

Conference call transcript

9 July 2020

SHAREHOLDERS UPDATE

Operator

Good day ladies and gentlemen and welcome to Old Mutual's shareholders update. All participants will be in listen only mode. There will be an opportunity to ask questions when prompted. For the benefit of the participants who have joined via the HD web phone please ensure that you've given your microphone permission to make yourself audible before accessing the question queue. If you should need assistance during the call please signal an operator by pressing * then 0. Please note that this conference is being recorded. I would now like to hand the conference over to the Chairman of Old Mutual Ltd, Mr Trevor Manuel. Please go ahead, sir.

Trevor Manuel

Thank you very much, Choruscall. Good afternoon to all of you. It's strange doing a telephone only call because we've all grown accustomed to video links these days. It's a useful change. It's a reminder of what is still possible in the old world. Thank you for your time. You will be aware that we advertised the position of Chief Executive in February. It was a process delayed by the numerous instances of litigation. And after the judgement was handed down, the appeal in January, the board decided it appropriate to proceed. Even after that, there were two attempts at litigation. One was an attempted interdict to prevent us from proceeding with the process. That was struck down. And then there was a petition the Supreme Court of Appeal which was unsuccessful as well.

And we proceeded. The applications came in. The board set up a process of interviews. It was not something that we could have anticipated when we advertised because everything had to be done remotely and the engagements and so on took an entirely new turn. So the process was pretty exhaustive. We had applications from outside of South Africa as well as in South Africa. We went through a pretty detailed process and on Friday last week, the 3rd July, the board announced the decision that we've decided to appoint Iain Williamson as the Chief Executive. Iain as you know is a longstanding employee of Old Mutual. I'll embarrass him if I tell you how long he has been with the company. But he is known and trusted.

As part of the announcement I spoke to first the ExCo and then the top 100 in the company. The applause was overwhelming. Everybody turned on their microphones. It was a Microsoft Teams call. And the enthusiasm was palpable. That speaks volumes to his ability to take the company forward. He has the support obviously of the company in ways where it matters most. And without a shadow of a doubt Iain takes up the position with the fullest backing of the board. So it's a good moment for Old Mutual. There is a sense of certainty going forward. There is the ability to put that insecurity that had so dominated communications about Old Mutual for over a year behind us, and now there is this new start. Let me hand over to Iain to talk to you. Thank you very much.

Iain Williamson

Thank you Chairman. Let me express my gratitude to the board for having the confidence to entrust me with the privilege of leading Old Mutual into its next phase of growth. Good afternoon to everybody on the call. I am Iain Williamson, the group Chief Executive of Old Mutual.

Trevor Manuel

Sounds good. Sounds good.

Iain Williamson

I'm excited to be able to engage with you all today. I appreciate the support that we've had, both myself and the company from the shareholders over the last year as we've navigated a very challenging time. And I trust that we can continue to count on having robust engagements going forward and ultimately grow sustainable shareholder value. In engagement with the investor community and in particular with our shareholders I found key concerns about Old Mutual more recently can be categorised into a few headings, the first being the valuation of the stock at the moment, and secondly our strategic intent, and ultimately whether we have a clear and definitive road map of what our future will look like. More recently our financial performance and COVID related impacts on our business have also been an area of sharp focus.

I would like to use this engagement to cover a couple of these items. We have been on a strategy refresh journey in the organisation since 2018. I've led this process for over a year now and I'm excited by the pace, the unity of purpose and the strong execution focus that I've seen in the leadership cohort. On the completion of managed separation we recognised that the eight battlegrounds in place at the time provided a good framework for the outcomes we were driving, but they tended to be more focussed on the short to medium term and quite tactical in nature.

At the year-end results presentation in March I introduced the five pillars which are building blocks of our future strategy as we head towards 2030. We have set ourselves the objective of ensuring that we become our customers' first choice to sustain and grow their prosperity and that of their families and communities. We believe that if we deliver on the five building blocks we will be able to achieve this and we believe that if we deliver on this then we will build the most valuable business in the financial services sector.

I won't go through this in any detail except to remind you the five building blocks are as follows. Firstly, being always present first to our customers. Secondly, to have rewarding digital engagement with our customers. Thirdly, to have employees that are fully engaged in the service of our customers. Fourthly, to demonstrate that Old Mutual cares in a wider community sense. And fifthly, to ensure that the solutions that we offer our customers are leading in every way. In the last year we've achieved alignment between the board, executive management and leaders across the organisation. We've got a clear path, non-negotiable deliverables and set timelines. We will share more detail on these matters when we deliver our half year results.

I'd like to provide some brief commentary relating to trading conditions for the first half and just one or two comments on directional trends we are seeing since the release of the trading update in May. Obviously we are in a closed period, so my commentary won't discuss any specific financial results. I will deal with it at a business unit level. In the Mass & Foundation cluster firstly during the hard lockdown in April most of our sales channels in this business were unable to sell. We had a small branch network open, around 62 branches out of 368. Issued sales were down 90% in April.

A remote selling capability has been developed for all of the channels, and this together with the opening of 60 branches per week has resulted in us seeing an uplift in sales in June. We are back to about 45% of our target at the 30th June. This continues to improve on a week by week basis. Work sites, which is our primary sales channel typically in this business, are not yet fully active with only 20% of staff countrywide having returned to work at some of our biggest private sector work sites. Not all public sector work sites are open. Hospitals, for example, are a no go. Schools are very strict and access to police stations has also been difficult.

In Personal Finance, while not as marked as in the Mass & Foundation business, the lockdown also had a significant impact on issued sales activity due to reduced access to customers and customers not making purchase decisions during this time of uncertainty. Issued sales, which are a lead indicator of what we call confirmed sales, were at around 50% of prior year levels in April. That trend has continued into May and June largely due to lower recurring premium sales. Single premium sales have held up very well during this period.

In Corporate we announced in the trading update that we saw lower recurring premium flows off a high base in Q1. This trend has also continued. In Old Mutual Insure the issue that has been topical in the short term insurance industry has been business interruption. We are assessing claims on a case by case basis in line with the generally accepted legal interpretation of business interruption claims. There are a number of different wording versions in place in the market and it's impossible to make a blanket statement about the validity of all the possible claims. We've applied a narrow definition where losses would be covered if business interruption arises from infection at a client's premises rather than from a government imposed lockdown as a general view. This view is in line with the majority of our counterparts in insurance but it could be challenged in the court of law. We will provide an update on exposure at the half year, and our exposure is expected to be within our reinsurance treaty limits.

To bring this all together I think it's important to state that we remain very well capitalised with a strong balance sheet that is more than able to weather the current storm that we're navigating. I'm also pleased to say that our people remain enthusiastic and are embracing the new direction that we've set. I'll be using the framework that I've described in all our future engagements where more detail will be provided on the progress we're making in executing the strategy. I'm very proud to be leading such a diverse and talented executive team which remains one of the most transformed in South Africa and the rest of Africa. The team has been stable over the last few years and the depth of talent and skill is exceptional. So thank you and I'll hand back to the operator and to Sizwe to open up for Q&A. Sizwe, over to you.

Sizwe Ndlovu

Good afternoon ladies and gentlemen. Just some housekeeping before we commence the Q&A session. We do need to close the call promptly at 3pm so we do ask that you keep your questions brief. And also we will be taking questions from investors and analysts as indicated in the SENS announcement invitation to everybody here. Operator, over to you.

Operator

Thank you very much sir. Ladies and gentlemen, at this time if you would like to ask a question you're welcome to press * then 1 on your touchtone phone or the keypad on your screen, at which time you will hear a confirmation tone. Following this process will place you in the question queue. For the benefit of the participants who have joined via the HD web phone, please ensure that you've given your microphone permission to make yourself audible before asking your question. If you decide your question had been addressed and you wish to withdraw your question you're welcome to press * then 2 on your touchtone phone to remove yourself from the question queue. Just a reminder, if you would like to ask a question you're welcome to press * and then 1.

The first question comes from Francois du Toit of Renaissance Capital.

Francois du Toit

Hi Iain. Can you hear me?

Iain Williamson

Yes thanks, Francois, I can.

Francois du Toit

Excellent. First of all congratulations. I'm very glad for you and for Old Mutual that you've got certainty about this important position. Iain, you've mentioned there are some non-negotiable deliverables. Can you maybe discuss that a little bit for us? Also in relation to the targets that are in place for management, remuneration targets and targets you've given to shareholders in the past as well, what has that been discussed?

Operator

Francois, apologies for the interruption. The last five seconds your line distorted.

Francois du Toit

Hi. I just want to know whether you can maybe discuss your targets a little bit for us and your non-negotiable deliverables you mentioned. And maybe just your thoughts around past targets and maybe adjusted operating profit and the ability to adjust profits, and the impact of basis changes, provision releases and those adjustments on those earnings, and whether you would maybe be willing to move to something more objective like dividends and distributable earnings, and whether you'd be willing to define the normalisation parameters in advance and whether you're allowed to use for those targets.

Iain Williamson

Okay. Thanks Francois. I think what I was referring to at this stage was key critical projects that need to be delivered to progress the delivery of the strategy that I referred to rather than what you seem to be referring to in terms of concrete financial targets etc. We are currently in discussion with our RemCom around our schemes in terms of reward that you allude to. I think it's probably a little early still to share the outcome of those conversations. We will share them in due course. But I've heard your comments on this topic in the past and I do understand where you're coming from.

Francois du Toit

Thank you.

Operator

The next question comes from Michael Cristelis of UBS.

Michael Cristelis

Hi guys. Can you hear me?

Iain Williamson

Yes thanks, Mike.

Michael Cristelis

Congratulations and it's good to see you finally have some certainty here, as Francois alluded to. I think just two questions from my side. Firstly, maybe it's difficult for you to say but are there any specific areas around strategy where you disagreed with Peter in the past? I'm thinking about M&A or expansion into Africa. Are there any key areas where you felt that Peter was on the wrong track and we could perhaps see a change in the strategic direction of the business? And then secondly, I guess a question for both yourself and for Trevor is really around the prospect of any further litigation coming through from Peter. Do you think this issue is now firmly behind you or do you still see further interruption, if I can call it that, from additional court cases and the like?

Iain Williamson

Thanks. So on the first point probably the main area where I have a fundamentally different view to Peter was around the likely role of servicing both customers and intermediaries rather than purely customers, if I can use that distinction, certainly for the foreseeable future. So it is not a grand strategy point at the level of M&A or anything like that, but I think it's a fairly fundamental point around how we progress particularly in the our Personal Finance and Mass & Foundation businesses. I think where our Personal Finance business had perhaps gone a little bit awry up to the end of last year was an attempt to focus almost exclusively on customer requirements to the exclusion of the intermediaries, rather than balancing out that value chain and appreciating and valuing the role of the intermediary in the value chain. I think we've addressed that issue. Quite a number of quick win changes have been implemented in our Personal Finance business in particular as a consequence.

On the matter of litigation, I don't think we can categorically rule out that Peter and his legal team won't take forward any of the open matters that still theoretically can be taken further in the court of law. Thus far the track record is that he doesn't appear to have chosen to do so. My own view – and this is a personal view – is that the prospects of success on some of those things are probably not wonderful. But he would obviously have to exercise his own judgement. Chair, I don't know if you want to add anything on this particular issue.

Trevor Manuel

Thanks Iain. Thanks Michael. Let me just elaborate. I think that in the last while there were four pretty decisive actions that went in favour of the company. These were the recusal by Judge Mashile that happened early December. Then there was the appeal that went in favour of Old Mutual in mid-January followed by the interdict and then the petition to the SCA. I think that takes the bulk of the issues out of play. There is one matter that still needs to be resolved for which a judge has been appointed, but there is a delay because of COVID lockdown. And that relates to an endeavour to have all of the directors declared delinquent. I think it's a pretty tough test to pass even with an individual as we saw recently with Dudu Myeni, but to have all of the board declared delinquent because we opted to dismiss an individual seems to be an issue that we must just get off the table.

Now, I know that there was a press article that spoke of Peter trying to still petition the Constitutional Court, but to the best of my knowledge the deadlines have passed for that. So what that leaves are two matters. The one matter is the contempt of court application that Peter brought against the board. Because the original judgement was struck down I don't know how this will work and I think that the judges will have difficulty with it. And the second, which is Part B, these kinds of matters take five years or so. And that relates to the R250 million for delict against the company. That still remains outstanding, but it is Part B of the Part A that has been struck down repeatedly. So I think the ball is in his court. But as Iain says, you be the judge on the chances of success. I'm sure that legal costs are rising at a rate of knots as we proceed along this path. Thank you.

Operator

Michael, does that conclude your question?

Michael Cristelis

It does. Thank you.

Operator

Thank you very much. Ladies and gentlemen, just a reminder, if you'd like to ask a question you're welcome to press * and then 1. The next question comes from Andrew Sinclair of Bank of America.

Andrew Sinclair

Thank you. Two questions from me if that's okay. Firstly to Iain, congratulations as well from me. It's nice to see a fellow actuary in a senior role. Old Mutual continues to be perceived as a rather inefficient business and costs have been an area of focus for recent years. Despite statements on achieving the cost saving targets I think your cost to income ratio has actually climbed slightly in recent years. I think we've discussed in the past that you also think cost to income ratios are the best way to evaluate efficiency. I just really wanted to know if you acknowledge that perception of inefficiency and how you propose to tackle that. And the second question is for Mr Manuel. I believe that the eight battlegrounds agenda which was set previously, which had buy-in from the board and management, and even the evolution of it now, was somewhat reform focussed, shall we say. I just wondered why, however experienced and well qualified, an internal candidate would be seen as the appropriate candidate to pursue something of a reform agenda. Thanks.

Iain Williamson

Andy, I thought you said three questions. I heard two.

Andrew Sinclair

I'm so used to saying three. I'll keep it to two today.

Iain Williamson

Okay. Thank you. So on the cost issue first of all yes, I am absolutely aware of the perception that you refer to. And I think as a management team we understand that and we agree with it. I think the one thing I would say is that while we are conducting a number of exercises to ensure further efficiency I think the really quick win type things are done. And some of the things we need to do now are a bit more difficult, but it remains an area of absolute focus for us and we will continue to strive to drive real efficiencies through the business at a value chain level that should result in the cost to income ratio coming down over time. I think let me leave it there. Chair, back to you for the second question.

Trevor Manuel

I'm sorry, Andy, I didn't hear you very distinctly, so would you mind repeating it please? And call it your third question. It's okay.

Andrew Sinclair

I apologise. It might be my connection or it could be my Scottish accent. Apologies either way. I was just really saying that the agenda that has been set for Old Mutual over the last few years seems to have been something of a reform agenda. And I was just wondering why, however experienced and well qualified Iain is, an internal candidate should be seen as the most appropriate candidate to pursue a reform agenda.

Trevor Manuel

Well, we didn't set the sights on an internal candidate. We didn't prescribe what kind of candidate we were looking for. That's why the search was pretty exhaustive. And I think that with Iain just having been appointed the key questions that confront us now relate to strategy going forward. I think that part of what every company worth its salt will have to do is to take stock of the impact of COVID-19. I know that it's a running sore at the moment, but it is a sore. So I think that what will be required will be a series of issues that arise in a number of different parts. For instance, what is likely to be the macro impact of COVID-19 where we've seen all of the macro aggregates go out the window in the way that they have? Will the world ever return to the normative Washington consensus 3.3% deficit etc. when you've seen these massive injections of capital by states across the globe and what is the likely impact of that on capital markets going forward? It's something that companies will have to take stock of.

At the same time I think it's important for companies to take stock of what they are offering by way of products to the customer base. There are going to be a series of issues. If for instance – I saw this number, and if I didn't see it accurately pretend I'm making it up – companies across the US health sector in hospitals are likely to see a loss of something in the order of \$244 billion this year, what happens next year? Part of these losses is because all elective medicine has been removed from play. All of these issues will have [break in audio].

Operator

Apologies, we've just lost the main speaker. Ladies and gentlemen, please remain on the line. Andrew, please remain on the line. He will be completing his question now. Thank you.

Trevor Manuel

Andy, I don't know where the call dropped. I'm sorry. Let me take it from the top. Your question was relating to the eight battlegrounds and the internal candidate. The first point I raised was that we didn't prescribe what sort of candidate we were looking for. We actually set out to find the best candidate and the candidate whose performance and intent the board could back to the hilt. And that's what we found in Iain Williamson. The key issues are taking stock of the impact of COVID. And this is something that every company worth its salt is going to have to do.

We're a company that takes savings, manages them and provides for retirement. That's the core of our business. And everything we do is likely to be impacted upon by macro aggregates and personal access issues over the next period. So I think that the circumstances now are compelling a company like Old Mutual to take a fresh view of its strategy across the eight battlegrounds and the five pillars as they're described. We are going to have to give this matter a lot of attention. It's also a matter that requires urgent attention though the impact of COVID is likely to be felt over the next 12 to 18 months in full. Thanks.

Andrew Sinclair

Much appreciated. Thank you.

Operator

Thank you. Ladies and gentlemen, just a further reminder, if you would like to ask a question you're welcome to press * and then 1. The next question comes from Fabian Manuel of YME Capital.

Fabian Manuel

Thank you operator. I've got two questions. The one question is [break in audio].

Operator

Sorry Fabian. I'm going to interrupt you there. Your line is not all that clear. Are you able to move closer to your microphone?

Fabian Manuel

[Unclear] now?

Iain Williamson

I'm not picking up the question. We're getting every third word.

Sizwe Ndlovu

I don't know if you can use another line, Fabian. But we are struggling to hear you. It's breaking up very frequently.

Fabian Manuel

Okay. I will switch to [unclear].

Iain Williamson

We'll give you one minute.

Operator

Ladies and gentlemen, in the meantime just a reminder if you would like to ask a question you're welcome to press * and then 1.

Fabian Manuel

[Unclear] you hear me?

Trevor Manuel

I can hear you, Fabian, but that's because of my surname.

Fabian Manuel

[Inaudible segment]. I wanted to get a sense from you. You say now that [inaudible segment] the fact that it can now [unclear]. That's the one question. The second part relates to [unclear] speaks to convergence of digital platforms. [Inaudible segment] applications that [inaudible segment] own application is [inaudible segment] Old Mutual application [inaudible segment]. Can you speak to the journey of convergence of your various platforms? Those are the first two questions. The last one I want to ask you is how do you [inaudible segment]?

Iain Williamson

Can I just check is someone able to summarise those questions that could hear them? Because I've got Morse code coming through on my side.

Trevor Manuel

Iain, let me try. Fabian can tell me if I'm correct. The first part of the question relates to the fact that so much of our sales happen through Mass & Foundation cluster and through Personal Finance. Both these businesses have been under stress. Do you have a plan for that? And the second part of it was related to convergence of our various platforms as we digitalise. Does that sum it up, Fabian?

Fabian Manuel

[Unclear].

Iain Williamson

Okay. Thank you. I will answer those so long. I think Mass & Foundation until broadly the beginning of last year was actually doing extremely well from a sales growth perspective. I think the economic environment largely has put that business under some pressure from a sales perspective. And obviously COVID has exposed an underbelly around the dependence on work site marketing. Personal Finance I think has struggled a bit with the intermediary side of things for a while, which I alluded to in my previous answer to Michael. As far as the plan goes to recovery that I think we are seeing to diversify the distribution mix. As I said in the introductory remarks we have put digital tools in the hands of all of our advisors. So all the advisors across all the different business

units are enabled now to sell with technology. It's obviously a lot easier in the Personal Finance market and more difficult in the Mass & Foundation market.

Having said that, as a segway into your second question we do see a trend over time which I think will play out over a fairly lengthy period that the more direct selling and digitally enabled sales techniques will become far more prevalent. We have done quite a lot of work in the last two to three years around the foundational elements of effectively ring-fencing what one might call the most legacy parts of our technology. We've outsourced that. And that is effectively ring-fenced and almost mothballed. We've commenced the process of moving our entire technology estate into the cloud. The first part of that journey is complete and there will be quite a significant progress on that in the second six months of this year. And we have built a number of new digital capabilities that allow customers to verify their identities digitally, transact with us through USSD type channels and through WhatsApp etc.

And that is a core pillar in the strategy that I've described to completely digitalise our operations and to make them a lot easier for customers to navigate. That is not such an enormous task when you look at it at a transaction by transaction level. The real challenge is in making sure that it all integrates seamlessly from a customer experience perspective. And we've done the piece relating to all of our websites. We've launched in more minimal type mode the app for our Wealth customers recently in May and we've continued to progress elements of that build. And as I say it's a core focus and something that if anything we think COVID has accelerated the need for us to progress that faster. I hope that answers your question, Fabian, even though I couldn't quite hear it clearly.

Fabian Manuel

Thank you for that. If you would indulge me for one last question I want to get a sense as to how Old Mutual manages the tension between the direct to customer [unclear] as opposed to an intermediary [unclear] and what is the [inaudible segment] between those two? What is Old Mutual's preference and why?

Iain Williamson

Sorry, Fabian. Did you ask direct to intermediary to direct to customer in terms of distribution?

Fabian Manuel

Direct to customer.

Iain Williamson

Between the two. So I think we crossed a large part of that bridge quite a long time ago in terms of helping our intermediaries to understand how the digital offering can be complementary to the intermediated piece. That bridge I think we crossed as long ago as three or four years ago. The way we've done it recently is largely to put simplified versions of the products onto the digital fulfilment capability so that customers can fulfil a simple need. But we've also created a situation where if a customer initiates either the search for a product or does research online and gets to a point where they don't feel comfortable we've created call me back type facilities and the ability to rope an intermediary into the conversation. So we don't see it as an either or. We see it as a very complementary system.

And in fact the ultimate architecture I think will be that we will build our front end in the first instance to be intermediary friendly in terms of tools and capabilities with one common transactional back end hooking into that front end. And then all that's required to make that customer friendly is to effectively reskin the front end with a simplified version of the interface. That's effectively the logic that has been followed so far.

Operator

Fabian, does that conclude your question?

Fabian Manuel

Thank you so much. Iain, your logic is noted.

Operator

Thank you. The next question comes from Johny Lambridis of Prudential.

Johny Lambridis

Afternoon guys. Thanks for the opportunity. Just a quick one on Iain's contract. Can you give us a feel for the length of the contract and if there were any other internal candidates? I'm alluding to Casper and whether he threw his hat into the ring. And if so I guess he's still on the board. And maybe some insight into Iain's remuneration. Will that change dramatically from previously? I know it was asked earlier from Rencap on targets, but I'm trying to get a feel for Iain's rem targets, KPIs I guess.

Casper Troskie

Chair, can I answer?

Trevor Manuel

Casper, do you want to answer it?

Casper Troskie

So Johny, I did not...

Trevor Manuel

Start by telling him about your hat in the ring.

Casper Troskie

I did not put my hat in the ring. I felt I had enough to do trying to manage the finance side. And I was from day one fully supportive of Iain being appointed interim CEO and I was also fully supportive of the board's decision on this matter. So I'm certainly very supportive and fully on board.

Trevor Manuel

Johny, if I can elaborate on that, what ended on Friday morning was Iain's second stint as interim CEO. The previous time he didn't put his hat in the ring. This time he did. There were other internal candidates, but the bulk of the candidates were external. But it was something that we were able to examine in some detail. I think that we are reassured that we've taken the correct choice on this matter. On rem I think that you're likely to see some continuity. I think that, Johny, you would be aware of the fact that on our governance road shows we've engaged with shareholders on matters relating to performance targets generally. The rem report that was voted on the 29th May and published in our integrated report before that reflects some of those changes. And I think you must anticipate that these matters will be included and detailed in Iain's contract going forward. There is unlikely to be a very significant change between the previous CEO and Iain. Thanks.

Johny Lambridis

Great. Thank you.

Operator

Ladies and gentlemen, just a final reminder, if you would like to ask a question you're welcome to press * and then 1. The next question comes from Asanda Notshe of Mazi Asset Management.

Asanda Notshe

Good afternoon. Thank you very much, and congrats, Iain, and all the best. My question is maybe just looking at the strategy and obviously the key areas or the pillars that you've articulated. I think it's no secret we obviously interact with a lot of people from the group. The thing one gets is that it's still very complex. There are a lot of people who run their own little operations and little divisions and are very guarded around that. I think the question is as somebody who has been in the group, what are the key priority areas that you think you need to hit in order to overcome some of those challenges as far as the implementation of the strategy overall? It does require the whole group to come along together, whereas culturally it does appear as if the group is still maybe hamstrung to some degree.

Iain Williamson

Okay. Thanks. I do think that the executive team is very aligned. I think some of the issues around silo mentality of the past are behind us at that level. But I think where you are right is I think there are some deeper more cultural issues that go deeper down that reflect some of that history. There is still some way to go on that. As far as the priorities go in that regard specifically the one is we initiated a form of culture intervention probably as long ago as a year ago. It has been work in progress. It has given us I think quite a lot of traction around really trying to up the commerciality, the speed, the agility, the urgency in the business. That has been work in progress. You could say it's a very soft issue, but I think it's a fairly critical one. The second thing is that we have actively embarked on a dedicated simplification initiative which Casper has been running. And we've made some strides there. I think we've laid some of the foundations, but there is still quite a bit of work to do on that piece.

And then ultimately I think you will see that as the digital stuff progresses it also tends to smash through a lot of these things because you end up with one of everything. A good example is our new Old Mutual Protect product, which is our new risk offering, spans the Mass & Foundation and the Personal Finance cluster. The entire backbone of process technology, servicing, everything is the same. The only thing that's different is the front end that gets shown to the intermediary in the particular sales channel or to the customer if they're buying direct online. That enables a kind of simplification.

But it has been a two to three year journey to get to the point where the enabler is in place. So it has been a lot of hard yards to get there, but there is more of that to come. We have a revamped savings and income product range coming on top of that same chassis and same set of processes that will deliver probably early next year. And once those are done you've effectively revamped the entire product set of both retail businesses with a single enabling set of end-to-end process technology etc. So the extent of simplification that that brings is massive.

Asanda Notshe

Thank you very much.

Operator

Gentlemen, that was the final question.

Sizwe Ndlovu

Okay. Thank you all. I will now hand back over to the Chairman for some closing remarks.

Trevor Manuel

Thank you very much, Sizwe, and thank you to all of you who joined this call. Thanks for the questions. I'm sure that at the half year results Iain and Casper will be out there and talking to you about the detail of performance. Hopefully there has been a change by then in what we've lived through thus far. As Iain said, this has been a very challenging period, but Old Mutual was ready for it. The fact that we were able to get so many people working from home in a very short space of time was truly amazing. But there were parts of the business that depend on human interaction that took a hard knock especially in categories 4 and 5 of the lockdown. But I'm sure that we haven't been alone in facing that challenge.

The key issue is to retain our focus on the medium term and the long term, and that is work in progress. And so whilst soon after Iain and Casper do the performance roadshow you must expect some of the directors and I to be involved in the governance roadshow towards the end of the year. Thank you very much for your time this afternoon, and thanks for your support for Iain. It matters a lot to all of us in the company that you understand that we arrived at the correct decision. Thank you.

Operator

Thank you. Ladies and gentlemen, that concludes today's conference. Thank you for joining us. You may now disconnect your lines.

END OF TRANSCRIPT