

22 November 2022

OLDMUTUAL

Business Update

As at 30 September 2022

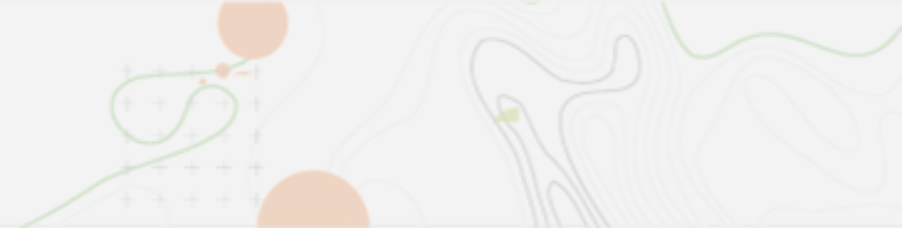
CEO: Iain Williamson & CFO: Casper Troskie



DO GREAT THINGS EVERY DAY



AGENDA



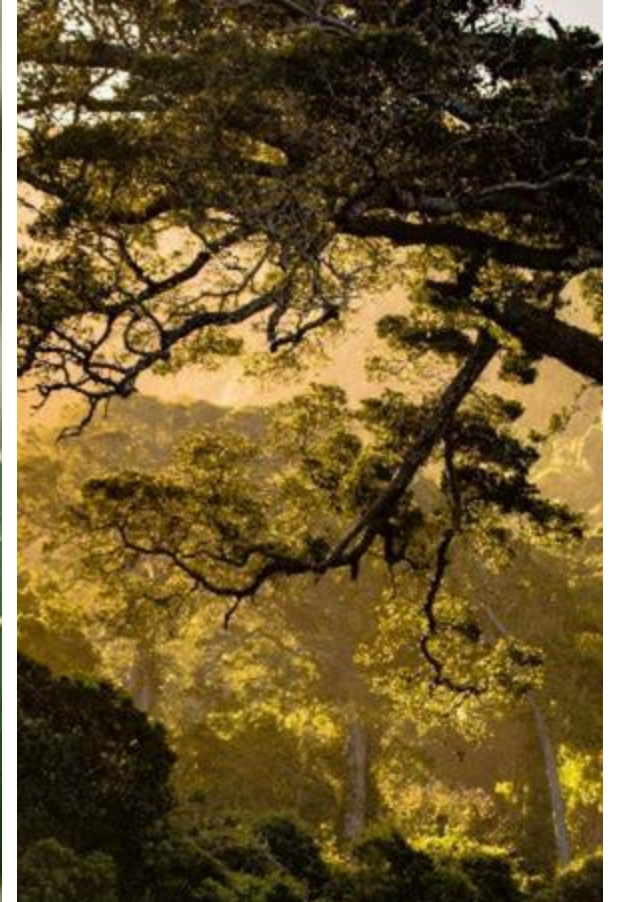
Operational Update
Iain Williamson
Group CEO



Capital Update
Casper Troskie
Group CFO



Strategic Update
Iain Williamson
Group CEO



Q&A



OPERATIONAL UPDATE





FINANCIAL HIGHLIGHTS AT 30 SEPTEMBER 2022

Strong performance from our core businesses



(7%)

Gross flows

R136bn



17%

Life APE sales

R9.5bn



12%

Gross written premiums

R16.9bn



(6%)

Funds under management¹

R1.2trn



56%

Net client cash flows

(1.2bn)



R24m

Loans and advances¹

R18.9bn



CAPITAL UPDATE



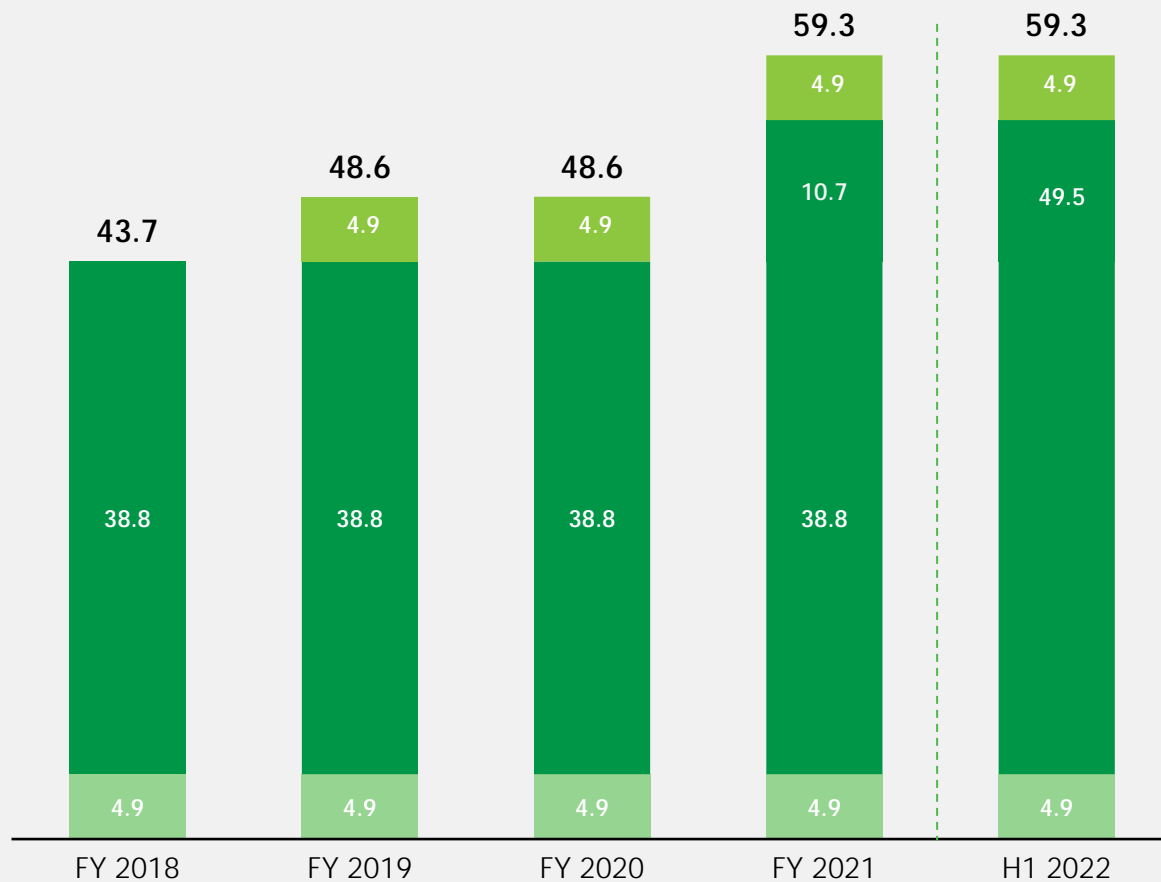


OPTIMISING RETURN ON NET ASSET VALUE AND REDUCING COMPLEXITY

Special distributions drive Return on net asset value optimisation and simplification of balance sheet

Cumulative Special Distributions (Rbn)

- Share buyback
- Nedbank unbundling
- Special dividend



- **R60bn** of cumulative special distributions since 2018

- **Special dividend and share buyback of**

R9.8bn in 2018 and 2019 supported by

- Sale of Latin America operations
- Distributions from Residual plc

- Unlocked **conglomerate complexity**

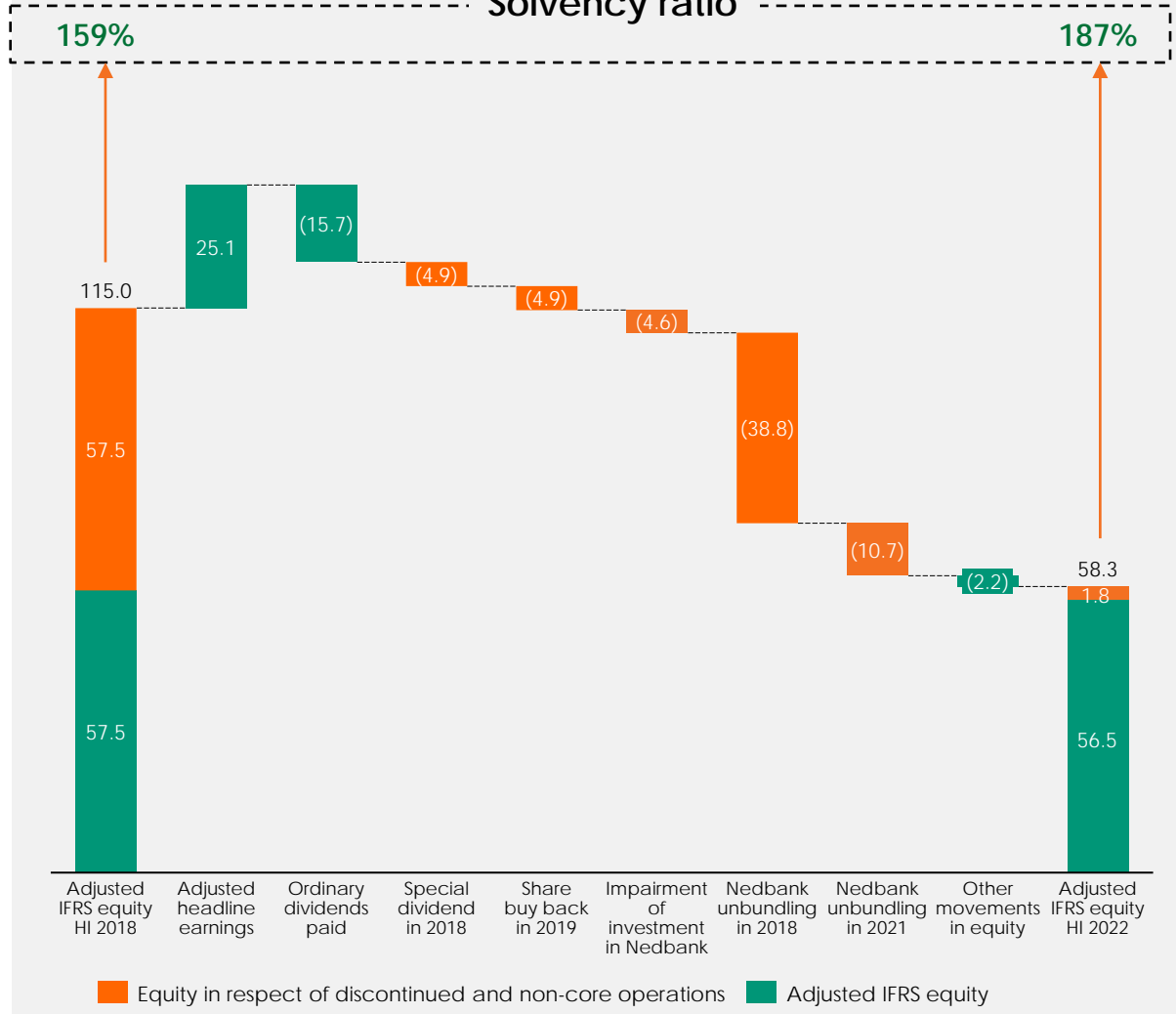
- Distributed R38.8bn of Nedbank in FY2018
- Unbundled R10.7bn of Nedbank in FY2021



GROUP NET ASSET VALUE

H1 2018 - H1 2022

Solvency ratio



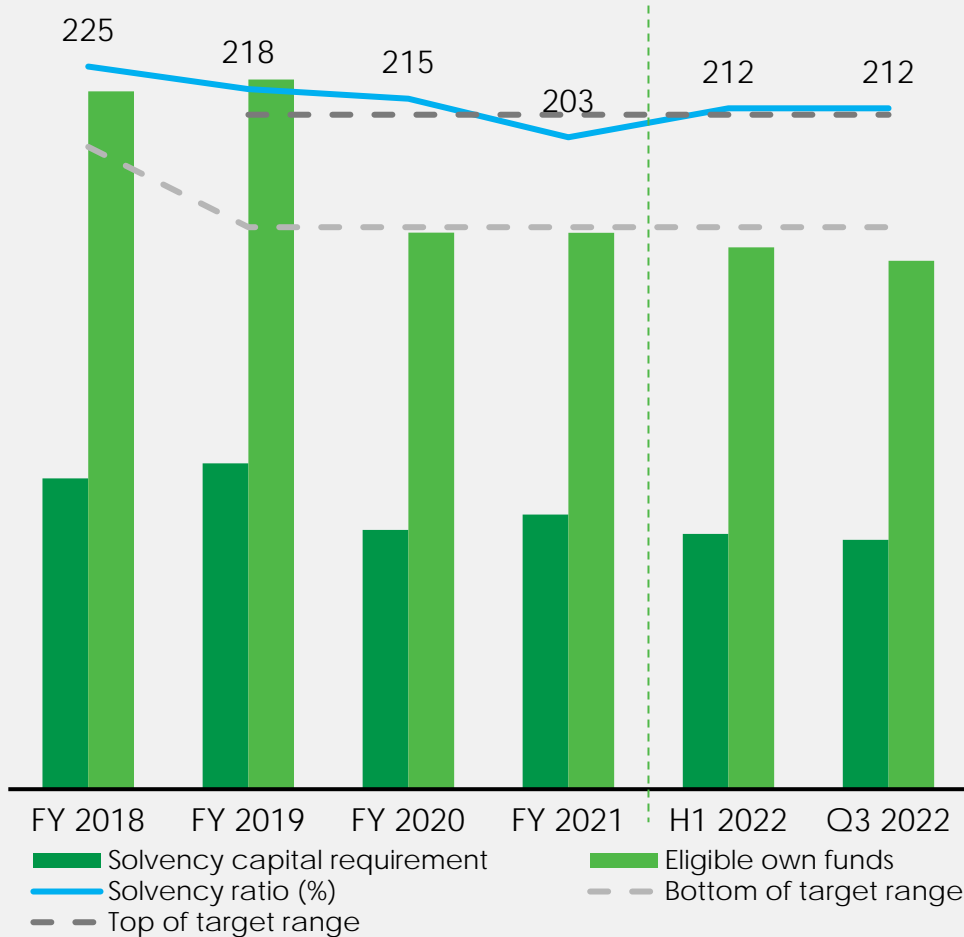
- Active downward management of the Group and Life company Net asset value to **optimise the Return on net asset value**
- Reduced complexity and return of surplus capital resulted in a **decrease in the Group Net asset value** of R56.7 billion



OMLACSA SOLVENCY

Strong OMLACSA solvency position

OMLACSA solvency



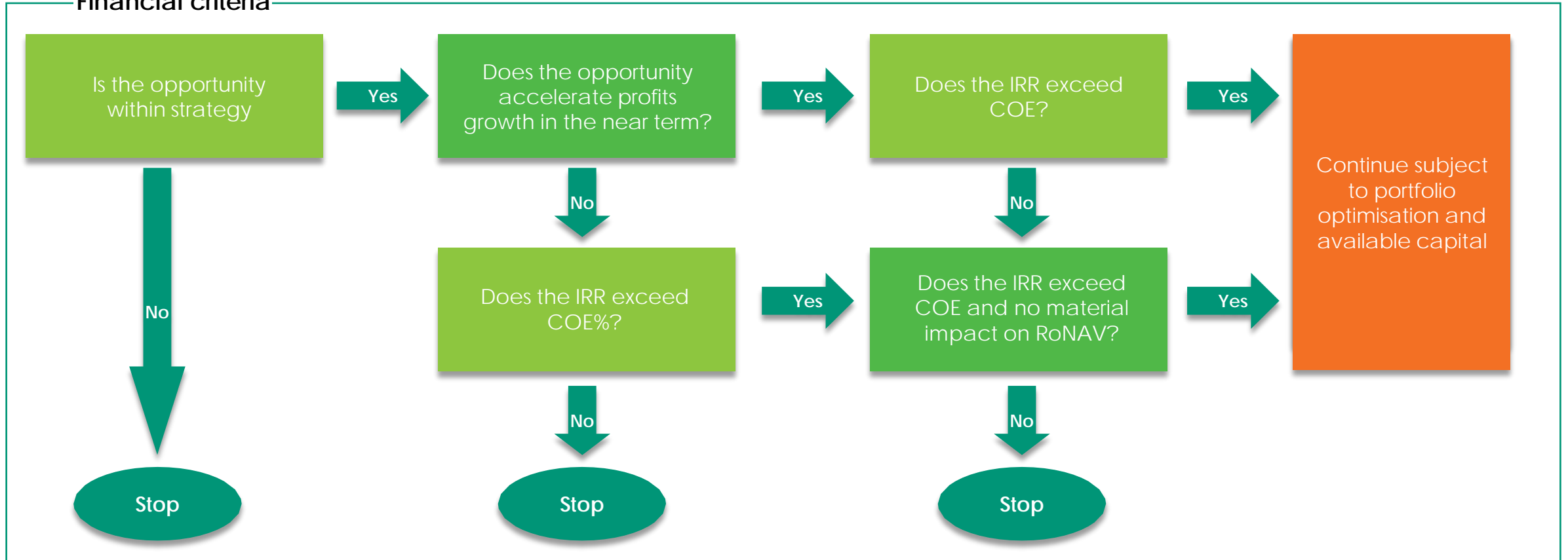
- **Target range** set to 1.75x to 2.10x in 2019
- **Iterative risk margin** approved in 2020 resulting in 20% improvement in ratio
- **12.2% (R10.6bn) of stake in Nedbank** as dividend in specie to OMEM in 2020 in preparation for 2021 unbundling
- **Increase in 2022HY** largely due to impact of lower equity markets
- **Q3 solvency** in line with interim position



ACQUISITION FRAMEWORK

Structured approach to new investments

Financial criteria

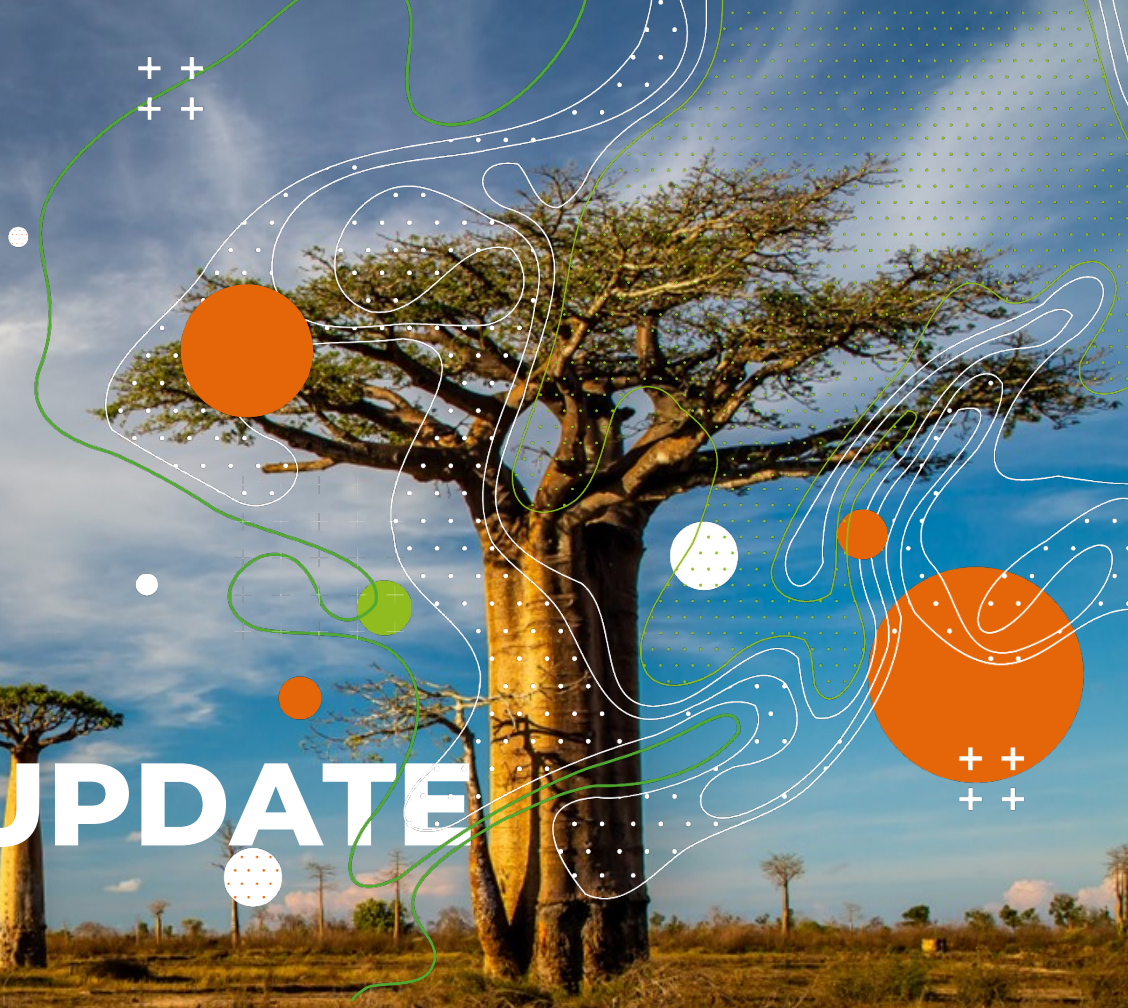


Other criteria

- Capital and future profits must be **FUNGIBLE**
- The entity should not put Old Mutual's **LICENCE TO OPERATE** at risk
- Management must have and commit **CAPACITY** to quickly realise proposed synergies



STRATEGIC UPDATE





UPDATE ON COMMITMENTS TO INVESTORS

Accelerating delivery as at 30 September 2022



Change the trajectory of the customer experience

- **Net promoter score at 67%, up from 62% in Q1 2021 – through digital engagement**



Build an entirely new financial services business

- **Embed a rewards programme across all segments**



Realise R750 million cost efficiencies by 2022

- **More than R700 million achieved**



Regain competitive advantage in Mass and Foundation Cluster

- **A pilot for 40 taxis launched with Bridge Taxi Finance partnership**
- **300 000 daily commuters, incremental R130 million Old Mutual Insure Gross written premium**



Re-energise both customer and adviser experience in Personal Finance and Wealth Management

- **Adjusted incentivisation of sales management**



Improve investment performance in Old Mutual Investments

- **Funds above benchmark: 63% over 1-year; 87% over 3-year**



Embed digitalisation more firmly in our business operations

- **Cloud migration of our South African legacy estate 95% complete, remainder to be completed by year-end**



OLD MUTUAL INSURE

Broadening our presence in the short-term insurance value chain



GENRIC
Insurance

Access to a wide range of value added products and innovative offerings



Versma
Bestuursdienste

Focusing on domestic commercial and agriculture, renewal preparations and claims handling



Primak
Insurance Brokers

Tailored short-term insurance solutions in car, household, liability and accident cover



WE HAVE RECEIVED REGULATORY APPROVAL TO APPLY FOR A LICENSE

Unlocking new growth engines



Progressed transactional capability build

Strategic rationale:

- ▶ Natural progression of core strategy
- ▶ Managing third-party banking partner reliance risk
- ▶ Regular customer interaction with increased cross-sell opportunity and access to cheaper funding
- ▶ R1.75 billion approved expenditure to build the capability
- ▶ R830 million already spent and 10% capitalised
- ▶ Targeting launch in 2024 with break-even in 2027

Potential costs and risks attached to regulatory approval process and timeline



Q&A





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