

Old Mutual Limited
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 ("Old Mutual" or "Group")

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OLD MUTUAL VOLUNTARY OPERATING UPDATE FOR THE PERIOD ENDED 30 SEPTEMBER 2024 - RESILIENT TOP LINE GROWTH DESPITE CHALLENGING CONDITIONS

Sales momentum continued into the third quarter of 2024, with double digit growth in gross flows, which supported the ongoing improvement in net client cash flow. This performance was achieved against a challenging operating environment characterised by enduring geopolitical risks. Tensions in the Middle East, uncertainty around China's economic growth prospects, the potential for higher trade tariffs and weaker emerging market currencies driven partly by recent US election outcomes are key concerns impacting the broader market.

In South Africa, the formation of the Government of National Unity and the 25-basis point interest rate cut had a positive impact on investor and customer sentiment, though tangible improvements in capital investments and disposable income remain constrained. In our Africa regions, excluding South Africa, the economic climate continued to be affected by elevated inflation and currency depreciation in some markets.

Financial key performance indicators for the period ended 30 September 2024

The table below sets out certain key performance indicators for the nine months ended 30 September 2024 (the "current period").

Key Performance Indicators (R million unless otherwise stated)	30 September 2024	30 September 2023	change
Life APE sales	10 410	9 853	6%
Gross flows ¹	170 224	142 748	19%
Net client cash flow	(557)	(10 832)	95%
Loans and advances ²	19 377	19 391	(0%)
Gross written premiums	20 735	19 306	7%

¹ The comparative amounts for Old Mutual Investments were re-presented to include institutional products that are an alternative to bank deposits on a net flow basis

² Comparative amounts represent FY2023 balance sheet amounts

The strength of our diversified distribution strategy contributed to the growth in sales. Life APE sales increased by 6% from the nine months ended 30 September 2023 (the "prior period") due to good risk sales in Mass and Foundation Cluster across all distribution channels. Personal Finance delivered higher guaranteed annuity sales, better savings and funeral sales while Wealth Management reported good sales growth in tax-free savings, wealth life and investment funds. This was partially offset by marginally lower sales in Old Mutual Corporate due to lower single premium sales and Old Mutual Africa Regions as a result of currency depreciation in Malawi.

Gross flows increased by 19% from the prior period mainly driven by excellent inflows in Wealth Management which saw a significant uplift across all platforms, particularly into the new cash and liquidity solutions launched towards the end of 2023. Gross flows were also bolstered by robust unit trust inflows in Old Mutual Africa Regions due to a highly productive agency force coupled with the launch of the Dollar Unit Trust Fund in East Africa. The strong inflows into the Equity and Multi-Asset capabilities and higher Alternatives flows in Old Mutual Investments further contributed to growth in gross flows.

Net client cash flow improved materially, benefiting from robust inflows and reduced levels of outflows in Wealth Management. This was partially offset by increased outflows in Old Mutual Investments, Old Mutual Corporate and Old Mutual Africa Regions. Old Mutual Investments experienced low margin outflows from Futuregrowth mainly due to client liquidity requirements and a change in the client investment strategy. Old Mutual Corporate recorded higher retirement, retrenchment and withdrawal benefits outflows, particularly in Superfund. We expect a negative impact on net client cash flow at year end as we anticipate higher two-pot withdrawals and further low margin customer outflows.

Loans and advances were in line with the prior period. In Old Mutual Africa Regions, loans and advances were higher due to currency impacts in our Kenyan market. In constant currency, the loan book reduced due to lower disbursements, in line with our strict lending criteria in a constrained environment. Loans and advances in Mass and Foundation Cluster were marginally lower than the prior period, aligned with our cautious lending strategy.

Gross written premiums grew by 7% from the prior period, primarily driven by strong new business and rate increases in Old Mutual Insure, particularly in the Specialty business.

Capital

The regulatory solvency ratio for Old Mutual Life Assurance Company (South Africa) Limited ("OMLACSA") for the current period marginally reduced to 198% and remains within our target range of 175% - 210%.

The Group discretionary capital balance as at 30 September 2024 has increased to R1.6 billion from the R1.4 billion reported at 30 June 2024 principally as a result of dividends received from Old Mutual Africa Regions of R650 million largely offset by capital allocations to the bank build of R351 million.

The Group received approval in October from the Prudential Authority for the OMLACSA special dividend of R2 billion and the Old Mutual share buyback of R1 billion under the general repurchase authority obtained at our May 2024 annual general meeting. The OMLACSA special dividend will increase discretionary capital by R2 billion upon its receipt in the fourth quarter. The share buyback will reduce discretionary capital by R1 billion as we execute on the repurchase programme into the first quarter of 2025. The remaining discretionary capital remains available for investment into growth or return to shareholders. Further detail will be provided at the full year results announcement.

Two-pot retirement regime

The two-pot retirement regime was implemented effective 1 September and provides for a one-third savings pot, which members may withdraw once in a tax year, and a two-thirds retirement pot, which needs to be preserved. We remain well positioned to manage the impact of the increase in claims volumes. As at the end of October 2024, we have paid 93% of the 240 000 claims submitted, amounting to R2.4 billion, with most of the claims paid in October. In our continued focus to encourage digital adoption, 99.7% of claims were submitted via WhatsApp. Over the medium to long term, the initial outflows will be offset by higher assets under management retained as a result of the compulsory preservation of the accumulated contributions in the non-accessible retirement savings pot.

Investor engagement

Investors are invited to participate in a conference call to address matters related to this voluntary operating update on 21 November 2024 at 12pm, SAST. Investors and media may register on the following link:

[Diamond Pass Registration](#)

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 3 days after the conference call. The replay can be accessed in the following link:

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

Access numbers for recorded playback:

Access code for recorded playback: 46893

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The financial information in this voluntary operating update including forward-looking statements and constant currency information 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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Notes to Editors

About Old Mutual

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 12 countries. Old Mutual's primary operations are in Africa and it has a niche business in China. With over 179 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