



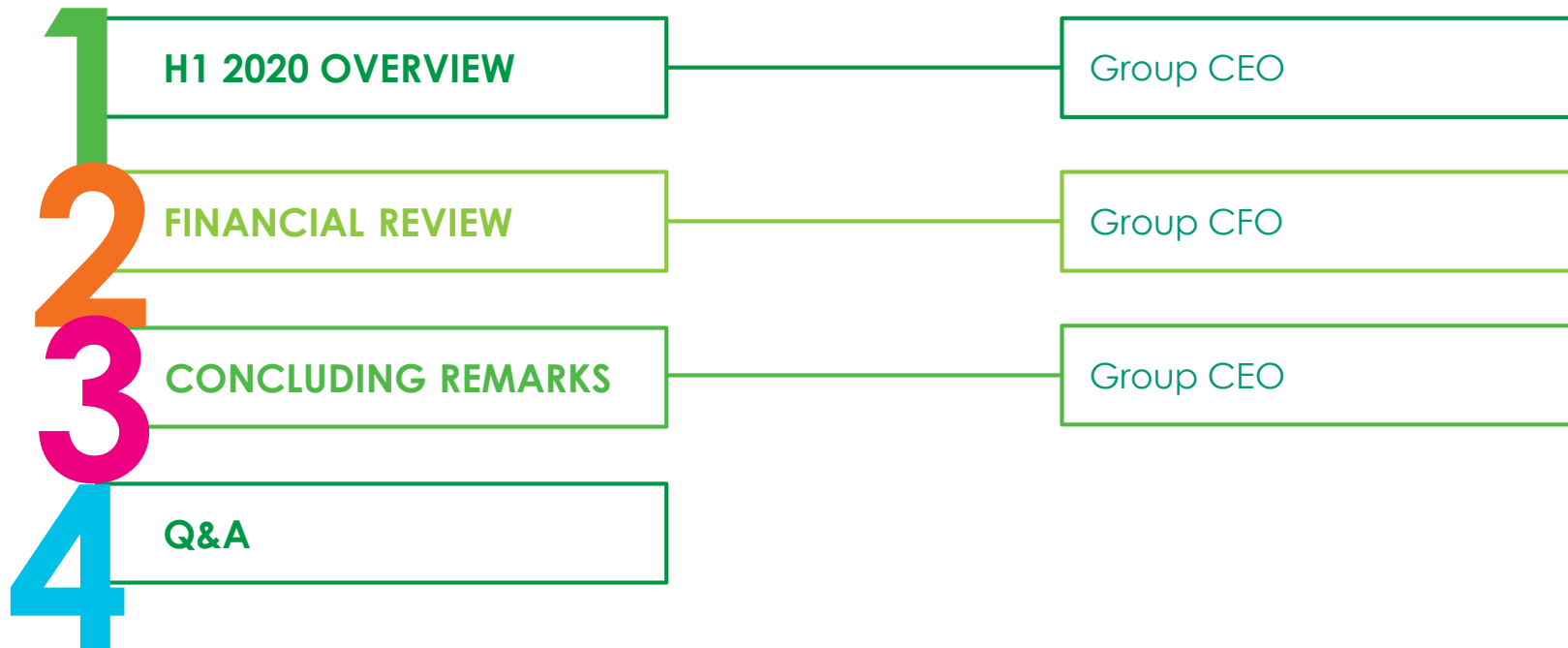
OLDMUTUAL

2020 INTERIM RESULTS



175 YEARS OF DOING GREAT THINGS

175
YEARS





Long term growth supported by our strategy

75
YEARS

Our role is to
**sustain, grow
and protect**
the **prosperity**
of the
customers,
families and
communities
we serve

To be our customers'

1st

choice, enabled by
the delivery of our 5
strategic pillars

1

Old Mutual **Cares**

2

Always present first

3

**Rewarding digital
engagement**

4

Engaged employees

5

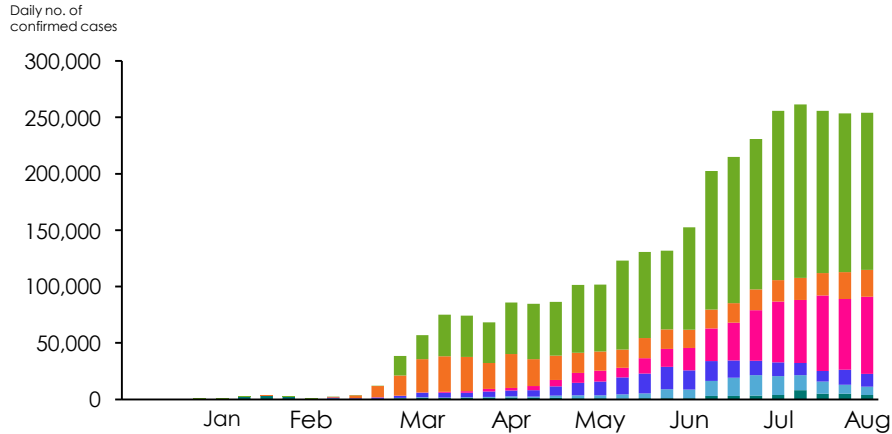
Solutions that lead



Pandemic is a global crisis

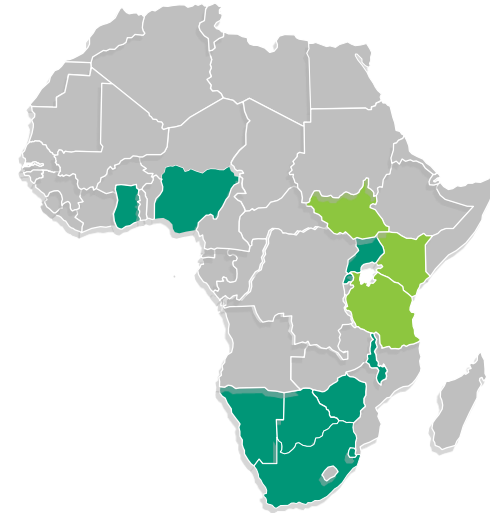


Rapidly escalating global pandemic...



Region	Total no. of confirmed cases
Americas	12 423 028
Europe	3 995 425
South-East Asia	3 602 066
Eastern Mediterranean	1 827 441
Africa	1 007 880
Western Pacific	455 138

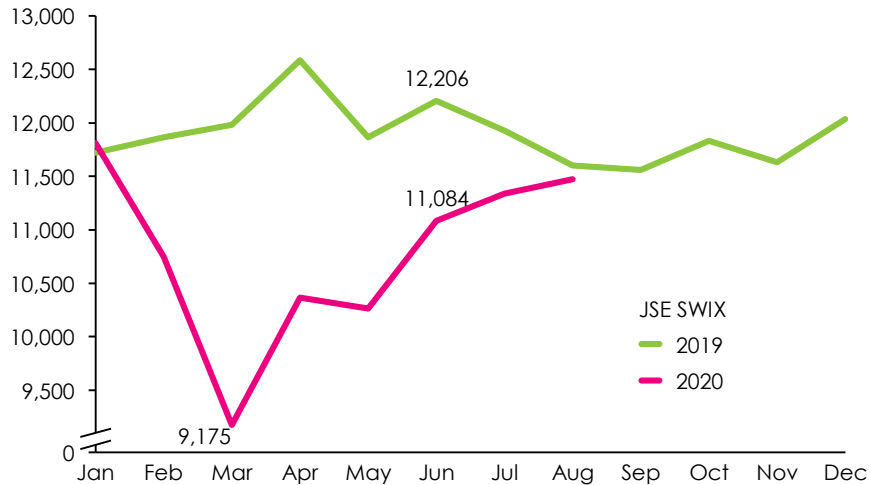
...and widespread lockdowns have impacted our business



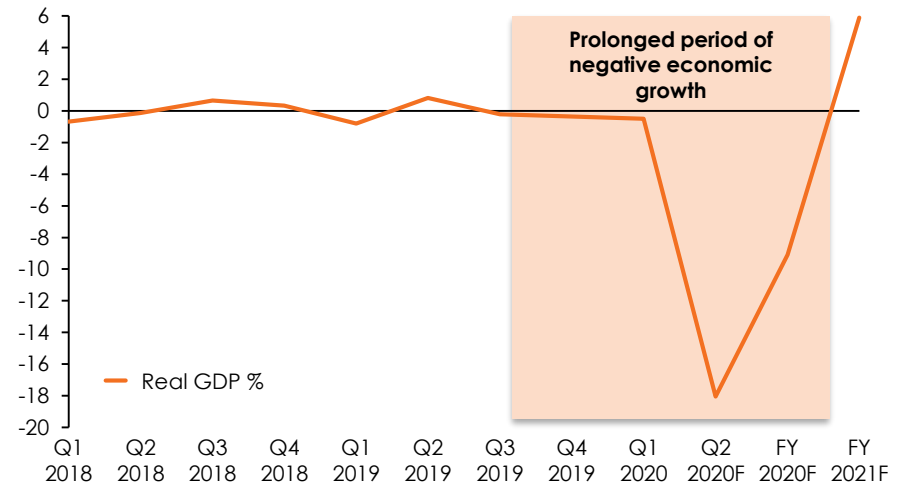
- Nationwide lockdown implemented
- Partial lockdown/ restrictions implemented



Significant volatility in equity markets in H1 2020



Recession in South Africa





Three phase approach to respond to crisis



Stabilisation

Q2 2020

Focused on six key priorities in initial period of the crisis:

- Health and safety of our **employees**
- Continuity of **service to our customers**
- Ensuring our **solvency** and **liquidity** remained resilient
- Ensuring **operational continuity**
- **Managing costs** tightly
- Active contribution in assisting our **communities**

Transition

H2 2020

Focus areas as we transition out of the crisis:

- Take actions to part **mitigate impact on earnings in 2020**
- Maintain appropriate **capacity to recover rapidly**

Reimagine

2021+

Reimagine the future of our business through:

- Identifying **new opportunities**
- Implementing **new ways of working**
- Accelerating **digitalisation**
- Simplification to **enhance efficiency**



Key achievements in stabilisation phase



Health and safety of our **employees**

Strict safety protocols

in place at all physical sites

Employee wellbeing initiatives

rolled out across the Group

Continuity of **service to our customers**

Email, USSD and WhatsApp

to pay claims and disinvestments

Ensuring our **solvency and liquidity** remained resilient

182%

OML Solvency Ratio

Stabilisation

Q2 2020

23,000

Employees enabled to work from home

OM Protect

Rolled out nationally across Mass and Foundation Cluster and Personal Finance

Ensuring **operational continuity**

R750m

Cost efficiency target in place

Managing costs tightly

R4bn

Healthcare worker cover provided

R67m

Pledged towards COVID-19 relief efforts

Active contribution in **assisting our communities**

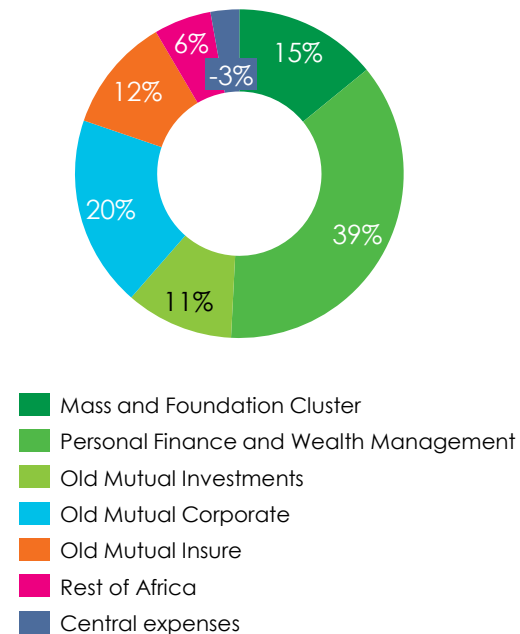


Normalised RFO robust in difficult environment



Rm	H1 2020	H1 2019	% Change
Mass and Foundation Cluster	650	1,512	(57%)
Personal Finance and Wealth Management	1,718	1,426	20%
Personal Finance	1,409	1,227	15%
Wealth Management	309	199	55%
Old Mutual Investments	489	511	(4%)
Old Mutual Corporate	883	870	1%
Old Mutual Insure	522	141	>100%
Rest of Africa	272	214	27%
Net expenses from central functions	(200)	(162)	(23%)
Normalised Results from Operations	4,334	4,512	(4%)
Separately identifiable COVID-19 items	(2,793)	-	(100%)
Results from Operations	1,541	4,512	(66%)

Segment contribution to Results from Operations before COVID-19 impacts





FINANCIAL REVIEW

Casper Troskie



AHE

R1,704 million

Operating earnings impacted by COVID-19 reserves, lower shareholder investment returns and decline in Nedbank earnings

Impact of COVID-19

R2,793 million

Reserving for anticipated impacts of COVID-19

Group Solvency

182%

Strong position after significant stress, in excess of target range

Embedded Value

R67.8 billion

Robust after impact of COVID-19 reserves and negative economic variances

Stress testing

Within target solvency range in various economic alternative scenarios



Adjusted Headline Earnings



Rm	H1 2020	H1 2019	% Change
Operating segments	4,534	4,674	(3%)
Net expenses from central functions	(200)	(162)	(23%)
Normalised Results from Operations	4,334	4,512	(4%)
Separately identifiable COVID-19 items	(2,793)	–	(100%)
Results from Operations	1,541	4,512	(66%)
1 Shareholder Investment Return	680	1,060	(36%)
2 Finance Costs	(244)	(309)	21%
3 Income from associates	364	1,431	(75%)
Adjusted Headline Earnings before tax and non-controlling interests	2,341	6,694	(65%)
Shareholder tax	(678)	(1,425)	52%
4 Non-controlling interests	41	(58)	>100%
Adjusted Headline Earnings	1,704	5,211	(67%)

- 1 Decrease driven by lower equity market levels in South Africa and fair value losses on unlisted equity portfolios
- 2 Decrease due to lower interest rates and fair value gains on interest rate swaps driven by repo rate drop
- 3 Decrease in Nedbank headline earnings due a significant increase in impairments and a slowdown in customer activity
- 4 Non-controlling interests driven by the losses recorded in Old Mutual Finance



Separately identifiable COVID-19 items



Rm	Life Reserves 1	Business interruption and rescue 2	Unrealised Mark to Market 3	Forward looking information 4	Incremental net operating expenses 5	Total
Mass and Foundation Cluster	550	-	-	104	66	720
Personal Finance and Wealth Management	510	-	-	-	43	553
Old Mutual Investments	-	-	698	-	1	699
Old Mutual Corporate	228	-	-	-	6	234
Old Mutual Insure	-	464	-	-	15	479
Rest of Africa	51	-	-	21	23	95
Net expenses from central functions	-	-	(2)	-	15	13
Impact to Results from Operations	1,339	464	696	125	169	2,793

- 1 Additional short term provisions raised in anticipation of worsening mortality claims experience and persistency in H2 2020
- 2 Net claims, including an increase in IBNR reserve, paid to customers whose businesses were directly interrupted by COVID-19
- 3 Negative unrealised mark to market losses on unlisted equity and credit portfolios
- 4 Expected credit loss provision for COVID-19 impact due to impact of weaker forward looking economic forecasts
- 5 Incremental net operating expenses include IT and data costs incurred to enable remote working, costs incurred to implement COVID-19 safety measures in our premises, and costs incurred on customer and intermediary support initiatives. Central savings related to reduced travel and lower discretionary spend were also taken into account.



Impact of restructuring

- Partial release of Old Mutual International data provision following resolution of certain data differences
- Excluded from RFO and AHE, consistent with the treatment of the expense when the provision was raised in 2019

Residual plc

- Profit of R253 million due to refund of withholding taxes previously paid
- Dividend of £18 million paid to Old Mutual Limited during period

Impairment of associated undertakings

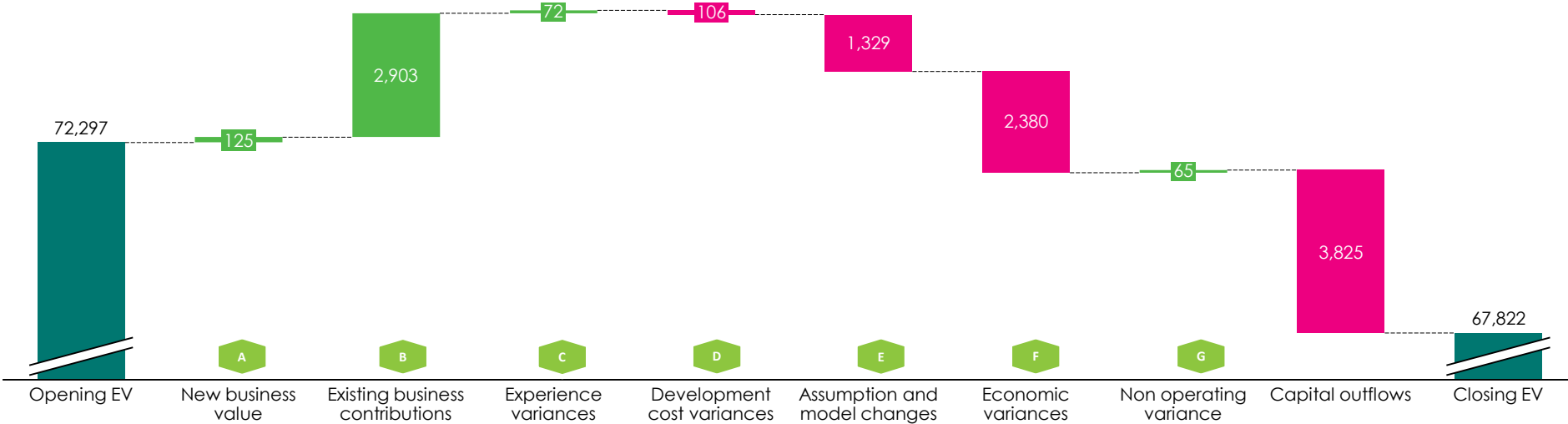
- Nedbank carried at value in use which measures value of future dividend stream
- Impairment of R8.7 billion recognised due to significant decline in Nedbank earnings and reduction in GDP forecasts for South Africa



Embedded value resilient through crisis



(Rm)



- A** Value of new business written during the period
- B** Expected return on existing business
- C** Positive experience variances, mainly due to favourable mortality experience and expense management

- D** Negative development cost variances reflecting investment in strategic initiatives
- E** Negative assumption and model changes, to provide for expected claims and persistency experience in H2 due to COVID-19
- F** Negative due to lower than expected returns on policyholder funds and shareholder asset portfolio
- G** Positive due to partial release of Old Mutual International provision



Group Solvency through the crisis



Rm	H1 2020	FY 2019 ¹	% Change
OMLACSA			
Own funds	68 311	79 556	(14%)
Solvency capital requirements	32 794	36 518	(10%)
1 Solvency ratio	208%	218%	(1 000 bps)

- 1** Driven by:
- Decrease in the Nedbank share price, reducing the weight of positive contribution of Nedbank to OMLACSA ratio
 - Repayment of OMLACSA subordinated debt offset by lower policyholder participation adjustment

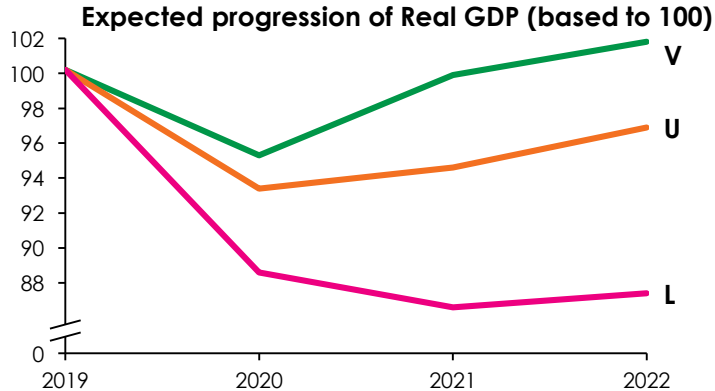
Rm	H1 2020	FY 2019 ²	% Change
Group			
Eligible own funds	91 724	98 755	(7%)
Solvency capital requirements	50 404	52 194	(3%)
2 Solvency ratio	182%	189%	(700 bps)

- 2** Driven by:
- Decrease in OMLACSA solvency ratio
 - Re-presented FY 2019 to be in line with the final group designation, including revised Nedbank treatment

1. Amounts as submitted in the Prudential Authority return
 2. Re-presented to the solvency position in line with the final Group designation by the Prudential Authority



Solvency resilient under stress



Modelled solvency outcome

Scenario	Group solvency ratio
V-shaped	● Middle to upper end of range
U-shaped	● Middle to upper end of range
L-shaped	● Lower end of range

Management actions implemented during H1 2020

- Immediate expense savings actions in place:
 - Vacancy freeze
 - Salary increases deferred
 - Actions contributed to positive expense variance
- Simplification through legal entity rationalisation, debt programme consolidation and digitalisation of processes
- Further balance sheet optimisation:
 - Iterative risk margin and accounting consolidation applications completed
 - Enhanced liquidity management



CONCLUDING REMARKS

Iain Williamson



- Improve **adviser productivity to normalised levels** as rapidly as possible
- **Continue to improve customer access** through increasing digitalisation
- Maintain focus on **improving expense efficiency**
- Continued focus on **simplification** initiatives
- **Revised short term targets:**
 - Deliver **pre-tax run rate cost savings of R750m** by the end of 2022.
 - Maintain **Group Solvency ratio within the target range** of 155%-175%
- Further guidance to be communicated in H2 2020



Q&A



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