8 September 2026

2026 INTERIM RESULTS ANALYST PRESENTATION TRANSCRIPT

Langa Manqele
Good morning, everyone, and thank you for joining us today. My name is Langa Manqele, and I'm the Head of Investor Relations for Old Mutual Group. I would like to welcome you all on behalf of our board and the management team. And I must add that today is a particularly exciting day for us, but I will not steal the thunder from Jurie, as you have seen in our SENS announcement this morning.

On the agenda for the day, as per usual, Jurie will kick off with a strategic update together with an operational review. Shortly after that, Jurie will hand over to Casper. Casper, our Group CFO, will then provide the financial review. Shortly after Casper, Jurie will come back onto the stage to provide us with his outlook and the concluding message for the presentation. At that stage, I will then call back Casper, who will be joined on stage by Ranen to help answer the Q&A. And with that, I hand over to Jurie, thank you.

Jurie Strydom
Morning everybody, great to be with you. Thank you everybody, that's all our investors that are joining us online. It's great to be with you for the Interim Results for Old Mutual for 2026. I have been in the job of Group CEO now for 15 months, so this is actually my second set of interims. I really can confirm to you a growing confidence in the Group that we are on track. We are where I had hoped, and as a team, we'd hope to be at this point in our strategy. You'll recall that we set out our strategy last year at the Capital Markets Day. We've been tracking execution proof points along the way. What I'll be doing this morning, is taking you through the highlights and then go back to strategy to take you through how we are executing against that strategy.

But before I do that, just a call out, as Langa alluded to. It is an exciting announcement for us this morning, and that is the announcement of Ranen Thakurdin as the next CFO of Old Mutual. Casper, of course, well-known to you, is retiring in April next year. Casper, there's a lot of work between now and April next year, but I'm sure you're also delighted to have Ranen appointed as CFO designate. Ranen will take over as CFO designate from 1 January and then work alongside Casper for the year end and then take over from Casper in April next year officially as CFO when Casper retires.

Let me just say that as Group CEO, I'm delighted to have someone of Ranen's experience and expertise within the Group to be able to do this internal succession. I've worked closely with

Ranen, both in his finance roles, but also as Chief Risk Officer more recently. And I really can assure investors that in terms of strategy and execution, Old Mutual is not going to miss a beat. And so, I'm absolutely delighted with this transition. Congratulations, Ranen.

H1 2026 highlights

Turning back to the highlights, I'm going to give you a sense of the highlights of the half and then track it back to what we said we were going to do. I always say internally, we're going to become a company that is famous for doing what we say we're going to do, and I think we've got growing confidence that these results actually showcase that. From a highlights perspective, 12.7% RoGEV is significantly up on last year. You'll know that we brought RoGEV in as a key value metric last year. Last year, of course, we had the adjustments to the MFC persistency basis, and so, a significant uptick on RONAV. Normalised RONAV is also up to 12.6%.

Now, both of those return metrics are not yet in the range of respectively 14% to 16% and 15% to 17%, but it is the first time those two return metrics have exceeded our cost of capital, which is about 12.5%. And so, we really do believe that we are on track to getting into that medium-term range. The dividend range is 6% to 9% growth, with an 8% increase in the dividend. Our confidence in the value of our business, as reflected in the Group equity value of R20.66 for the half, is reflected in the additional R1 billion share buyback that we've announced this morning.

From a sales and margins perspective, a very good performance with life APE sales up 21% and gross flows up 21%. So, that's been a strong performance. We have called out that there are some large gains, particularly in the Corporate business, that will moderate. But even if you allow for that, it moderates to an underlying growth of about 12% for the half. That was one of our key proof points, and I'm pleased that we're hitting it.

From an RFO perspective, RFO per share is up 11%, despite quite a noisy environment from an economic variance perspective, so we are tracking well. We are signalling today, which Casper will do, that the RFO per share growth of about 10% to 14% is the RFO growth that we believe puts us in the range of our other medium-term targets. We are at this point, comfortably also within that range.

Strategic priorities

To go back, I want to draw you back to the strategy we announced at Capital Markets Day last year. You'll recall we talked about “Unlocking value” and “Generating growth” as the two phases of the strategy for Old Mutual:

- Driving competitiveness in the South African businesses through Old Mutual Life and Savings, Old Mutual Insure and Old Mutual Investments.

- Deepening market leadership in Southern Africa, recognising across the African continent that we have in Southern Africa leadership positions where we've been in those markets a very long time and we are number one in a number of those. What we want to do, is convert that scale into better margins and returns, so that we can put a value on those businesses and that value becomes more visible to investors.
- We want to establish the right to win for OM Bank. And as I'll talk to you later, we are in fact shifting our thinking already from "establishing the right to win" to actually "contesting the banking profit pool".
- And then finally, evaluating and pivoting on growth markets. That's a recognition that in our African portfolio in East and West Africa, in contrast to Southern Africa where we are already market leaders, we want to build market leadership, but first we have to demonstrate through returns and margins, that we can earn the right to deploy capital there.

Recap on Group targets

What we did with these strategic focus areas in March when we presented to you, is we translated these into the medium-term targets and how they relate to what we call "execution proof points". Those proof points were the delivery of cost savings, our persistency variances, our new business volumes, getting traction in OM Bank, and OMAR margins and returns. These are the lead indicators that will ultimately get us to the lag indicators of our medium-term targets.

Progress on execution

I want to spend a moment talking about each of those and where we are in terms of executing against those targets. Let me first say that I am very pleased. I think 12 months is a long time, but when I was talking to you 12 months ago, I was talking about how we were restructuring the Group, creating our clusters, creating end-to-end accountability, giving people line of sight targets, and creating a management machine that would be driving towards execution. We have a growing confidence, and in fact, a high conviction that we're already seeing that machinery at work. I see it in our quarterly cycles, our incentives and the execution that's coming through in the businesses, reflecting a very high degree of alignment around these priorities, seen it in the results we're producing.

- On cost savings, we talked about R1 billion by the end of this year and R2.5 billion by the end of next year. We are at R1 billion already, virtually completed by mid this year, so we are on track for those cost savings.
- On persistency, very significant, decisive actions have been taken, particularly on new business and collections in Mass and Foundation Cluster, on distribution incentives and areas of loss-making business. We have conviction that we're starting to see those come through. In Q1, we signalled to you in the operating update, some negative persistency variances, but this came in line with basis in Q2, and overall experience variance is healthy. We are confident that the basis changes we made are going to be

appropriate and that the management actions we've got in place are starting to work and are getting us to where we need to be.

- From a new business perspective, I talked about life APE sales and gross flows, but I'll also call out Old Mutual Investments, where gross flows are up 48%, largely within Old Mutual Investments Group and Futuregrowth.
- In OM Bank, we are up to about 750,000 customers at the end of June. We will cross the million-customer threshold in the next couple of weeks. We had deposit growth to R1.4 billion in June, at the end of August at R1.6 billion. The progress in integrating Old Mutual Finance and OM Bank, which I'll get to in a second, has progressed well. We have created a more fully fledged organisation that has an all-rounded banking proposition than what it was a year ago.
- Finally, in Old Mutual Africa Regions, there have been actions on pricing, managing the portfolio and driving sales, so we are seeing margins expand including the significant improvement in underwriting margin. The VNB number is volatile and has been volatile historically, but certainly the management actions are there, and we've seen an improvement in the VNB margin up to 2% for the half.

OM Bank as Old Mutual ecosystem anchor

I want to spend a moment on OM Bank because clearly in all of the execution pieces, OM Bank is a major growth initiative and a key differentiator for us as we move into the "Generating Growth" phase of our business. This is just an illustration of the Old Mutual ecosystem and how we're positioning Old Mutual Bank as an anchor in that ecosystem. It's not just a digital stand-alone banking proposition, but works through the whole system of:

- Points of presence where we've got 7,200 retail intermediaries in South Africa, 357 branches that are now fully integrated into the bank and 40,000 worksites.
- We have opportunities to create integrated propositions across the stack, in Life and Savings and Old Mutual Insure into OM Bank. An illustration of the opportunity set is the R140 billion of inflows and outflows that go through our Group through Life and Savings.
- Our 3.4 million reward members, and increasingly those redemptions happening through OM Bank.

Commented [LM1]: correction here, it's 3.4 million

Commented [RH1R2]: Updated

OM Banking cluster targets for break-even

We've spoken previously about break-even for the bank in 2028 on a monthly basis. The clarity that I want to bring this morning, is we are now looking at this as a cluster. We are looking at an OM Banking cluster RFO targeting R0 to R200 million annually in 2028 and giving you a breakdown of what are the key targets that we need to hit to achieve those numbers.

- We have not changed the target for customers of 2.5 million to 2.8 million. The levers there are ultimately about NIR. We've got bundled rewards and products that we can drive, extended value-added services and our non-advised funeral proposition that we can scale. That's the opportunity set there.

- In terms of growing retail deposits, we are well on track and pleased with our progress in retail deposits, but we're targeting R8 billion to R10 billion by the end of 2028. This is around leveraging the Old Mutual distribution, in particular, repositioning our MFC savings proposition, and launching fixed deposit products.
- From a lending point of view, we have a lending business in Old Mutual Finance, that is largely our personal loans business. We want to scale that from the R16.4 billion currently up to the R23 billion to R26 billion range. And importantly, we're going to be supplementing the strong personal loans business of about R15 billion by scaling in other areas i.e. secured lending, investment-backed loans, home loans, and credit cards. We want to grow that portion of the lending business. Again, part of this theme of building out OM Banking as a more fully-fledged, all-round banking proposition.

Life and savings cluster

I want to now turn to the operational review and just spend a moment on each of the clusters and some of the business units before I hand over to Casper for a more detailed financial review. Old Mutual Life and Savings is a significant part of our Group. We are pleased with life APE sales up 21%[1] and VNB up 47%[2]. We've spoken about VNB margin obviously being under some pressure across the market with reduced guaranteed annuity sales. But importantly, if you look at this VNB as a percentage of opening GEV and a percentage of RoGEV, it is actually significantly advancing.

If we go into each of the underlying business units, Wealth Management and Corporate were standout performers in this half within Life and Savings. Wealth Management now has 10X Investments included in that business. We are delighted with that business, and it really is going to become an important part of our proposition going forward. Sales grew by 21% and VNB margin also ticking up to 1.1%.

In Personal Finance, I want to iterate that sales are more muted. You have got to remember that both Personal Finance and Wealth Management, in line with peers, are part of a unified distribution engine. So overall, in Personal Finance and Wealth segment, we are pleased with sales in general. There has been a tilt in mix towards Wealth Management products, particularly from guaranteed annuities to linked annuities, but we are comfortable with the progress there.

If I then look at the other two business units within Life and Savings, Mass & Foundation Life and Funeral sales are up 9%, which is good. We are certainly calling out that the management actions that we're taking, particularly prominent on new business, are targeting loss-making

[1] Effective 1 January 2026, comparatives have been rested to reflect the transfer of Old Mutual Finance and Old Mutual Transaction services to the Old Mutual Banking cluster and certain operations pf Old Mutual Corporate to Other Group activities.
[2] The comparative used for the VNB change excludes Credit Life. In our results booklet, we have not restated value metrics comparatives, including VNB.

areas of new business that we believe will moderate sales somewhat in the second half. But that is in the pursuit of value-accretive activity and new business. Those are the primary actions to drive the expansion of that margin. We reported the VNB of 4.5% for Mass & Foundation last year.

We've moved Credit Life into the Bank because credit life along with lending are key profit drivers within the Bank. Looking at MFC VNB margin on its own, that is 2.5% for the prior half. That's the piece where we're looking at both persistency, management actions and ultimately expenses to make sure that we have a healthy margin.

Corporate was a standout performer for the half. This is the leading operator in its segment, and we are very pleased with both the margins and volumes in this business. We have called out that with large schemes, there is a non-recurring nature to some of that. The business is lumpy, but we are very pleased with progress.

OM Banking cluster

Old Mutual Banking, this is now the cluster together. I've talked about the clients and the deposits. Our loans and advances are flat for the half. There was some additional credit provisioning within Old Mutual Finance. We are looking to grow this business from here and to increasingly drive lending through the Bank and launch lending through the Bank in the second half of this year.

Pointing you again to the combined RFO picture, where we are moving toward targeting break-even RFO of R0 to R200 million in 2028. The levers that I showed you earlier are the real markers to see how we are tracking from a revenue and cost perspective to be able to hit that break even.

Old Mutual Investments

Old Mutual Investments, had a strong half with gross flows up 48%, excluding Alternatives capital raised. Alternatives also having an excellent capital raised, up 97% to R6.7 billion. That is a fantastic business. Looking at those gross flows in Asset Management in Old Mutual Investment Group and Futuregrowth which were very strong. Assets under management are flat over the period in line with the market, but RFO was up 40%, partly as a result of growth in non-annuity revenue. I am very pleased with the performance of the Investment cluster.

Old Mutual Insure

It was a tougher period this half than it was in the prior period from a large claims perspective, with the flood and catastrophe claims that came through. The 7.6% underwriting margin is a very resilient performance in this half. I have been quite bold in my investor meetings in telling you that back in a previous life I ran a motor insurance business. I know what the levers of success are in a business like this. The foundations that have been put in place through data and operations, for pricing, underwriting and claims management, now set us up to be more competitive going forward to be able to grow our business.

While sales growth was muted at 5% for the half, we are already starting to see underlying growth come through that I believe will have a better outcome and stronger growth in the full year. For this half, we had strong growth from Genric and ONE Financial Services, which supported the gross written premium number. This is also the business which has led our Group on the implementation of AI, where its AI and data programmes are three or four years into implementation. That's part of the results that we're seeing, which notwithstanding the claims ratio going from 47% to 50%, a number of years ago that would have been a very difficult thing to manage, but we're seeing it come through with resilience.

Old Mutual Africa Regions

Finally, in Old Mutual Africa Regions, sales are up 35% with margins being a big focus of ours. While that VNB margin is volatile in Life, we're pleased with the performance getting us to 2%. On the short-term side, the implementation, focus on margins, pricing actions, looking at renewals and how you manage your portfolio, resulted in some pressure on top line. We believe that it was well worth it when you look at the impact that will come through in margins.

Before I hand over to Casper, overall, I am pleased we are where I had hoped we would be at this half. I am very confident that we are focused as a team and as a business, and there's a growing confidence internally that the green machinery in Old Mutual is focused on the delivery of the key proof points in our business. And I think that you'll see more of that now from Casper's presentation. Over to you, Casper.

Casper Troskie

Earnings - RFO

Thank you, Jurie. I will now take us through the financial review, focusing on earnings, value, and capital. And starting with earnings, we have seen robust underlying operating growth in results from operations or RFO, even after our deliberate increased investments in OM Bank. We have assessed our forward-looking medium-term earnings profile, and the 11% increase in RFO per share is within our target range of 10% to 14% sustainable growth per share based on our 2025 base. The 11% growth was supported by improved operating performance in Old Mutual Investments and Old Mutual Africa Regions and reduced shareholder costs in other Group activities.

Turning to the cluster-specific RFO performance and starting with Old Mutual Life and Savings, which was up 4%, Mass & Foundation increased by 19%, which was largely due to the strengthening of the long-term persistency basis on our funeral book in the prior year and was further supported by improved mortality and persistency outcomes, partly offset by negative IFRS economic variances during the first half. Personal Finance RFO decreased by 11% mainly due to negative IFRS economic experiences, partially offset by positive mortality and persistency experience.

Wealth Management profits increased by 49% due to stronger revenue from higher average assets under management, a change to the retail margin agreement with Wealth retaining 70% of the retail margin previously reported by Old Mutual Investments. This represents the margin on assets managed on behalf of Wealth's clients, better aligning revenue with the management of those assets. And Old Mutual Corporate's RFO decreased by 8% largely due to flat IFRS economic variances in the current period compared to the strong positive contributions from markets in the prior period and was partially offset by positive mortality and morbidity variances.

We continue to see the benefits of our diversified Old Mutual Investments business with our diversified revenue stream streams driving strong operating growth. Results from operations increased by 40%, largely due to a significant increase in non-annuity revenue, supported by higher preferred returns and fair value gains. Annuity revenue grew by 6% to R1.5 billion due to increased fund commitments and portfolio growth. This is a particularly good result in light of the change to our retail margin agreement I mentioned earlier, which impacted annuity revenue.

Results from operations in Old Mutual Insure decreased by 25%, reflecting lower underwriting earnings relative to the strong prior period outcome and a reduction in investment returns on insurance funds. The insurance service results decreased by 21% driven mainly by elevated catastrophe losses of R376 million net of reinsurance, due to the severe flooding events in the East and Western Cape in Q2. Our net underwriting margin remained resilient at the upper end of our target range.

Old Mutual Africa Regions' RFO increased by 65% driven mainly by growth in Malawi and East and West Africa. Our Malawi operations continue to face challenges brought on by high levels of inflation and foreign currency shortages. While exchange rates did influence Malawi's results, the underlying performance in Malawi remains strong across all lines of business, reflective of management's response to the economic environment. Results from operations in the East and West regions, increased from R10 million to R125 million, driven by improved performance in all lines of business except banking and lending.

Old Mutual Africa Regions - Zimbabwe

Zimbabwe remains an important business of substantial scale, but due to the inability to access capital, we have ring-fenced their results since 2019. And we have excluded their results from adjusted headline earnings, RONAV, and other Group KPIs.

We have made material progress in addressing these constraints with improving conditions supporting potential inclusion in our Group results, subject to achieving the required capital repatriation milestones. Zimbabwe saw strong equity market performance in the first half of 2026, with higher investment returns being the main contributor to the growth in adjusted headline earnings. We will continue to assess cash generation, fungibility, and the macro environment and will provide an update at our 2026 annual results.

Net results from group activities

Shareholder operational costs decreased by 57%, with the prior year including a R440 million restructuring provision. Excluding the once-off restructuring provision, shareholder operational costs reduced by R225 million, or 31% driven by our commitment to a lean corporate centre. The reduction of treasury contribution relates to lower interest and cash balances and a once-off impact related to a tax provision unwind in the prior year. In addition, our asset liability programme outcomes, although in line with targets, were lower than the prior period.

Delivering cost efficiencies across the Group

As I outlined in our 2025 annual results, cost savings are being tracked through a two-pronged approach. Firstly, savings will be evidenced through improvements in our key efficiency metrics over time. Secondly, we are tracking total savings by reconciling our IFRS expense base in the financial statements to our controllable expense base, with detailed reconciliations provided from 2024 through to June 2026. As outlined in this waterfall, controllable expenses are then reconciled to our achieved net savings after allowing for inflation, foreign country movements, and once-off costs to save future costs, which are removed in the subsequent year.

This waterfall also adjusts for business boundary changes to controllable expenses, with the only adjustment being the impact of 10X. For the first half of 2026, we achieved savings of R338 million. This takes our cumulative savings to R966 million, while on track to achieve savings by the end of 2026 of at least R1 billion. We highlighted 2025 savings of R450 million at our 2025 annual results. This was an initial view with actual 2025 savings at R598 million post completion of our IFRS expense reconciliations.

Movement in adjusted headline earnings

Adjusted headline earnings or AHE per share was down 27% driven mainly by shareholder investment returns being below what we would expect on a normalised basis. Overall, South Africa's shareholder investment returns were in line with strategic asset allocation return benchmarks, with the additional reduction below the benchmark return being driven by active bond positions taken to increase bond duration and reduce solvency volatility. Year on year, IFRS profits reduced, impacted by the reduction in adjusted headline earnings, which was partially offset by a substantial increase in Zimbabwe's IFRS profits due to higher investment returns.

Group equity value

Now, moving to value. Group equity value or GEV per share increased to R20.66, with growth in value exceeding distributions and the per share GEV supported by the completion of our share buyback. We saw solid growth in our Covered business and in our Property and Casualty business, reflecting the resilient underlying underwriting performance in Old Mutual Insure.

Banking and Lending was flat, reflecting continued pressure on consumers and the deliberate focus on sustainable risk-adjusted growth in Old Mutual Finance, as well as the reallocation of Old Mutual Specialised Finance to the other lines of business. The reduction in other is mainly due to the completion of the remaining R2.3 billion of the share buyback. Our RoGEV for the first half was 12.7%, improving from 4.1% in December. This was driven by strong growth in covered EV being offset by lower growth in non-covered banking earnings.

Embedded value

Total embedded value operating earnings was R4.8 billion, resulting in a strong analysed return on embedded value of 15.3%. This was driven by higher expected existing business contributions and higher new business contributions, positive risk experience across the business, and the once-off impact of mass lapse re-insurance in Old Mutual Corporates at the end of 2025.

Value of new business

Our Group value of new business increased by 32% to R569 million, whilst our value of new business margin increased to 1.4%. As you will see in the graph on the left, our margin improvement was driven by strong sales volumes, particularly in Old Mutual Corporate, Wealth Management, and Old Mutual Africa Regions, and was further supported by a more profitable new business mix. These positive impacts were partially offset by the negative impacts of lower opening yield curves during the period.

Contractual service margin

Moving to the contractual service margin or CSM, this represents the store of future life profits for the bulk of our Life business. New business written in the first six months of 2026 increased the contractual service margin by R1.7 billion and was further supported by interest on the CSM and positive experience variances. The allocation rate to profit was 5.9% for the first half, at the upper end of our expected range of 8% to 12% annually.

Capital allocation framework

Now, turning to capital. Our horizon-based approach guides decision making, as we seek to optimise RONAV in the shorter term and generate growth and value in the longer term.

Capital allocation decisions are based on our RONAV delivery aligned to the two value creation phases. On a normalised basis, we remain in horizon 1 below the 15% to 17% target range, and we will continue to prioritize shareholder distributions and only consider deployments of capital that are tightly coupled to strategy and are time sensitive. As RONAV improves into horizon 2 and 3, our focus will shift towards generating growth where other opportunities to deploy capital will be considered.

Cash remitted from subsidiaries

We expect cash remittances to be between 70% and 80% of adjusted headline earnings before optimisations and special dividends. We have seen sustained cash generation in line with our target ratio during the period, with the prior year benefiting from significant optimisations. The comparative reduction in OMLACSA was due to a lower capital ratio reported at December 2025, resulting in lower dividends.

Discretionary capital

This then brings us to our discretionary capital balance, which reduced to R3.1 billion, driven mainly by the completion of the R3 billion share buyback, with the balance of R2.3 billion being settled during the period.

Our discretionary capital balance of R3.1 billion, includes an expected capitalization of OM Bank in 2026 and 2027 of R2 billion in line with the plan, and R1 billion has been earmarked for the board approved share buyback. Looking forward to the end of the year, the discretionary capital is expected to remain robust, driven by cash remittances from subsidiaries, and we expect at least 50% of the declared R4 billion OMLACSA interim dividend to add to discretionary capital in the second half of the year. This discretionary capital balance will be available to return to shareholders or fund growth opportunities in line with our horizon-based capital allocation framework, and we will provide an update on this at our 2026 annual results.

Normalised return on net asset value

Return on net asset value was supported by robust underlying growth and results from operations and the completed share buyback. As we signalled at our 2025 annual results, we will now target normalised RONAV, which adjusts for the difference between actual and expected returns.

Solvency and debt management

OML shareholder solvency remains within our target, improving by 10% from December to 172% at the end of June. The improvement was driven mainly by the issuance of subordinated debt and further yield curve movements. The ratio also benefited from weaker equity market performance, which resulted in a reduction in the prescribed equity stress.

These positive impacts were partially offset by the allowance for foreseeable dividends, which include the OML interim dividend and the announced R1 billion share buyback. Following the issuance of R1.8 billion of debt in H1 2026, the OML gearing ratio ended at 16.9% and within range. We will continue to optimise our capital profile and gearing ratio to ensure the efficiency of our balance sheet.

Whilst we have updated our solvency ranges, the interim dividends for OML and OMLACSA were based on the old solvency ranges. For OML, the lower bound of the range decreases from 155% to 150% and the upper bound from 185% to 180%. And for OMLACSA, the range changes from 165% to 200% to 150% to 180%. The width of the range caters for interest rate volatility as we saw during the course of the last nine months. We'll report again against these new ranges for our 2026 annual results. And with that, over to you, Jurie.

Jurie Strydom

Outlook and reflections

Thank you, Casper. Moving onto the outlook and some reflections to emphasise that we have a growing confidence internally. I have a growing confidence around the traction we have towards implementing our strategy and our execution proof points. What we've got here in this final slide, is a summary of where we were on those key targets at financial year 2025 versus half year 2026. There is traction and progress on those key metrics.

RoGEV going up from 4.1% last year to 12.7%. The dividend continuing a healthy growth rate at 8.1%. Normalised RONAV going up to 12.6%. Both RoGEV and normalised RONAV are not yet in the ranges that we've set, but we believe that we are tracking along and are where we'd hope to be at this point. VNB margin has gone from 1.2% to 1.4%. Clearly, there are headwinds in lifting the VNB margin and guaranteed annuity sales, which is an industry-wide phenomenon. There's lots of work to be done to lift VNB margin up to the 2% to 3% range. And then finally, the net underwriting margin target of 5% to 8%, despite what was a tougher half, actually coming in at 7.6%.

We will be coming back to our execution proof points at each half until we have fully achieved what we set out to do. And the message for this morning is that we are on track with each of those, as we set out in the slides earlier. I do want to emphasise a couple of things that were part of Casper's presentation:

- The sustainable RFO per share growth rate in the range of 10% to 14% that we are targeting off the 2025 base, and that we are within range at 11% for this half.
- The R1 billion share buyback that we've announced this morning, which reiterates our confidence in the value of where our share is currently trading relative to GEV.
- Looking forward, the R4 billion OMLACSA dividend in the second half, of which at least R2 billion will contribute to discretionary capital.

- And finally, the forward-looking reduction in solvency ranges in OMLACSA and OML, which will further support our efforts around capital efficiency.

To summarise, we are progressing, we have a growing confidence, and we are where we'd hoped to be, but of course, the work continues. I am confident that the Old Mutual execution machinery that we've put in place is starting to progress and that we're seeing traction. So, with that, I'm going to hand back to Langa for Q&A.

Langa Manqele

Thank you very much, Jurie, for moving us through the presentation so efficiently together with Casper. Casper, may I kindly ask you to please join Jurie on stage for the Q&A. As per usual, we will start by taking the questions on the chorus call. We will permit just two questions per person. If I may ask those who are online who have queued up to take the calls to please introduce themselves, mention the name of the firm, and if you may kindly just direct the question to either Jurie, Casper or Ranen here on stage. If the question is not so clear, I will handle it. I will take two rounds of these questions. And if we still do have time, we may have a bonus one question per person. We will see where we land with the questions. At this stage, if I may ask the operator to please remind us on the procedure to take the questions.

Operator

Thank you. For those on the conference call, if you wish to ask a question, you may press * and then 1 to join the question queue. If you however wish to withdraw your question, you may press * and then 2 to remove yourself from the question queue. Once again, if you wish to ask a question, you may press * and then 1. We have a question from Harry Botha of Bank of America Securities. Please go ahead.

Harry Botha

Hi, good morning. Thank you very much. Well done on the bank's customer growth. I think in the 2025 results you gave active customer numbers or a percentage. I think it was 62%. Are you able to share what percentage of the 784,000 are active? And just to confirm, have all the 500,000 existing customers transferred over? Could you also possibly share any details of the new customers that you're adding within that customer base? And then, the second question is just on the 10X impact in the second quarter, please, if you could possibly share the impact on our RFO, please.

Langa Manqele

Thank you. I will ask Jurie to start, then Clarence, if you may jump in.

Jurie Strydom

There's a couple of questions around customers in there. About half our customer acquisition is new to Old Mutual, and about half is existing. The activity rates target that's in our 2028 numbers is 35% to 38% activity rate. With a rapid customer acquisition, we are tracking just below that, but we're on track. I think on 10X, maybe I'll ask Casper to comment.

Casper Troskie
Jurie, we really haven't disclosed the 10X. We will look at whether we disclose that on a forward-looking basis.

Langa Manqele
Thanks. Next question, please.

Operator
At this time, we don't have any other questions in the queue.

Langa Manqele
Okay. I will take some questions that have come through online in the meantime. We have a question from Thabelo at Investec. Thabelo would like to know, are you able to quantify the level of catastrophe losses in short-term insurance so we can get a better understanding of your attritional performance?

We do have. I think Soul is on the line. Soul, if you are able to come through, would you please just give a comment on that question?

Soul Abraham
Morning, Langa. We've had R376 million in catastrophe losses from the storms in May, that effectively translates to our attritional performance being better in H1 2026 than in H1 2025. So actually, the business' underlying performance has improved materially. That R376 million translates to about a 3% underwriting margin delta if the storm didn't occur. Thanks, Langa.

Langa Manqele
Thank you very much, Soul. I will also just continue with the questions. The next question is from Baron from JP Morgan. He says, in Old Mutual Investments, how should we think about the durability or sustainability of the Alternatives non-annuity revenue? Zulfa, if you may please.

Zulfa Abdurahman
Thanks, Baron. We do have the benefit of the Alternatives business delivering non-annuity revenue. It is, of course, lumpy. And the way we plan for that, is that effectively we look at the potential fund life cycle that we have in existence, when they effectively are paying out

and what the performance is. We anticipate a level of some non-annuity revenue, the timing of that is dependent on when those funds exit, and this year we did have some exits earlier than we anticipated. I'm expecting some of that to taper off based on where we are in some of our funds at the moment. We do continue to see and expect a level of non-annuity.

Langa Manqele
Thank you very much, Zulfa. I will continue with the questions coming in. We've got a question from Senamile from Standard Bank. Firstly, it says congratulations, Ranen. Congratulations for the operational performance on the business. The questions are, may you please give us more insight on which specific line of business in Malawi contributed positively to RFO increase? That's the first question. I will throw that to you, Casper. The second question is still on OMAR, Clement. It says GWP increase of 3% is relatively modest. Is there a view to grow the market share? Three, may you please give us insight on what makes up the central cost and how we should think about this going forward? So, the two questions for you, Casper, and one for Clement.

Casper Troskie
So, some colour on Malawi. We saw a slight deterioration in what we see as our management view of the exchange rates, and that's the rate at which we can extract cash from Malawi. We saw markets down about 12% in the first half. But as I said, we saw improved performances from all our businesses, but in particular, the Life business and the Banking business performed very well.

Clement Chinaka
On the question about the Property and Casualty’s gross written premiums, we are working to improve the margins across that portfolio. You saw we were very negative last year; we have improved that somewhat and the effort is mainly on pricing. We have had strong new business flows, but at the same time, because of our pricing actions, we also lost some accounts, so our renewals were hurt. But I think going forward we continue with our pricing actions and improving margins, but we are still quite competitive.

Langa Manqele
Thank you very much, Clement, for that. There are more questions that are coming through. Operator, may I please check if we have any questions online on the Choruscall? Otherwise, I will continue taking the questions that have come through.

Operator
We don't have any questions on the telephone lines.

Langa Manqele

Okay, we will continue. There is a question from Jarred of All Weather. He would like to know, please explain in more detail the duration extension overlay which detracted from SA shareholder returns and whether this is expected to retrace in the second half of the year. That's the first question I will take. Let me look at some other. I'll hand over that one to Ranen. Matthew would like to know, of the R1.4 billion in bank deposits, can you indicate the proportion of this that is new to bank versus what has come from the Bidvest Money account? Clarence, if you may kindly assist with that one, we still have got more to go.

Ranen Thakurdin

Thanks, Jarred. On the shareholder investment portfolio, we have an allocation that goes into bonds. What we've done is we've extended the duration on those bonds, largely to manage the capital interest rate sensitivity in our balance sheet, and that caused a bit of a loss in the first half. To your question, it's actually come back a little bit since then, and so that loss is partially reversed.

Langa Manqele

Thank you, Ranen. Over to you, Clarence.

Clarence Nethengwe

Of the R1.4 billion, more than 80% of it is from the money account customers that were on Bidvest, and about 20% is from new customers. But what is encouraging, is to see the growth almost on a month-to-month basis of the new customers in terms of their deposits. So, we're very hopeful that going forward we'll see a growth in terms of that.

Langa Manqele

Thank you very much. Staying with the operational review section, I will take two questions from Michael Christelis at UBS as well as from Warwick at RMB Morgan Stanley. Michael is asking, please provide more detail on mortality and lapse variances by segment. I will ask Ranen to give that a stab. Then the second one is removing credit life sales revealed a low 2.5% VNB margin for a Mass & Foundation and that the VNB margin for Personal Finance is still negative. When should we expect VNB margin to start rising? And remind us of what VNB target we are looking to achieve for Mass & Foundation as well as Personal Finance. That one I will hand over to Prabashini to handle. Ranen, if you may just provide comment on mortality, lapses, and variances by segment.

Ranen Thakurdin

Okay, thanks. So, Michael, we've had good mortality experience across pretty much all our clusters. In Personal Finance, Mass and Foundation, Corporate, and OMAR, there have been positive mortality variances. As we've been communicating, the Corporate variances have started to reduce slightly but still remain positive. On lapse variances, you will see that we have the negative persistency variance in the embedded value. It's actually spit across three segments. In Mass & Foundation, there was a negative for the first quarter, but as Jurie's mentioned, we're now in line with basis in the second quarter, but that small portion came through from the first quarter. We then also had a small persistency negative variance in Personal Finance and OMAR. We've dug into that and it is related to very specific books of business that Prabashini and Clement are actioning. So, we're expecting the persistency variance to normalise in the future. Thanks.

Langa Manqele
Thank you very much. Over to you, Prabashini.

Prabashini Moodley
Thanks. Thanks for the question, Michael. On the MFC sales side in particular, we made our material persistency basis change at the half year last year, which had an impact on the VNB margins. So, that was recognising a few things, including the competitiveness in the market and a systemic shift in market dynamics. And then when we remove Credit Life for the first half, you've seen a 2.5% VNB. We continue to focus, as Jurie mentioned, on being more targeted in our sales by different channels to remove and eliminate those loss-making pockets of business.

Cost takeout remains a significant focus area of ours and then growing sales from a quality sales perspective. We've previously indicated a 5% to 7% VNB range for Mass & Foundation, including Credit Life. We're not revising that. On Personal Finance, what's very important to remember is we've had an additional shift away from guaranteed annuities. Guaranteed annuities are quite margin rich; it's down almost 40% in terms of volumes versus prior year. And despite that, our PF margin has remained flat. So, we continue to focus on expenses and quality sales volumes.

Langa Manqele
Thank you very much. Please hold on to the mic. There are more questions for you coming through from Warwick. Warwick would like to know two things, Prabashini. Firstly, how should we think about the trajectory in the Corporate RFO which has fell by 8% due to moderation in risk variances. Should we expect variances to moderate further? Does the mix and volume of new business support growth from here? That's the first portion of the question. The second one, could you provide some colour on the two pot retirement withdrawals of R1.7 billion in the current period? Do you think members have exhausted their ability to withdraw the legacy savings pot now, or will there be more withdrawals in FY27?

Prabashini Moodley
Thank you. Thanks for those questions. Firstly, on Corporate's profit trajectory, we did indicate from our mortality experience perspective, it is cyclical and we're coming off a

particularly high cycle in terms of pricing. And as pricing starts to soften, the margins start reducing and it gets more competitive. As we've seen, the mortality profits have consistently been reducing year on year. It's difficult to call the bottom. So, it's a cyclical thing. We respond to competitive pressures and we price competitively. So, the profits have actually been very strong in terms of their fundamentals.

On the product mix in Corporate, we've had quite a bit of group assurance or risk sales this half. The deals are lumpy, and it's not improbable that we have another half where the majority of the sales that flow might be on the saving side, which come with different margins. So, it's difficult to call, but I think the business is in a good position for a sustainable, normalised sales growth. And then the mix, is lumpy. That's the best I can do, Warwick.

On the two pot, it is interesting. Last year, first half, we had just under R1 billion of two pot withdrawals and this year, half year, it is R1.7 billion. I think it is indicative of the financial pressure that people are under. We did a lot of education, a lot of member engagement, encouraging people only to withdraw if they absolutely need it. I think that had a positive impact last year. I think consumers are simply under pressure. I don't expect huge outflows flowing for the rest of the year. It's typically as the new tax year starts that people have the opportunity to withdraw. We see much muted withdrawals through the rest of the year.

Langa Manqele
Thank you very much, Prabashini, for managing those questions. We've got a couple of questions. I will try and stack these ones together. They are largely on central costs and the capital stack. Thapelo from Investec would like to know where did you attain the R936 million cost savings? How much of this was in the current six-month period? And how should we think about timing on a forward-looking basis? And where the source of the remaining R1.5 billion balance is likely to come from? That's one question.

The second question is from Daniel. So, Daniel would like to know. First, he says well done on the delivery on the cost savings thus far. Could you give us some colour on where the balance of the targeted R2.5 billion will come from? How much will be reinvested re-invested and how much will come through the margins? So, those are the questions. Let me just quickly scroll and see if there's any other on costs that I may have missed. Okay, this is a different question about Zim. I will tackle this next. If you could just comment on those two.

Ranen Thakurdin
Okay. There's a lot of detail and I'm going to keep it a bit simple. About 50% of the savings to date have come from our covered business and 50% from our non-covered business. We're expecting, on a forward-looking view, a very similar outlook for the remaining R1.5 billion that we still need to deliver. There was a question about how much of that came in the first half.

So, we had just below R600 million last year and just north of R330 million in the first half this year.

There's a question about trajectory. I think an important thing to understand is that when we do take out costs, there's a bit of a delay in terms of how it arises in the savings because for the period that we incur the cost. For example, if we close a vacancy, you only start seeing the savings in the subsequent months. So, I wouldn't regard the historic trajectory as a view that we need a fundamental acceleration of pace. There's just something to understand in the way that the numbers come through that the annualised savings are being generated and you should see the uptick going forward.

In terms of margins, within the covered business and within VNB, we should see a benefit of the cost savings coming through in VNB over time, less on the embedded value that's already captured in the embedded value, and we've largely taken it into account. And then on RONAV in terms of margins, I think that it is going to benefit. What we already saw in the first half is OM Insure and OM Investments benefiting. Their profits actually reflect their savings that dropped through in profitability. So, Insure and Investments and our non-covered business in OMAR for that remaining savings of the R1.5 billion, will continue to drop into the profit number during the course of next year and that should then uplift the RONAV. On underwriting margin, that is the other place that will directly flow into the underwriting margin and enhance the robustness of underwriting margin. So, largely margins will still benefit from the remaining R1.5 billion in cost savings.

Langa Manqele
Thank you, Ranen. I'm going to switch over to on capital. Questions came from Jarred as well as Thabelo. Thabelo would like to know the OMLACSA dividend pace to Group declined year on year as we've seen in the presentation. Please give us a bit of colour around that. And what would you say is a normal run rate? That's the first part on the question of the OMLACSA dividend. Jarred says, given the OMLACSA dividend to come through in H2 and DC build-up in the updated ranges on solvency, why was only just R1 billion buyback initiated? I will ask Jurie to please tackle that. Okay, Casper, over to you.

Casper Troskie
I don't think you should look at the R1 billion dividend in isolation. We did see solvency ranges reduce for the reasons we mentioned at the year end. Higher prescribed equity stresses and lowering bond yields put pressure on solvency ranges. So, we had a lower at the year end. That's recovered in the half year. I would look at the two dividends together, the R1 billion plus the R4 billion from OMLACSA, that's a strong base of dividends. We should look at the underlying earnings for Life and Savings, which is a proxy for OMLACSA, as the level of earnings that would support the dividends in the OMLACSA business. We obviously don't separately disclose OMLACSA.

We only declare dividends out of capital that sits at the Group. So, until we receive the dividends from subsidiaries, including OMLACSA, those are not available as discretionary capital. That's how we work. So, the OML board of directors need to have the capital to declare the dividends. So, we'll see those. And as we said we'll see one quite a lot of capital moving up to OML in the second half, and the board can then deliberate on whether that's a return to shareholders or to funding growth. We have told you very clearly that we will follow the horizon-based capital allocation framework, so we will prefer returns to shareholders in situations where RONAV is below the target range and we're trading at a discount to our Group equity value.

Langa Manqele
Thank you very much, Casper. I think that concludes the Q&A. There is one. I think this one is not really a question. It's a request for an update. Just a voice over from you on the recent changes that have happened at the board in terms of appointments, a voice over for participants, as well as in any senior management teams.

Jurie Strydom
Yeah. Well, just highlighting at the executive level, the CFO succession, which is something that we've been working towards. And so, delighted to appoint Ranen into that position as CFO designate from 1 January. At the board, we have our chair, Roger Jardine, who took over upon Trevor Manuel's retirement in the middle of the year. As part of that, there is the so-called succession cliff at the board, such that we've had a number of directors who then have stepped off in succession. And there is that process that continues now over the next couple of years. But I think as you've seen from the most recent appointments, I think we've got the board succession process well in hand.

Langa Manqele
Thank you very much. Thanks, Jurie. Thanks, Casper. And thanks, Ranen. That basically concludes the Q&A session for us. Just as a reminder, our presentation and the result booklet, is available on our website together with all materials that are accompanying it. And we are looking forward to engaging with you on our roadshows, as you can see there on the screen. So, once more, on behalf of the board and the management team, we thank you very much for joining us this morning. Thank you, and bye.

END OF TRANSCRIPT