

Old Mutual earnings up 22% in six months

By [Gillian Jones](#)

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London- and Johannesburg-listed insurer Old Mutual reported good results on Wednesday (7 August) in most areas of its business for the six months to June this year.



Earnings per share increased 22% to 9.3p while operating profit grew 14% to £801m. Group return on equity was 13.7%.

Group chief executive Julian Roberts said the emerging-markets business - which includes SA, the rest of Africa, Asia and Latin America - did particularly well, with a 17% increase in gross sales to R76.2bn for the first half of the year. Of this, R54bn came from SA while gross sales in the rest of Africa grew 15% to R5.4bn.

Roberts said this growth was due to a large deal in Namibia, good corporate sales in Zimbabwe, favourable currency movements, and sales from Nigeria following the completion of Old Mutual's acquisition of Oceanic Life Insurance.

The group recorded net client cash flow of £9.1bn, a 160% increase on the comparative period. This refers to the difference between money received from customers, such as premiums, and money given back to customers, such as claims.

Funds under management increased by 9% in the six months to £289.3bn.

"The results were achieved in difficult conditions," Roberts said, particularly given the weakening rand in response to the prospect of the US Federal Reserve tapering quantitative easing.

Over the reporting period, the rand declined 16% against the dollar and 14% against sterling.

Roberts said that Old Mutual would continue to focus on four key markets in Africa.

These are SA and the neighbouring Southern African Development Community countries as well as in Nigeria, Ghana and Kenya.

The group declared an interim ordinary dividend of 2.1p - an increase of 20% compared with the previous year. The dividend will be to be paid at the end of October.

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