across sub-Saharan Africa, we are a crucial part of the communities we serve and broader society on the continent. For further



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

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