

Old Mutual Limited
Incorporated in the Republic of South Africa
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("Old Mutual" or "the Company")

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25 January 2021

PRELIMINARY OPERATING UPDATE FOR OLD MUTUAL LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020, INCLUDING FINALISATION OF THE BUSINESS INTERRUPTION CLAIMS PROCESS FOR OLD MUTUAL INSURE

PRELIMINARY OPERATING UPDATE FOR OLD MUTUAL LIMITED

Operating conditions across our business have remained challenging during the second half of 2020.

Despite the tough economic and operating environment many of our volume related KPIs have shown recovery in the second half, demonstrating the resilience of our franchise. Our Gross Flows for the 12 months ended 31 December 2020 are R188 billion, 10% up on the prior year. Positive NCCF of R10,1 billion is R7,0 billion higher than the prior year, driven by strong investment flows across the Group in the second half of the period, which were partially offset by higher outflows in Old Mutual Corporate as a result of the deteriorating economic environment. We have also seen continued improvement in adviser productivity with sales trending towards historic levels.

Whilst there are encouraging signs of recovery in our sales metrics, we are concerned about the rapidly increasing rate of COVID-19 infections in our key geographies and the impact that the pandemic could have on our customers, economic recovery, and mortality rates.

We are currently in the process of finalising our life reserves, considering the global experience of the impact of the pandemic and the potential of a more sustained spread of the virus. There remains a large degree of variability in the data and we are monitoring infection and mortality related claims data on a weekly basis. We expect to communicate the outcome in the near term.

FINALISATION OF THE BUSINESS INTERRUPTION CLAIMS PROCESS FOR OLD MUTUAL INSURE

Following a lengthy period of legal uncertainty, shareholders are advised that Old Mutual Insure has commenced the process of finalising all outstanding valid claims for business interruption for our affected customers.

The complex question as to whether customers with business interruption extensions for infectious and contagious diseases are entitled to cover for the COVID-19 pandemic and the related government enforced national lockdown has been the subject matter of several court cases.

The recent rulings on this matter by the Supreme Court of Appeal of South Africa have provided legal certainty and we have therefore commenced with processing valid business interruption claims with specific conditions that are materially the same in nature as those already decided by the courts.

We anticipate that the net business interruption and business rescue reserves reported for the year ended December 2020 will increase by between R85 million to R140 million compared to the amount reported for six months ended 30 June 2020. The net business interruption and business rescue claims (including reserves) of R464 million reported for the first half of the year included an amount to settle business interruption claims of SMME customers with an annual sum insured of R5 million or below to enable them to continue operating in a tough economic environment. This settlement was applied to all our qualifying SMME customers who had the infectious disease extension at the time of loss.

TRADING STATEMENT

Consistent with our communication of the interim results in September 2020, in terms of paragraph 3.4(b) of the Listings Requirements of the JSE Limited, shareholders are advised that we expect HEPS and EPS for the year ended 31 December 2020 to be more than 20% lower than the reported HEPS and EPS for the comparable period (FY 2019 HEPS: 236.1

cents, FY 2019 EPS: 208.3 cents) due to the significant impact COVID-19 has had on our business operations and results. A further trading statement will be published to provide more specific guidance once we have reasonable certainty regarding the extent of the decline and the related ranges of the expected decrease in HEPS and EPS.

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Sponsors

Johannesburg Stock Exchange	Merrill Lynch South Africa (Pty) Limited
Namibia	PSG Wealth Management (Namibia) (Proprietary) Limited
Zimbabwe	Imara Capital Zimbabwe plc
Malawi	Stockbrokers Malawi Limited

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Notes to Editors

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 we have a niche business in China. With 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 information on Old Mutual, and its underlying businesses, please visit the corporate website at [**www.oldmutual.com**](http://www.oldmutual.com).