

2026-03-1748348Old Mutual Annual Results Analyst Presentation

Speaker Key:

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JS	Jurie Strydom	LA	Lauren
CT	Casper Troskie	CE	Clarence Nethengwe
CN	Charles Nortje		

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JS Good morning, everyone, and thank you for joining us today for the 2025 annual results presentation for the period ended 31 December, 2025. My name is Langa Manqele, I'm the Head of Investor Relations for Old Mutual Group. On behalf of our board and the management team, I would like to extend a warm welcome to you all.

I would now just ask that we check our devices, make sure that we are not interrupting ourselves. Happy for you to put them on mute. And at this stage, you should be seeing a QR code displayed on the screen that shows where you can download our results. All our results are now available, including this analyst presentation, as well as our annual reporting suite are available online.

On the agenda for today, as customary, our Group CEO, Jurie Strydom, and Casper Troskie, will take us through the presentation. We will kick off with Jurie giving us the highlights for the results, as well as the CEO review. He will be shortly followed by the group CFO, Casper, who will provide us with the financial review. After that, Jurie will return to the stage to give us his outlook and the concluded message. At that point, I will return here on the stage to facilitate the Q&A session. With that, I now hand over to Jurie. Thank you.

00:01:21

JS Good morning, everyone. It's great to be with you this morning. It's great to have our investors, our investor community, with us. It's my first annual results presentation for Old Mutual. I say, this is the last of the first. We did the first interims and the first Capital Markets Day. Now it's my first annual results presentation. Just a great privilege and a joy to be here with you.

I want to do a couple of things this morning before I hand over to Casper. The first will be, we'll talk about the highlights of the performance for the 25 year. I want to do a little bit of a recap on strategy, to just take you a little bit back to the Capital Markets Day, and just to track back, so that you can locate the performance of the business and our outlook in terms of that performance and in terms of that strategy, and then we'll get into the cluster performances.

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But before I do that, I do just want to acknowledge that this is a very big day for Old Mutual. And it's not because this is my first annual results presentation. It's actually that today, we announce the retirement of our chairman, Mr Trevor Manuel, who turned 70 this year. Trevor will be retiring at the AGM on 5 June. And we will have lots of opportunity to really pay tribute to the impact and the leadership that Trevor has had in this business.

Suffice to say that for me, as a non-executive director first working with Mr Trevor Manuel and witnessing his leadership and his integrity, and his example, and his work ethic as a non-exec, and then transitioning into an executive position as chief executive, with him as my chairman, it's been one of the highlights of my career. We'll have an opportunity to pay tribute and to say the things we need to say, but at this stage, just to pay tribute to him. And also then to turn towards Mr Roger Jardine, who's been announced as chairman designate of Old Mutual.

Roger joined our board in September last year. We've had an opportunity as a management team to start interacting with him in that capacity. But, of course, Roger comes to us with an extraordinary pedigree, both as an executive and as a non-executive, and as a chair of some of South Africa's finest companies. It is a great privilege for us. I was reflecting Old Mutual as an institution, to be able to have as your chairs and successive chairs two leaders, I think, probably two of the highest calibre leaders in South Africa, I think is just an extraordinary privilege, and we're delighted.

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Looking forward to that transition that will happen over the next coming months, and will culminate in the AGM. And please join me in welcoming Roger to that chairman designate seat.

Moving on to results. I wanted to just spend a few moments talking about the most important metrics that we, in particular, the ones that we've highlighted in our medium-term targets as the key things we're going to pin our success on going forward. And the value maximisation, which is RoGEV, and cash generation, dividend growth. You'd see growth in dividend in group equity value per share of 2%, up to R19.80. That is 7% up, actually, from where we were at the half year. Impacted, of course, by some of the changes that we had, which impact on embedded value with the corner change, the cost on the hedgeable risk and persistency assumption changes.

But what has come through on the positives up to that R19.80 was the impact of non-covered business, Old Mutual Wealth and Old Mutual Insure coming through in that performance. Importantly, on the capital front, we initiated a R3 billion buyback, which we announced in September. We have announced there that we've covered 0.7 billion up until the end of 2025. But, in fact, up until yesterday, we've executed 1.3 billion. The outlook for that is, of course, the trading mandate that we have, and the execution of the buyback depends on where we trade as a share. And relative to our GV, it gets reset on GEV per share. And so, it is extended until the end of the year. We'll be following through on the implementation of that buyback as market conditions allow.

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I think just looking at the performance of, in some of the other areas, particularly efficiency and competitiveness, you can see there 6.8% underwriting margin in Old Mutual Insure. That's within our range that we've set to the market. If you actually go back and you go and look at the detail, you'll see that there was a once-off, exceptional provision in OMARTI Cell, which, of course, is our Cell Captive business, so not really reflective of our core operations. And if you allow for that, you get to an underwriting margin of 8.3% for the year. Actually, a strong underwriting performance, and I think underscores our thesis that that business has undergone a significant turnaround in operating performance and in actuarial and other controls.

I think the big adjustment that we've done this year is the VNB and VNB margin. You see there VNB margin, 1.2%. We announced 1.4% VNB margin in June. And that was really off the back of the persistency assumption changes and the corner change. It's also been impacted by lower guaranteed annuity volumes, which of course is an industry phenomenon. But really, this is the area which is getting the most intense management focus. And it is the KPI that we are most focussed on in our Life and Savings business, in particular, to drive that back up to the 2 to 3% range.

On RONAV, 15.2%, but fully acknowledging, of course, as with our peers, that being boosted by market returns and on a normalised basis still below that range of 15 to 17%.

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But before I get into the clusters, I do want to just do a little bit of a recap of where we were at the Capital Markets Day, and the progress that we've made as a group since then. I think just to take you back to our strategic priorities, we always start with this. We acknowledge the imperative of unlocking value for the group, that there is a latent potential and latent value here that needs to be unlocked, and in particular, just driving the competitiveness of our South African businesses. And really, an execution story, which I'll get to in a second.

I think further in South Africa, looking at then generating growth through the establishment of the right to win of OM Bank. I think one's got to see the two phases as being not just sequential, but actually, they are concurrent to a degree, because the very things that you're doing to execute well, to drive competitiveness, are the things that ultimately create your growth engines for the future. We are orientated as a group, not just to unlocking value, but also to actually simultaneously generating growth and, in particular, regaining some of the market share that we think we're able to recover in South Africa, and of course, on the continent.

Speaking of the continent, we really divided the content into two. The one was Southern Africa. And looking at our imperative to build profitable scale in those Southern African markets. We've been in those markets for a long time. We understand them well. Our brand is very well represented and understood, and a loved brand. And really, about building more profitable scale and getting better returns and margins there.

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And just distinguishing that in East and West Africa, which are growth markets for us, we see the potential in those markets. We think long term, certainly, there's a place for Old Mutual to succeed, but we do need to earn the right to deploy further capital there. And that comes from improved margins and returns in each of those markets.

Along with the strategic focus areas, we talked about our medium-term targets. I think if there's one slide that that almost all Mutualites can talk to, it's probably this slide. It's one that has driven a lot of the work that we've done as a group over the last six months, in terms of how we've organised ourselves and then ultimately into our targets and incentives. And I'll get back to that in a moment. My outlook slide at the end, I will return to this slide, and I'll give you a sense on where we are, how to understand our numbers for financial year 25, and where we are in terms of executing to getting into those medium term targets.

We have completed our operating model changes. You'll recall the move towards end-to-end accountability for businesses, bringing together distribution, operations and product into business units, where those trade-offs can be made and competitiveness can be driven. We've completed that. We've started creating a leaner corporate centre, where we're much clearer on what our focus is at the centre. That focus really is on governance, risk, and in particular, capital.

Capital being a tight principle, we talked about tight versus loose principles, which define how we work between the centre and the clusters, and being clear that corporate strategy is about the stewardship of capital and where we play. Business strategy is how we compete in every segment. And really empowering clusters to compete through a business strategy that's appropriate to where they play.

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The cost savings target, of course, is an important part of that execution, and I'll get back to that a bit later. But just suffice to say, the 2.5 billion cost savings commitment that we made, equivalent to 10% of our operating cost for 2024. We've really clarified internally, been through a process of using the structures, using the targeting process to be able to cascade those targets now into the group. I am confident that the ownership of those targets is now much more deeply embedded into the organisation.

We have made progress in this year. We've saved 450 million of the 2.5 in 2025. We are well on our way. But of course, 2026 is a year of significant execution of this commitment. When we do this, we bake in an underlying base contribution, of course, from all clusters. But we do also look and benchmark where each cluster is against their peer group. On that basis, and I think a very rigorous piece of work, we've now landed on a set of targets that we think are going to be executable for us.

On our capital horizons, just again pointing out that we remain, and we will continue to track this and show you this. We remain on a normalised basis below the 15 to 17% range. And that is because even though we were reporting the 15.2, the 12.4 is actually when you normalise for excess investment returns. What that means is, while we are in horizon one, our commitment is just to prioritise

shareholder distributions. Until we are able to move into horizon two and three, where other opportunities to deploy capital can be considered. We will only consider deployments of capital in acquisitions that are really tightly coupled to strategy and are time sensitive.

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Just to be clear with you on the milestones of execution, and you will see a repeat of this when I talk to you at interims and at results next year, you're going to see us tracking these KPIs. And it is essentially around the cost savings and we will be communicating in a very simplified way, the way we've done now, as to what we mean by cost savings against that 2024 base. And it is net of any other increases in cost and other investments above inflation. We've made the 450 million savings, of which half of that about was at the centre.

I'm very pleased with the progress in the creation of the Life and Savings cluster. We have made some very significant moves there, but I can see already in this year, the management team is able to start really taking ownership and executing. I think there's clear accountability. There's work to be done. We have delivered on management actions and are delivering new business quality collections and system implementations. And we're firmly orientated towards regaining market share.

This is something which doesn't turn in a matter of three months. It is a piece of work that requires foundational change, but we're confident the changes we're making will translate ultimately into those results.

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On the bank, we're pleased with the progress with the bank. As I said to you, we talked about establishing the right to win for OM Bank. We went live in September last year. We are gaining traction with customer numbers. It is too early to report revenue numbers to you. The journey there is about building a customer base and then driving, increasing customer activity and traction. And we're also well on our way in terms of the integration of OM Finance and OM Bank. Those businesses are working together. And OM Finance has already played a significant role in the distribution strategy for OM Bank, as we'll get to in a moment. And then finally, stewardship on capital.

From an operational point of view, just to touch on a few of the key points. The Life and Savings, the big story, of course, impacted in volumes by the guaranteed annuity shift in the market as a result of bond yields, which impacted everybody. I think we've picked up some good volumes on the non-covered side in OM Wealth. The big call out of course is the impact on VNB of those margin changes and of the guaranteed annuity sales.

This is the big focus area for us. It's not new news from half year, but it is the position as we explained it at that point, it requires us to take urgent action and is a key KPI for us to returning into the RoGEV, into the 14 to 16% range.

On Life and Savings, I think just calling out, from a risk point of view, a good growth in the Mass and Foundation market. 15% growth in retail risk sales there. We're working on quality of new business and efficiencies, of course, because

persistence is a big piece, but we remain the largest advisor-led model in the market and really a very significant presence in the mass market.

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On personal finance, some early green shoots in risk sales improvements, and in the gaining of market share. But really, at this stage, still somewhat overshadowed by the guaranteed annuity moves. We will be watching that and driving those operational improvements that will, in turn, drive further market share gains in the year ahead.

On Wealth Management, calling out this retail APE comparable sales of 14%, increase in life APE of 18%, so pleased with that. And Old Mutual Corporate, also calling out significant, improved retention, both at the member and at the client level, which is a key piece of continuing to build the AUM. In this Life and Savings engine, you've got these recurring premium, predominantly risk, engines in Mass and Foundation and PF. And then you've got these asset-based engines, which are Wealth Management and Corporate. We see those complementing each other into the future.

Old Mutual Insure, muted growth in the core operations. Much of the growth, that 7% coming from ONE Financial Services, which was an excellent acquisition, which we did a number of years ago. Significant improvement in margins and in underwriting profit. You can see there, the growth year-on-year from 6.2 to 6.8 at the margin level this year. And of course, the 8.3 on a normalised basis. We are pleased with the performance of that business. We think it is a business that is poised for market share growth and market share gains. And we're now in the position, we believe we've got the operational foundations to be able to drive stronger growth, particularly in the core operations.

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On the banking side, just pointing out really for the first time, I think you're starting to see and starting to show the bank numbers with the Old Mutual Finance numbers. From a Mutual Finance perspective, just seeing that gross loan book, and really improvement in credit loss ratio and in the net lending margin, which is pleasing. There has been a period of consolidation there in Old Mutual Finance, but we see we're starting to grow in loans and disbursements again. And in line with really growing our presence in the banking space.

Here, you can see that we put the RFOs together at a cluster level. But actually, notwithstanding the increased investment in the bank, you can actually see on a net basis, a lower loss for 2025, a smaller loss than in 2024. We look at these pieces together as we start to drive cluster profitability. But of course, the bank is the big growth piece. And you can see there, we've got a customer run rate now of about 3,000 a day.

We have been, for now, still been significantly orientated towards Old Mutual customers. You get 46% of customers originated through the Old Mutual Finance branch network. We've had 48% conversion of the active money account customer base, so that strategy has been working for us. We are in Q2, beginning our above the line marketing campaigns to the public. We would expect to see a shift towards new to Old Mutual customers, or greater emphasis there, but pleased with the

customer run rate and with the customer deposit numbers.

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But just to reiterate, the build-up of customer base is one thing, but the driving of activation and revenue, transactional volumes and credit, that's really the key. Those are the key tests. And 2026 and 2027, of course, for the bank are key years to be able to really establish that right to win. But I think we have been well vindicated in our strategy of putting this OM Bank business together with OM Finance. And we certainly are seeing the fruits of that coming through in the business.

In OM Investments, I think a shout out just to celebrate passing 1 trillion threshold in AUM. And then, in particular, calling out the Alternatives business for another exceptional year. I think the private markets business is such an important part of the armoury of a group like us, and I think we have unquestionably the leading franchise on the continent in this space. We're delighted with the performance of this business. Just notable investments in a five-year deal flow of 85 billion, exits of 31 billion. And you can see the CAGRs in AUM and in revenue there, you can see very, very significant on a five-year basis. Really building a very valuable business in that space.

And then on Our Mutual Africa Regions, just dividing the picture again between Life and P&C, very pleased. The 8% growth in life APE, but particularly pleased with the pickup in VNB margin. I think when we spoke at interims, we were concerned about that. There were some pricing changes coming through, and some portfolio changes in mix, so pleased with that. On the P&C side, still some work to be done. Of course, the premium numbers impacted by Nigeria and Tanzania that we disposed of. But in particular, the margin, that's where there's been significant corrective action that's been taken already in the year, but we need to see those results coming through in the coming year.

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With that, that's my brief cluster overview. I will be coming back a little bit later to talk to you about the outlook. But in the meantime, I'm going to hand back to Casper.

CT

Thank you, Jurie. I will now take us through the financial review, focusing on value, capital, and earnings. Starting with value, group equity value, or GEV per share, increased marginally to R19.80, with growth in value exceeding our distributions. While market performance improved and yields declined, these gains were offset by methodology and assumption changes. Our covered business embedded value was impacted by the reallocation of 2.8 billion in Old Mutual Africa Regions, from covered business to banking and lending business, as we refined our methodology. This does not have an impact on total GEV, but changes values between lines of business.

The increasing valuations of our non-covered businesses were mainly driven by Old Mutual Insure and Old Mutual Wealth, following continued improved performance. On a forward-looking basis, return on group equity value, or RoGEV, is our primary measure of long-term shareholder value creation. Our RoGEV for 2025 is 4.1%. If we adjust for the impact of material methodology and assumption

changes, our RoGEV would have been 10.1%.

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These impacts were almost entirely related to methodology and assumption changes that we had implemented during the first half of the year. These were the cost of the non-negligible risk charge, the change in valuation methodology for OM Bank, where we adjusted the valuation methodology to reflect the unlock of value as we meet critical rollout milestones, and the persistency basis change in Mass and Foundation.

From 2026, we will be expanding our GEV disclosure with an additional cluster level views and reconciliations. Our covered business embedded value reduced by 14% to 57.3 billion, following high capital and dividend outflows, as well as negative model and assumption changes. This included strengthening persistency assumptions in Mass and Foundation, and Personal Finance, and increasing the cost of non-hedgeable risk capital charge. This was partially offset by positive experience variances driven by mortality experience in Personal Finance, Old Mutual Corporate and Mass and Foundation.

Economic variances reduced embedded value earnings, with the return on embedded value earnings falling from 9.7% in 2024 to 7.8%. While market performance had a positive impact on embedded value earnings, this was more than offset by the significant reduction in particularly long duration yields beyond the longer states available instruments. It is also worth noting that we apply a market consistent embedded value approach that uses the prudential authority yield curve.

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As we already mentioned, our South African Life and Savings business was the primary driver behind the decline in the group's value of new business. This was largely driven by the assumption and model changes I just described, as well as lower annuity and retirement fund umbrella sales. Recovering VNB and VNB margin is a key focus area for us, and this is clearly reflected in the group's strategic priorities going forward.

Moving to the contractual service margin, or CSM, this represents the store of future life profits for the bulk of our Life business. Despite the reduction caused by significant assumption and model changes, the CSM still increased, driven by new business value, interest, and positive experience variances. Our actual allocation rate to profits was at the upper end of the expected range, at 11%.

Turning now to capital. Our systematic approach to capital management has not changed, and it remains the foundation of our approach to value creation. Our focus remains on maintaining a resilient balance sheet and strong solvency levels, underpinned by disciplined and efficient capital management. We expect cash remitted to be between 70 and 80% of adjusted headline earnings before optimisations and special dividends.

Ongoing optimisations drove strong growth in cash remitted from subsidiaries, representing 123% of adjusted headline earnings, with 6.1 billion contribution to discretionary capital. Our South African Life and Savings cluster continues to be

the leading contributor to cash generation for the group, with Old Mutual Insurance turn around in sustainable earnings resulting in a healthy contribution.

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This then brings us to our discretionary capital balance, which almost doubled year-on-year due to the strong cash remittances mentioned before, net of dividends paid to shareholders. Our balance of 6.1 billion includes an expected capitalisation of OM Bank in 2026, and 2027 of 2 billion, in line with our plans, with 2.3 billion committed for the completion of the approved share buyback. The buyback program will continue for as long as it remains value accretive to shareholders. Deployment of the remaining balance of discretionary capital of 1.8 billion will be guided by our horizons-based approach to return to net asset value.

The group shareholder solvency ratio of 162%, remained well within the target range of 155 to 185%. There were two key drivers that reduced the group's solvency ratio. Firstly, there was significant market movements, particularly lower yields, and higher prescribed equity shocks due to stronger equity markets.

Secondly, we optimised our sources of capital, our subordinated debt level reduced by 1.8 billion during 2025, as part of our strategy to smooth the debt maturity profile. And we initiated the 3 billion share buyback, which is fully recognised in the solvency ratio. The target range is set to ensure that we maintain sufficient solvency levels to withstand a one in 200 year stress event. The lower end of the target range serves as a point at which management increases monitoring and considers operational actions to support the solvency levels, if the future outlook indicates downward pressure on coverage ratios.

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These ranges are set with suitable margins of safety, allowing us to manage our balance sheet efficiently across the cycle. This is evidenced by our announced share buyback and dividend growth, well within our new medium-term target range of 6 to 9%. With continued strong capital remittances from OMLACSA during 2025. Our strong capital position is supported by a gearing ratio of 14.2% at December 25, below our target range of 15 to 20%. This indicates capacity to raise further debt with our balance sheets supported by diverse sources of liquidity.

We will continue to optimise our capital stack and gearing ratio to ensure the efficiency of our balance sheet. Our current year return on net asset value, or RONAV, of 15.2%, is within our new medium-term target range of 15 to 17%, supported by earnings and ongoing balance sheet optimisations. Excluding higher than expected market returns, return on net asset value would have been 12.4%. Going forward, we are planning on adjusting our RONAV targets to a more normalised target, in line with our 2026 remuneration targets.

RONAV will be normalised for shareholder investment returns, adjusting for the difference between actual and expected market returns. This aligns with our value creation metrics, as RoGEV uses adjusted GEV earnings, which removes economic impacts, and our dividend growth rate is a rolling three-year rate, which normalises across the cycle.

Moving now to earnings. AHE was up 26% per share, driven mainly by shareholder

investment returns, where equity market performance in South Africa and Malawi were substantially above expected returns. Our 2025 earnings are significantly impacted by the elevated returns and performance in Malawi. We have provided detailed sensitivity analyses on the impact of the Malawi business in our financial statements and results book. Assuming a devaluation of the Malawian kwacha of between 50 and 30%, the increase in adjusted headline earnings would have been between 11 and 16%.

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We continue to exclude our Zimbabwean business from adjusted headline earnings, due to restrictions on accessing capital by way of dividends. Year-on-year IFRS profits was impacted by the reduction in earnings from Zimbabwe, following the transition of Zimbabwe's functional currency from Zimbabwe gold to the US dollar in 2024. IFRS profits benefited from the non-recurrence of 2024 losses related to the impairment of our China business and the loss on sale of our Nigeria and Tanzania businesses.

We have seen a continued upward trend in RFO, even after our ongoing investments in OM Bank. RFO per share increased by 15%, supported by improved operating performance in Old Mutual Life and Savings, and Old Mutual Insure.

Turning to the cluster specific RFO performance, and starting with Old Mutual Life and Savings, Mass and Foundation declined by 8%, partially due to the strengthening of long-term persistency basis on our funeral book, which was partially offset by higher annual premium and cover increases on the in-forced book, improved persistency outcomes against a stronger basis, growth in the risk in-force book, and higher investment returns.

Personal Finance RFO increased by 28% off a low base in 2024, primarily due to improved mortality and annuity longevity experience, and better market growth and yield movements. This was partially offset by the impact of assumption changes, which included a persistency basis change. Wealth management profits increased by 12%, driven by the improved annuity revenue from increased average asset levels and non-commissioned expense growth below inflation.

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Old Mutual Corporate RFO increased by 23%, supported by strong market conditions and underwriting experience that continues to be positive and remains a significant contributor to the results from operations. Old Mutual Insure's RFO saw excellent growth of 14%, and is now contributing sustainably to the group RFO, and is supported by good top line growth, margin improvements, and tight expense management.

The underwriting margin and results from operations were both negatively impacted in the second half by the once-off impact of an exceptional provision related to a third party c ell in Old Mutual Alternative Risk Transfer. We continue to see the benefits of our diversified Old Mutual Investments business with continued, consistent, strong AUM growth, supported by diversified revenue streams. Results from operations was down 8%, largely due to lower non-annuity revenue. This was driven by the prior year, including exceptional fair value gains

in our Alternatives business, and higher market movements on the credit portfolio and equity exposures in our Specialised Finance business.

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Non-annuity revenue is more volatile by nature, but provides significant economic value through the investment cycle, and is a major differentiator from our peer group.

Old Mutual Africa's Regions results benefited from elevated returns and performance in Malawi. Malawi RFO more than doubling to over 1 billion. Results from operations in the East and West region increased by 54%, due to improved performance in the non-insurance lines of business, with banking and lending results from operations improving by 51% due to the non-recurrence of the costs incurred to right-size the Faulu business, and the consequent reduction of operating expenses in the current year. RFO also benefited from the exit of our loss-making Nigeria business in 2024.

The net results from group activities no longer includes the investment in OM Bank, which is now reported under the OM Bank cluster. Going forward, cost savings will be tracked through a two-pronged approach. Firstly, savings will be evidenced through improvements in our key efficiency metrics, as set out on the left of this slide. This includes RoGEV, as the 2.5 billion expense savings target is incorporated into our December 2025 group equity value base.

Secondly, we will track total savings by reconciling to our IFRS expense base in the financial statements from 2026. We will track and disclose net savings after allowing for inflation and other costs to save future costs, which are removed in the subsequent year. We will also adjust for business boundary items, where we incur costs to generate future revenue. An example of this would be the acquisition of 10X.

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For the 2025 year, we achieved savings of 450 million on our total 2024 group expense base, after accounting for inflation and 440 million of restructuring costs. Excluding the once-off restructuring costs, shareholder operational costs reduced by 246 million, or 15%, in 2025. Our NEXT176 cost increase due to the restructuring of the business in 2025. Going forward, NEXT176 will be managed as a portfolio by Futuregrowth and costs have been significantly rationalised. And with that, over to you, Jurie.

JS

Thanks, Casper. I wanted to just close by returning to this, which I said is my favourite slide, becoming our favourite slide. Which is really just anchoring everybody back towards our group targets and the achievement of those medium-term targets by KPI.

What we've got here is we've got the medium-term targets themselves. Then we've got our financial year 25 reported numbers. And then what we've done is we've just normalised, and we're not creating a new normalised KPI, but what we just want to do is point out where we are from a run rate perspective, in terms of the financial year 25 numbers. And then what are the leading KPIs of delivery?

Let me first say, I'm confident that as we have restructured our business, we've

driven the right accountabilities, we've created incentives and targets that cascade. And 2026 really is the year and into 2027, of delivery. Becoming famous, as we say, for doing what we say we're going to do.

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If you look at those RoGEV numbers, you see here's the 4.1% is what Casper reported, but also alluded to that 10.1% normalised, which is for those three very specific adjustments. Dividend per share, we're within range. RONAV is the other area that we are still outside of range at 12.4. When you allow for excess investment returns and VNB margin, the other area we're outside of range. If you look at those, of where we're tracking, you can see the ground that needs to be covered in each of those KPIs where we are below target, and particularly in RoGEV, RONAV and VNB margin.

Now, the lead KPIs are really the things that we're signalling to you are the internal measures that we're using to track lead indicators of progress, and which we're also going to be reporting to you as we go, to milestone the execution of these priorities. The delivery of the cost savings is clear, and we'll be reporting on that on a net of inflation basis relative to 2024.

Persistency variance is, of course, really key, just to see the impact of the operational changes that we've made. Of course, we've changed our basis, but relative to that basis, now what we want to do is to start generating positive persistency variances as a result of the actions that we're taking. New business volumes, of course, and the regaining of market share. As I said earlier, generating growth is not something that we're postponing to, after the unlocking of value. Generating growth starts now.

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And the very same things that improve competitiveness in unlocking value are often the things that also will then drive your new business volumes. And then finally, traction with the OM Bank customer base.

These are the things which we're going to be driving internally and which we're signposting will be the cadence of reporting to you, certainly starting at interims. With that, Langa, I'm going to hand back to you, to take some questions.

LM

Thank you, Jurie and Casper, for efficiently moving us through the presentation. We will now move straight into the questions and answer session. Just as a reminder, I will, first, this time around, take the questions that have already been submitted over Eclipse, our webcast link. Thank you very much for those who've submitted the questions. I'll start there. Read those questions and I'll move back into the room. At this stage, may I just kindly ask that we all also just keep our devices still on flight mode so we don't interfere with the question, so we can hear everyone quite clearly.

When we get to the Q&A, taking calls over the call, I will take just two questions per person. Checking the time, to make sure that we all finished up efficiently. One more reminder for the cluster CEOs, when there is a question directed to you, may I kindly ask that you come up on stage? There is a roving mic. Take the question, and then you may go back to your seat. Thank you very much.

00:42:46

The first question came from Baron Nkomo at JP Morgan. Baron would like to know, Jurie, how quickly can you move from the normalised RONAV, the one that we've mentioned of 12.4, towards the target of 15 to 17? What are the top levers that you have to move the dial in the capital structure? Thank you.

JS Thanks, Baron. I think the levers I highlighted on that last slide really are cost savings obviously is a key element to drop straight through to RONAV. Persistency also helps, in the sense that you're keeping your business on the books. And that then results in, over time, a higher CSM release. That also drives RONAV. There's also, of course, a capital and NAV piece, which I think we can talk to you, and maybe I'll suggest Casper, you talk to that.

CT And not to forget that in the prior year, we disclosed a RONAV which excluded the bank costs. That number includes the full bank cost, so as the bank recovers, you'll see quite a big uplift in RONAV, as we try move the bank to profitability. Just to add that point, and also to add that we then are continuing to work on the balance sheets to make sure that it's optimal, which will also assist RONAV. Once we've concluded the buyback, that's already a big reduction in the NAV that we have as a base at this point.

LM Thank you very much, Casper. I think staying with the theme on capital stack, Senamile from Standard Bank Securities would like to know, can you please provide an update on the share buyback? I think, Jurie, you touched on it briefly, if you may just maybe voice over.

00:44:49

JS Just to reiterate, we had at 31 December, implemented 0.7 billion of the 3 billion. As of yesterday, that number was 1.3 billion. How it works is that we execute on that, depending on where the share price is trading over time relative to GEV. It's dependent on that, the ability to execute. And we reset that based on published GEV. Today's number will, of course, be then factored in. And that programme runs until the end of the year.

LM Thank you very much, Jurie. Another question related to the capital stack. This one is coming from Michael Christelis, UBS. Michael is asking, could you please comment on the group's solvency position sensitivity thereof to the equity market stress scenario?

CT Obviously, the biggest sensitivity comes through OMLACSA. But there are also what we call non-operating entities. Any cash, even if it's cash that's sitting in these subsidiaries, those entities are treated as an equity shock, so we are quite sensitive to the equity risk premium, the systemic adjustment. That's sitting at the maximum at the moment, so Michael, I'm not expecting further pressure on solvency ratios because we are at the max. In fact, what we should be seeing is that equity systemic risk premium coming down with the recent fall in markets.

LM Thank you very much, Casper. I'll now shift a little bit and take Brad Moorcroft from Peregrine. Brad would like to know, it's a technical question. This one says, please explain the rationale for the new Mass lapse reinsurance treaty? What impact did this have on the solvency ratios? What is the annual cost of implementing this

treaty?

00:46:53

CT Maybe let me just talk through the rationale. What we're seeing is that the actual prudential shocks that we're required to apply are very onerous. And therefore, when you take reinsurance, you get relief at quite a good return on value. Our shock reduces, but it doesn't cost us a lot, is the short answer.

LM Thank you very much, Casper. Now shift to segments. Michael Christelis submitted a question, and he's asking specifically about OM Insure. Mike's question, let me get it right, says, could you please give more colour on OM Insure's underwriting margin in the second half, which seems well below the target at circa 4%, seems to be cost related with an implied expense ratio above 46? Would you like to hand over that to Charles? Charles, if you may please step over the podium. Thank you.

CN Thanks for the question, Michael. Your analysis is correct. In H2, we have already spoken about the impairment that we needed to take in our Cell Captive business, and take a precautionary provision there in line with group accounting policies. That was the bulk of the impact, it's in the non-attributable expenses line that you see there. Which, as you observe, was up some, some 40%.

There was another three items. There was some technology project costs that we decided to expense, particularly some of our investments in Gen AI. Never quite sure what the long-term benefit of these things is going to turn out to be, so we've taken a conservative view there, and taken out certain expenses and written them off in H2.

00:49:10

And then the third most material item is, as ONE Financial Services transitions out of a Cell Captive, outsourced type of arrangement into its own license, it needed to build out certain capacities and staffing. And that has given us a one-time uplift in cost as we prepare for that new license migration. Thank you.

LM Thank you very much, Charles. You can take the mic with you. Staying with the segments, I will now move on, taking Harry Botha from the Bank of America. Harry would like to know, the question is on the Life and Savings cluster. First, he says well done on the strategic progress in the cluster. Could you please provide more colour on Personal Finance new business sales, excluding the guaranteed annuity volumes? That's the first part. Where are you seeing green shoots? What is your view on the sustainability of the Corporate RFO?

I would like to just mention that, Matt, most of you may have not seen him. Matt Brinckmann is the Chief Financial Officer of the Life and Savings Cluster, working with Prabashini. Over to you, Matt.

MB Thank you, Langa. And thanks for the questions. I think on Personal Finance, the green shoots we are seeing are on the risk side of sales. We actually saw some quite pleasing growth in risk sales over the year. And green shoots also in terms of regaining market share on the risk side. And risk is obviously an important contributor to our VNB margin, so that's very important from a Personal Finance perspective.

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Guaranteed annuity sales were down. That was an industry-wide rotation, as we know, but we saw some benefit of the shift to living annuities in the Wealth business.

In terms of Corporate RFO, obviously, there were some benefits from economics in the year. We also still see relatively strong mortality profits on the group risk business. I think those are the things to think about on a forward-looking basis. Thanks.

LM Thank you very much, Matt. I'm now going to shift and take Marius Strydom. He submitted a number of questions. Marius, I'll take two out of your four questions that you submitted. First he says thank you for the opportunity to ask the question. The first one is on liability matching losses impact. The question is, to what extent did the liability matching losses impact your earnings, and where has this been reflected? The second one, we'll go over to Zulfa. Zulfa, Marius would like to know why has OMIG Asset Management segment not grown in RFO over the past three years? I'll start with the liability mismatch. If you'd like to comment on it, Casper, or maybe ask for input.

CT I'll start and then Ranen can add. In our IFRS results, you're not seeing any liability results. We effectively hedge those liabilities on our balance sheets. What we have seen some impact on EV, is where we are unable to hedge long-dated exposures in our EV, we use the prudential curve. And the prudential curve had a much lower profile post the long-dated tradable assets. That's where you're seeing the impact on EV, on IFRS you're not seeing any mismatch. In fact, we had mismatch profits.

LM Thank you, Casper. Over to you, Zulfa.

00:53:16

ZA Thank you, Marius, for the question. I think the way we report is potentially leading to some of that question. We report our cluster in a very specific way. We consolidate our asset management businesses into one report, effectively. In that consolidation, we actually have three affiliates. We've got the Marriott business, we've got Futuregrowth as well as OMIG. Actually, on the OMIG side, which is our listed equity, multi-asset, and LDI business, we actually have seen quite significant growth in our RFO over the last few years, particularly for 2025.

Marriott was muted and flat. And where we've seen a drop, which is resulting in the flat growth, is actually in our Futuregrowth side. We had a number of once-off expenses last year, which did impact the RFO number that related to a bad debt provision in our agri business, and some double executive costs as well that came through in 2025, as we transitioned new leadership into that business. Overall, OMIG, positive, Marriott muted, Futuregrowth was down relative to last year.

LM Thank you very much, Zulfa, for that. I will now move back and take one more question and then come back to the Chorus Call, if there are any. Brett from Peregrine again, this question is related to GEV. It says, please expand upon why there's an 808 million negative expense assumption change that was made on GEV? That's the first part. The second part, which segments this applies to? The third part of the question is how this ties up to the cost savings target. I think you

might just maybe voice over again the cost saving target. Casper, would you like to?

00:54:58

CT Ranen, will you take that one? Thanks.

LM Thank you very much. Over to you, Ranen.

LA Thank you. The 800 million basis change that we've taken is actually a short-term expense basis change. And what it's reflecting is that over the short term, we actually have to incur costs to take out costs. And we still have the elevated costs, so we are recognising that short-term expense provision. In our embedded value, when we reach a point where our maintenance expenses are at a point where we're getting positive variances, we actually don't capitalise that into our embedded value. It's recognising the short-term trajectory. Thanks.

LM Thank you. I would like to check if we have any questions on the Chorus Call.

OP At this stage, there are no questions on the conference.

LM I will go back to the submitted questions. Take one from Jared, All Weather. Jared is asking the question of what are the expectations for losses in NEXT176 in 2026? I think, Jurie, it might be helpful to just voice over that first.

JS What we've done is there's been a strategic change in NEXT176, where we've transitioned from really a significant operational cost on that portfolio to that portfolio being managed by Futuregrowth. Futuregrowth is a centre of excellence in the group for managing venture capital. That transition has taken place. You will have seen an escalation of NEXT176 cost in the 2025 numbers. But going forward with that change, there will be some one-off rationalisation costs, but those costs are going to be very significantly rationalised going forward.

00:56:43

LM Thank you very much, Jurie. Clarence, you are not off the hook. There is a question for you. Here is James Starke from Morgan Stanley. He would like to know, he firstly says "Welcome the progress on the credit loss ratio in the lending business. Please, can you elaborate on how the prevalence of gambling amongst South African consumers has affected your credit underwriting process, and how have you adjusted for this in your origination strategies?" Over to you, Clarence. Whilst you're here, there's a second one for you.

CE That's a very difficult question, but the reality of the matter is that we have seen elevated levels of gambling. And in OM Bank, in particular, what we have seen is we do provide value-added services, and one of those is vouchers. And we have seen that vouchers have actually taken off in such a high way. And we understand that people are using those vouchers for gambling purposes. It does impact customers from a disposable income perspective. And we have seen some of our customers who normally will pass our credit assessment, failing this time around.

And we have taken precautions to make sure that we bring extra data, alternative data, in order to make sure that we assess for that type of risk when it comes to credit. And we have seen that some of them have also had challenges from a

persistence perspective, because it does also impact persistence.

00:58:28

LM Thank you. You're off the hook. The next one is banking, but not OM Bank, OMF. I will ask Caspar, maybe you may voice over on this one, it's from Marius. Marius would like to know, could you please explain the large increased contribution from Malawi banking?

CT In Malawi, we have, in that business, an investment in an associate called FDH. That associate had a significant increase in earnings during the year. And what you're seeing coming through is the associate earnings that we're accounting for in Malawi.

LM Thank you very much. That brings us to the close. I think we've covered pretty much all the questions. There are no questions that are being sent through over the Chorus Call. At this stage, I would like to thank Casper, Jurie, thank the management team for joining us here. But also, most importantly, thanks to all of you who've dialled in to listen to our presentation and to those who've submitted questions. I would like to thank you on behalf of our board and the management team. And this brings the presentation to a close. Thank you very much. Enjoy the rest of your day.

00:59:50