OLDMUTUAL

2021
CAPITAL MARKETS DAY
a truly **mutual event**

Capital Management

Our Capital Journey

Rectify

- Linking strategy to value
- Financial management framework
- Three manager model

Simplify

- Three manager model impact
- Capital and liquidity optimisation
- Capital releases

Amplify

- Debt to equity target
- Capital ratio targets
- Capital allocation

Rectify

The Outcomes

Delivering shareholder value

Maximising after tax returns

Long term sustainable return on net asset value

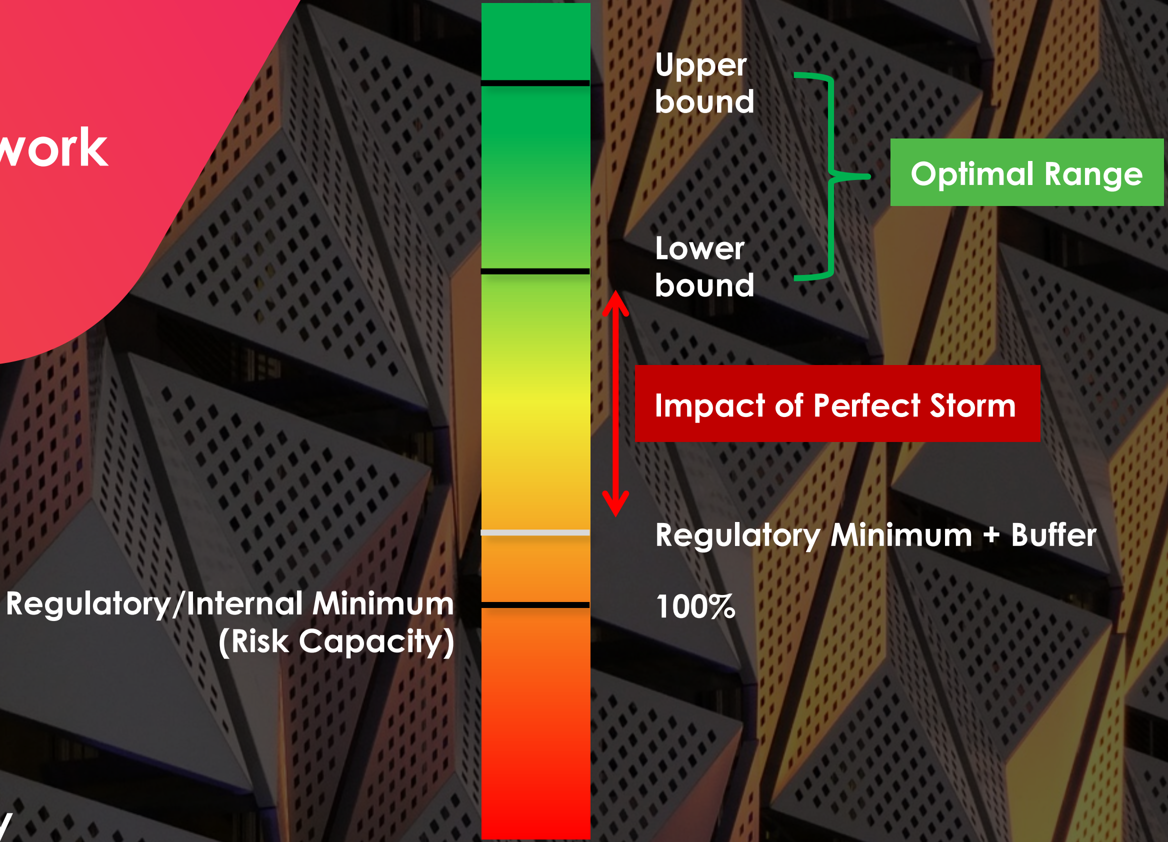
The What

Value drivers

- Revenue Growth
- Operating Margin
- Capital Efficiencies
- Competitive Strengths
- Execution & Delivery

Maintaining confidence

Financial management framework



Rectify Simplify Amplify

Three Manager Model

Centralises financial risk- and funding management

- Liability Managers
- Asset Managers
- Middle Manager

Simplify

Drive Shareholder Value: Three Manager Model

~R3.3bn ALM related reserve releases

Successful navigation of 2020 market impact of **Covid**

Rectify Simplify Amplify

Drive Shareholder Value: Three Manager Model

Effective hedging with **reduced costs**

Future fit ability to manage **IFRS17** changes

Rectify Simplify Amplify

How we delivered

We **optimised the balance sheet to drive improved returns to shareholders.**

Capital Structure	**R4bn debt**
Clean up of non-core assets	**R8bn plc** **R4bn Latam** **R1.5bn restructuring**
Aligned regulatory treatment to risk	**Iterative risk margin, >20% uplift** **R2.6bn participations**

Rectify **Simplify** Amplify

How we delivered

Nedbank unbundling
R38.8 bn

Special distributions
Special dividend
R4.9 bn
Share buybacks
R4.9 bn

Ordinary distributions
R12.8bn

Rectify **Simplify** Amplify

How we delivered

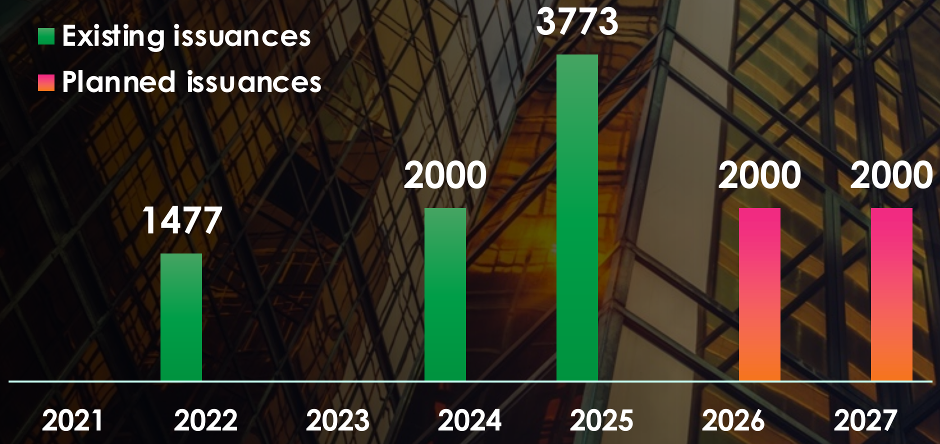
We have **returned R61bn of capital** to shareholders since listing in 2018

Rectify **Simplify** Amplify

Amplify

Drive shareholder value: Optimising capital structure

Old Mutual Debt Maturity Profile (Rm)



Regular debt issuances to create a smooth maturity profile

Rectify Simplify **Amplify**

Financial Leverage Ratio of 11.8% in 2020

Optimal Financial Leverage Ratio: **15% – 20%**

Looking forward:
Optimal ranges for resilience

	H1 2018	FY 2020
OML Group		
Solvency ratio	164%	190%
Target	155% - 175%	165% - 195%
OMLACSA		
Solvency ratio	227%	215%
Target	>200%	175% - 210%

OMLACSA:
175% - 210%
(unchanged)

OML:
165% - 195%

OML:
170% - 200%
(with Accounting Consolidation)

Rectify Simplify **Amplify**

1. FY2020 solvency position has been re-presented to align to the final submission to the Prudential Authority.

Improved capital allocation

Existing Capital Allocated		RFO Contribution
PF&W	**20% – 25%**	15% – 20%
MFC	**25% – 30%**	30% - 35%
CS	**5% – 10%**	15% - 20%
Invest	**5% – 10%**	15% - 20%
OMI	**5% – 10%**	0 – 5%
RoA	**10% – 15%**	5% - 10%

Diversification reduces required capital

Cash generation: **70% - 80%**

Rectify Simplify **Amplify**

Improved capital allocation

New Capital Allocation competitiveness and growth

Capital will be deployed to:

- Core business
- Transactional and lending capabilities
- Broker roll up in life and short term
- Simplifying the business
- Selected markets in Rest of Africa
- Driving innovation

All initiatives need to generate returns in excess of the cost of Equity else capital will be returned to shareholders

Rectify Simplify **Amplify**

Focus on driving value

Optimised balance sheet and capital structures

Disciplined capital allocation

Impact of R10.4bn* Nedbank unbundling

*Based on 23 June 2021 closing price R168 per share

Discussions to expand strategic relationship were not practical given competition and client ownership hurdles

Capital position optimised and remains appropriate to support our growth ambitions and dividend policy

- Proforma impact on the OML solvency ratio – negative 3%; remains in upper end of range
- Remaining Nedbank stake in OMLACSA part of capital and will be managed in line with the Financial Management Framework
- CGT costs (payable by OML) estimated at R650m at share price of R168
- Unbundled stake treated as held for sale at 30 June 2021