

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

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27 March 2024

Group annual results and final dividend declaration for the year ended 31 December 2023

A message from the Chief Executive Officer

Overview

Our robust operational and financial performance in 2023, underpinned by exceptional sales growth, demonstrates both our sound strategic choices and resilience in a challenging economic climate. Our business remains well positioned for growth and continues to demonstrate its ability to provide customers with high quality solutions that sustain, grow and protect their prosperity. Our customer focused approach has enabled us to generate strong new business and continued sales momentum in 2023. We delivered double digit sales growth of 17% across our life segments as we grow market share profitably within our key markets. Consequently, we delivered exceptional value of new business growth of 37%. We also delivered good growth of 14% on gross flows and gross written premiums.

Our strategic choice to build an integrated financial services business of the future is focused on holistic coverage of our customers' financial needs. It is built around our unmatched distribution and digital engagement capabilities that deliver personalised advice and solutions tailored to these needs, while also driving operational efficiencies and opportunities for strategic growth. During the year, various strategic corporate actions were concluded and we remain confident that these strategic relationships will deliver enhanced growth and profitability for the Group.

One of the key strategic partnerships, the Two Mountains Group, immediately increases our distribution footprint across five provinces and enables us to vertically integrate the funeral services value chain into our value proposition. Our bank build, which is central to our integrated financial services business of the future, remains on track to be launched within the next 12 months subject to regulatory approvals.

Operating environment

The global economy proved resilient in 2023 despite substantial interest rate hikes over the past 18 months. China recorded 5.2% economic growth in 2023, slightly above their 5% target. Many central banks have paused interest rate increases as inflation continued to decline since the second quarter of the year.

The South African economy grew by 0.6% in 2023, lower than the 1.9% recorded in 2022. Despite resilience from the private sector, mining and agricultural production recorded negative growth rates during 2023. Inflation eased during 2023 at an average of 6%, slightly lower than the 6.9% recorded in 2022, despite the impact of food and petrol price increases in August to October 2023. In the second half of 2023, the South African Reserve Bank's Monetary Policy committee kept rates unchanged after the cumulative 475 basis points rate increases since November 2021 given the easing of inflation. Our customers' disposable income remains under pressure due to high inflation, elevated interest rates and ongoing confidence crisis. Some of this financial pressure was alleviated by continued employment recovery with a total of 2.2 million jobs added to the workforce between the start of 2022 and the third quarter of 2023.

The energy and logistical challenges in our ports and railways, and service delivery challenges remain key constraints to economic growth. We have a collective responsibility to partner across the private sector, public sector and civil society to alleviate these challenges. As a responsible business, we are actively engaging in industry organisations such as Business Leadership South Africa (BLSA). Through Business for South Africa (B4SA), a structure of BLSA, our membership enabled us to play a part in supporting government to implement key priority interventions in the areas of energy, transport and logistics, crime and corruption, together with government counterparts. This included supporting the National Energy Crisis committee (NECOM). The NECOM Energy Action Plan has shown progress in its first year, addressing objectives such as ending load shedding, regulatory reforms, approval process streamlining and encouraging private sector investment in energy.

The South African equities market saw muted performance during the year with improvements in December as anticipated interest rate cuts supported confidence.

In our Africa regions, the operating environment was similarly challenging across all markets. Several African markets have experienced severe currency depreciation against the US dollar and dollar shortages remain a challenge. High inflation continues to impact most economies and central banks have maintained interest rates at elevated levels. Kenya faces substantial maturities of domestic debt and foreign US dollar-denominated debt within the next year. Malawi's total public debt increased by 37.6% year-on-year to 75.0% of GDP. These factors continue to impact our customers' disposable income.

Malawi's equity market significantly increased relative to December 2022 due to the rally in the local equity market. All other selected equity indices in East Africa remain subdued.

Key performance overview

Life APE sales recorded robust growth of 17% from the prior year. This was primarily due to strong savings sales in Old Mutual Corporate, resilient retail and corporate sales in East Africa as well as higher guaranteed annuities sales in Personal Finance.

Gross flows increased by 14% from the prior year mainly due to strong single premium inflows in Old Mutual Corporate, new business secured and higher unit trust sales in East Africa.

Our value of new business increased by 37%, with a corresponding increase of 10 bps in the value of new business margin. This was driven by increased risk sales and effective cost management in the Mass and Foundation Cluster and a higher proportion of profitable corporate sales in East and West Africa. The strong growth in guaranteed annuities sales and a shift in mix towards higher margin funds in Personal Finance contributed positively to the value of new business and value of new business margin. The value of new business margin of 2.3% remains within our medium term target range of 2% to 3%.

Gross written premiums were up by 14% from the prior year. This was largely driven by an increase of 17% in Old Mutual Insure due to strong new business growth, renewals and the acquisition of Genric Insurance Company. Excluding Genric Insurance Company, gross written premiums in Old Mutual Insure increased by 13%.

Net client cash outflows of R7 510 million improved by 40% from the prior year, primarily driven by good inflows across our life businesses. In Old Mutual Investments and Wealth Management, client liquidity requirements in challenging economic conditions resulted in increased outflows. Wealth Management experienced outflows from a number of large clients across both local and offshore platforms, coupled with lower treasury advisory inflows. Old Mutual Investments saw low margin indexation outflows from a large offshore investor that is implementing a change in their investment strategy, low margin money market fund outflows as well as structural pension fund outflows. Funds under management of R1.3 trillion increased by 8% from the prior year, due to the improvement in equity markets and valuations on unlisted portfolio assets, partially offset by higher outflows.

The Group delivered return on embedded value of 11.2%. The contribution of profitable new business written, positive risk variances and risk assumption changes was partially offset by increased once-off expenses, worse than expected persistency experience and strengthening of our persistency assumptions.

Results from operations increased by 14% from the prior year. This was primarily driven by higher expected returns on the contractual service margin across our life businesses as well as positive economic variances due to good market performance. Profits also benefited from positive risk experience in Old Mutual Corporate and higher risk sales volumes in Mass and Foundation Cluster.

Return on net asset value of 11.1% increased by 170 bps from the prior year. This was largely driven by robust growth in results from operations and shareholder investment returns as a result of higher interest rates and

resilient equity markets. Return on net asset value excluding new growth initiatives increased by 210 bps from the prior year to 13.1%. We remain committed to optimising our capital allocation to enhance returns to shareholders, with R60.8 billion returned through special distributions since 2018. This includes the share buyback of R1.5 billion completed in October 2023.

The Group solvency ratio remains solid at 178% for the year ended 31 December 2023, within our target range of 170% to 200%. Old Mutual Life Assurance Company (South Africa) Limited (OMLACSA's) solvency ratio remains strong at 204%, which was at the upper end of our target range of 175% to 210%. OMLACSA issued R1.5 billion of floating rate subordinated debt to optimise the Group's weighted average cost of capital and there were no redemptions in 2023.

Our dividend policy targets an ordinary dividend cover range of 1.5x to 2.0x adjusted headline earnings. The Old Mutual Limited Board declared a final dividend of 49 cents per share, with total dividends declared in 2023 amounting to 81 cents per share.

Outlook for 2024

The global economy continues to show more resilience than expected. Inflation has reached its peak and no further interest rate hikes are expected.

In South Africa, inflation is expected to ease in 2024 which will create an environment more conducive for interest rate cuts. The South African Reserve Bank's Monetary Policy Committee left rates unchanged for the fourth consecutive meeting in late January. The downcycle in interest rates is likely to be far slower than the upcycle. The combination of lower inflation, lower interest rates and ongoing employment recovery will bring financial relief to customers and improve confidence levels over time.

In our Africa regions, significant improvement in the overall economic growth is expected, particularly in East Africa. Inflation is likely to remain high in most markets and monetary policy is expected to remain tight with no further interest rate hikes expected. Several key elections will take place in Botswana, Namibia, Ghana, Malawi, Rwanda and South Sudan which will likely extend the period of political uncertainty.

We remain committed to deliver profitable top line growth and new business by delivering an integrated holistic suite of solutions to our customers that leverages our leading distribution and digital capabilities. We will drive effective cost management to enable growth and profitability for the Group as we build our integrated financial services business of the future.

We will continue to deliver on strategic initiatives to achieve our victory condition of becoming our customers' first choice to sustain, grow and protect their prosperity. In March, Old Mutual was selected as the winner of the News24 Long-Term Insurer of the Year award. The award recognises high client satisfaction scores in a News24 survey of more than 4 000 people, along with the assessment of our strategy, societal contribution and transparency. Our integrated financial services business of the future, which has our customers' financial wellness at its core, and the planned launch of our bank are important building blocks to get even closer to our customers and be part of their everyday lives.

Our section 16 submission for the bank build was completed and submitted early in 2024 and we are now awaiting approval from the Prudential Authority. As part of the section 16 submission, we were required to have the banking systems and processes independently verified in a working end to end scenario. This was successfully demonstrated and signed off prior to the aforementioned section 16 submission. Section 17 allows us to notify the industry via the Payments Association of South Africa, that we intend testing in the National Payments system in the latter half of 2024. This is a regulated activity and follows a predetermined process of testing with partner banks in the industry.

In January 2024, we announced the sale of our full stake in UAP Insurance Tanzania, our short term insurance business to a group of current minority shareholders, pending regulatory approval. This decision follows a strategic review that identified challenges in achieving the desired returns on capital for the Tanzanian business. We remain committed to East Africa and will continue to strengthen our investment in corporate and retail propositions to position the business as a leading integrated financial service provider. We will expand our corporate offering, distribution channels, and customer base in East and West Africa.

I want to thank all my colleagues for their passion and commitment in putting our customers front and centre of everything we do, which has enabled us to deliver robust operational and financial performance in a difficult operating environment. I thank our customers for trusting us to help them navigate their financial affairs as we

remain that certain friend in uncertain times. To all our stakeholders, we appreciate your continued support and engagement. Our focus remains on building the integrated financial services business of the future, anchored in our victory condition of becoming our customers' first choice and in doing so responsibly building the most valuable business in our industry.

Iain Williamson

Chief Executive Officer of Old Mutual Limited

Group Highlights

We completed a share buyback of R1.5 billion in 2023.

Key performance indicators

Rm (unless otherwise stated)	FY 2023	FY 2022	Change
Results from operations	8 343	7 310	14%
Adjusted headline earnings	5 861	4 850	21%
Headline earnings ¹	7 380	5 854	26%
IFRS profit after tax attributable to equity holders of the parent ¹	7 065	5 231	35%
Return on net asset value (%)	11.1%	9.4%	170 bps
Return on net asset value excluding new growth initiatives (%) ²	13.1%	11.0%	210 bps
Group equity value	90 114	89 477	1%
Discretionary capital (Rbn)	1.1	3.5	(69%)
Group solvency ratio (%) ^{1,3}	178%	188%	(>100 bps)
Dividend cover (times) ⁴	1.5	1.7	(12%)

Per share measures

Cents	FY 2023	FY 2022	Change
Adjusted headline earnings per share ⁵	129.0	106.4	21%
Headline earnings per share ¹	165.5	129.2	28%
Basic earnings per share ¹	158.4	115.5	37%
Total dividend per share	81	76	7%
Interim dividend	32	25	28%
Final dividend	49	51	(4%)
Group equity value per share ⁶	1 880.9	1 820.9	3%

Supplementary performance indicators

Rm (unless otherwise stated)	FY 2023	FY 2022	Change
Life and Savings and Asset Management			
Gross flows	203 802	178 027	14%
Net client cash flow	(7 510)	(12 425)	40%
Funds under management (Rbn)	1 331.0	1 231.1	8%
Life and Savings			
Life APE sales	14 604	12 501	17%
Value of new business	1 921	1 400	37%
Value of new business margin (%)	2.3%	2.2%	10 bps
Banking and Lending			
Loans and advances	19 391	19 009	2%
Net lending margin (%)	11.3%	13.1%	(180 bps)
Property and Casualty			
Gross written premiums	25 513	22 344	14%
Insurance revenue	25 204	22 082	14%
Net underwriting margin (%)	0.1%	1.4%	(130 bps)

1 These metrics include the results of Zimbabwe. All other key performance indicators exclude Zimbabwe

2 Return on net asset value excluding new growth initiatives was previously reported as core return on net asset value. This key performance indicator excludes adjusted headline earnings and equity impacts as well as any expected investment over the next 12 months into these initiatives. The prior year has been re-presented from 10.8% to 11.0%

3 The prior year has been re-presented to align results to the audited Prudential Authority submission

4 The dividend declared of 76 cents per share which amounted to a dividend cover of 1.7 times on an IFRS 4 basis was approved by the Board in 2022

5 Adjusted headline earnings per share is calculated with reference to adjusted weighted average number of ordinary shares. Weighted average number of shares used in the calculation of the adjusted headline earnings per share is 4 544 million (FY 2022: 4 557 million)

6 Group equity value per share is calculated with reference to closing number of ordinary shares. Closing number of shares used in the calculation of the Group equity per share is 4 791 million (FY 2022: 4 914 million)

Short form announcement

This short form announcement is the responsibility of the Board. It is only a summary of the information contained in the Group annual results and the annual reporting suite which can be found on our website at <https://www.oldmutual.com/investor-relations/reporting-centre/reports> and the dividend declaration can be found on our website at <https://www.oldmutual.com/investor-relations/dividend-information/>.

This short form SENS has itself not been audited but contains extracts from the consolidated annual financial statements. The annual reporting suite includes the consolidated annual financial statements which is also available on the JSE cloudlink and has been audited by the independent joint auditors, Deloitte & Touche and Ernst & Young Inc, who expressed an unmodified opinion thereon. Any reference to future financial performance has not been audited by or reported on by the Group's independent joint auditors. The Group annual results include non-IFRS financial measures which have not been audited or reported on by the independent joint auditors. The non-IFRS measures provide information that is useful to investors and are appropriate to assess the Group's operational results and financial performance.

The consolidated annual financial statements and the independent joint auditors audit opinion is available on the Company's website at <https://www.oldmutual.com/investor-relations/reporting-centre/reports/>. Any investment decisions by investors and/or shareholders should therefore be based on consideration of the consolidated annual financial statements accessible via the JSE cloudlink <https://senspdf.jse.co.za/documents/2024/jse/isse/OMUE/FY23Result.pdf> and on our website above as the information in this announcement does not provide all the details. While the consolidated annual financial statements are available on the JSE cloudlink, the rest of the annual reporting suite and Group annual results are only available on the Company's website. The consolidated annual financial statements are available for inspection at the registered office of the Company and the Sponsor, at no charge, during office hours from the date of this announcement for a period of 30 days.

Final dividend declaration

The Old Mutual Limited Board declared a final dividend of 49 cents per share. This results in a full year dividend of 81 cents per share and a dividend cover of 1.5 times for the 2023 year, which is in line with Old Mutual Limited's dividend cover target range of 1.5x to 2.0x adjusted headline earnings over the financial year. The growth in the full year dividend from the prior year is as a result of our robust operational performance and strong capital and liquidity position. The final dividend will be paid out of distributable income reserves to all ordinary shareholders recorded on the record date.

Shareholders on the London, Zimbabwean, Malawian and Namibian registers will be paid in the local currency equivalents of the final dividend. Shareholders on the Zimbabwean register will be paid the equivalent of the final dividend in United States Dollars.

Old Mutual's income tax number is 9267358233. The number of ordinary shares in issue in the Company's share register at the date of declaration is 4 790 906 428.

	JSE, MSE, NSX, ZSE	LSE
Declaration date	Wednesday, 27 March 2024	Wednesday, 27 March 2024
Finalisation announcement and exchange rates announced	Tuesday, 9 April 2024 by 11.00	Tuesday, 9 April 2024 by 11.00
Transfers suspended between registers	Close of business on Tuesday, 9 April 2024	Close of business on Tuesday, 9 April 2024
Last day to trade cum dividend for shareholders on the South African register and Malawi, Namibia and Zimbabwe branch registers	Tuesday, 16 April 2024	
Ex-dividend date for shareholders on the South African register and Malawi, Namibia and Zimbabwe branch registers	Wednesday, 17 April 2024	
Last day to trade cum dividend for shareholders on the UK register		Wednesday, 17 April 2024
Ex-dividend date for shareholders on the UK register		Thursday, 18 April 2024
Record date (South African register and Malawi, Namibia and Zimbabwe branch registers)	Close of business on Friday, 19 April 2024	
Record date (UK register)		Friday, 19 April 2024
Transfers between registers restart	Opening of business on Monday, 22 April 2024	Opening of business on Monday, 22 April 2024
Final dividend payment date	Monday, 22 April 2024	Tuesday, 21 May 2024

Share certificates for shareholders on the South African register may not be dematerialised or rematerialised between Wednesday, 17 April 2024 and Friday, 19 April 2024, both dates inclusive. Transfers between the registers may not take place between Tuesday, 9 April 2024 at close of business and Friday, 19 April 2024. Trading in shares held on the Namibian branch register through Old Mutual (Namibia) Nominees Proprietary Limited will not be permitted between Tuesday, 9 April 2024 at close of business and Friday, 19 April 2024, both days inclusive.

The dividend for South African shareholders will be subject to dividend withholding tax of 20% for all shareholders who are not exempt from or do not qualify for a reduced rate of withholding tax. International shareholders who are not exempt or are not subject to a reduced rate in terms of a double taxation agreement will be subject to dividend withholding tax of 20%. The net dividend payable to shareholders subject to withholding tax of 20% amounts to 39.20000 cents per ordinary share. Distributions made through the dividend access trust or similar arrangements established in a country will not be subject to South African withholding tax, but may be subject to withholding tax in the relevant country. We recommend that shareholders consult with their tax adviser regarding the in-country withholding tax consequences.

Shareholders that are tax residents in jurisdictions other than South Africa may qualify for a reduced rate under a double taxation agreement with South Africa. To apply for this reduced rate, non-South African taxpayers should complete and submit a declaration form to the respective registrars. The declaration form can be found at: <https://www.oldmutual.com/investor-relations/dividend-information/>.

The Company's Notice of Annual General Meeting, together with a form of proxy, will be distributed to shareholders before 30 April 2024.

Notes to editors

A webcast of the presentation for the 2023 Annual results and Q&A will be broadcast live on Wednesday, 27 March 2024 at 12:00 South African time on the Investor Relations website: <https://www.oldmutual.com/investor-relations/>. Analysts and investors who wish to participate in the call may do so using the following link or telephone numbers below:
<https://services.choruscall.za.com/DiamondPassRegistration/register?confirmationNumber=9466404&linkSecurityString=1db3b86f10>

South Africa +27 10 500 4108

UK +44 203 608 8021

Australia +61 73 911 1378

USA +1 412 317 0088

International +27 10 500 4108

Replay access code 45908

To access the replay using an international dial-in number, please select the link below:

<https://services.choruscall.com/ccforms/replay.html>

The replay will be available until 1 April 2024.

Sponsors

JSE equity sponsor: Tamela Holdings (Proprietary) Limited

JSE debt sponsor: Nedbank Corporate and Investment Banking, a division of Nedbank Limited

NSX: PSG Wealth Management (Namibia) (Proprietary) Limited

ZSE: Imara Capital Zimbabwe plc

MSE: Stockbrokers Malawi Limited

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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 market segments in 14 countries. Old Mutual's primary operations are in Africa and it has a niche business in China. 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 Limited and its underlying businesses, please visit the Corporate website at www.oldmutual.com.