OLDMUTUAL

INTEGRATED REPORT 2021

FOR THE YEAR ENDED 31 DECEMBER

DO GREAT THINGS EVERY DAY

ABOUT OUR REPORT

Our Integrated Report is supplemented by a suite of additional online publications. These can be accessed on our corporate website. https://www.oldmutual.com/investor-relations/reporting-centre/reports

APPROVAL

The Board acknowledges its responsibility for ensuring the integrity of this Integrated Report. The Board has considered the operating context, strategy and value creation model. In the Board's opinion this addresses all the issues that are material to, or could have a material effect on Old Mutual Limited's (Old Mutual or the Group) ability to create value. This report fairly presents the integrated performance of the Group. The Board confirms that the Group is in compliance with the provisions of the Companies Act relating to its incorporation and is operating in conformity with its Memorandum of Incorporation. This report was approved by the Board for release on 22 April 2022.

INTEGRATED REPORT

CORPORATE GOVERNANCE REPORT

REMUNERATION REPORT

SUSTAINABILITY REPORT

CLIMATE REPORT

TAX TRANSPARENCY REPORT

REPORTING FRAMEWORKS

- Integrated Reporting Framework (2021) issued by the International Integrated Reporting Council
- King IV Report on Corporate Governance™ for South Africa, 2016 (King IV). Copyright and trade marks are owned by the Institute of Directors in South Africa, NPC and all of its rights are reserved
- Johannesburg Stock Exchange (JSE) Listings Requirements for debt and equity issuers
- South African Companies Act, 71 of 2008 (as amended)
- Insurance Act, 18 of 2017 (Insurance Act)
- Certain financial information included in the report has been extracted from the audited consolidated annual financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRS)

REPORTING SCOPE AND BOUNDARY

This report covers the activities of the Group for the period 1 January 2021 to 31 December 2021. It provides an overview of our strategy, business model, operating context, approach to risk management, governance, remuneration practices and key activities to create value over the short, medium and long term in the countries in which we operate.

ASSURANCE

A combined review by management and internal audit was performed to ensure the accuracy of our reporting content, with the Board and its sub-committees providing an oversight role. This report has not been audited but contains certain information that has been extracted from the audited consolidated annual financial statements for the year ended 31 December 2021, on which an unmodified audit opinion has been expressed by the Group's joint independent external auditors, KPMG Inc. and Deloitte & Touche.

Refer to the Annual Financial Statements 2021

MATERIALITY

We apply the principle of materiality in assessing which information is included in our integrated report. This report focuses on those issues, opportunities and challenges that materially impact on Old Mutual Limited and its ability to consistently deliver value to our stakeholders in a sustainable manner.

FEEDBACK

We value stakeholder feedback. Please share your experience of reading this report by contacting us.

INVESTOR RELATIONS

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APPLICATION OF THE KING IV PRINCIPLES STATEMENT

The Application of the King IV principles statement is a comprehensive index in our Corporate Governance Report, detailing the arrangements, processes and systems that are in place for governing and managing the various areas of the organisation, in order to achieve the required governance outcomes. It also confirms the application of the various principles of King IV as required by the JSE Listings Requirements.

Cover: South Africa: Hartbeespoort Dam 25.7401° S, 27.8592° E

ABOUT OUR REPORT

FORWARD-LOOKING STATEMENT

This report contains certain forward-looking statements of Old Mutual Limited's plans and its current goals and expectations relating to its future financial condition, performance and results and estimates of future cash flows and costs. Words such as "believe", "anticipate", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, all forward-looking statements involve inherent risk and uncertainty because they are based on assumptions related to future events and circumstances which are beyond Old Mutual Limited's and its affiliates control. These include economic and business conditions, market related risks i.e. equity fluctuations, interest rates, inflation and deflation. These circumstances could arise from the impact of competition, legislation, the policies and actions of regulatory authorities and the timing and impact of any uncertain industry changes.

As a result, Old Mutual Limited's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Old Mutual Limited's forward-looking statements.

Any forward-looking information contained in this report has not been reviewed and reported on by Old Mutual Limited's external auditors.

Old Mutual Limited and its subsidiaries undertake no obligation to update the forward-looking statements contained in this report and other related supplementary reports or any other forward-looking statements it may make. Nothing in this report shall constitute an offer to sell or the solicitation of an offer to buy securities.

NAVIGATING OUR REPORT

MATERIAL MATTERS

- ECONOMIC GROWTH
- VALUE CHAIN EFFICIENCIES
- MOTIVATED WORKFORCE
- BALANCED RECOVERY
- CUSTOMER NEEDS
- SCALE OPERATIONS

TOP RISKS

1. INSURANCE RISK
2. STRATEGIC EXECUTION RISK
3. GROWTH RISK
4. MACROECONOMIC RISK
5. PEOPLE RISK
6. TECHNOLOGY AND INFORMATION SECURITY RISK
7. OPERATIONAL RISK IN EAST AFRICA
8. MARKET CONDUCT RISK
9. BUSINESS RESILIENCE RISK
10. DATA RECENCY AND QUALITY RISK

STRATEGIC PILLARS

- OLD MUTUAL CARES
- ALWAYS PRESENT FIRST
- REWARDING DIGITAL ENGAGEMENT
- ENGAGED EMPLOYEES
- SOLUTIONS THAT LEAD

Read more on pages 44 to 54

LINES OF BUSINESS

- LIFE AND SAVINGS
- ASSET MANAGEMENT
- PROPERTY AND CASUALTY
- BANKING AND LENDING

OUR STAKEHOLDERS

- CUSTOMERS
- COMMUNITIES
- EMPLOYEES
- INTERMEDIARIES
- INVESTORS
- REGULATORS

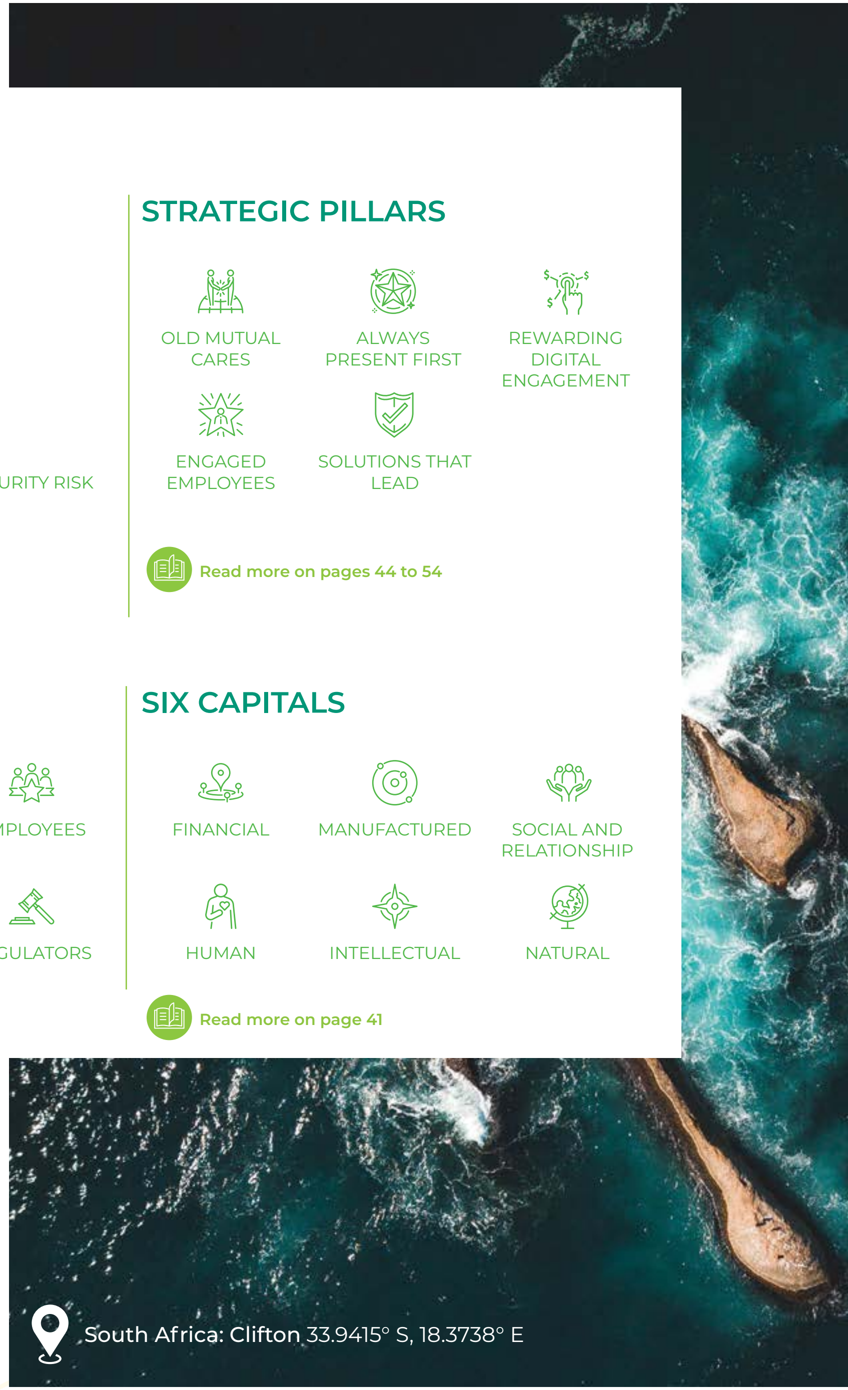
SIX CAPITALS

- FINANCIAL
- MANUFACTURED
- SOCIAL AND RELATIONSHIP
- HUMAN
- INTELLECTUAL
- NATURAL

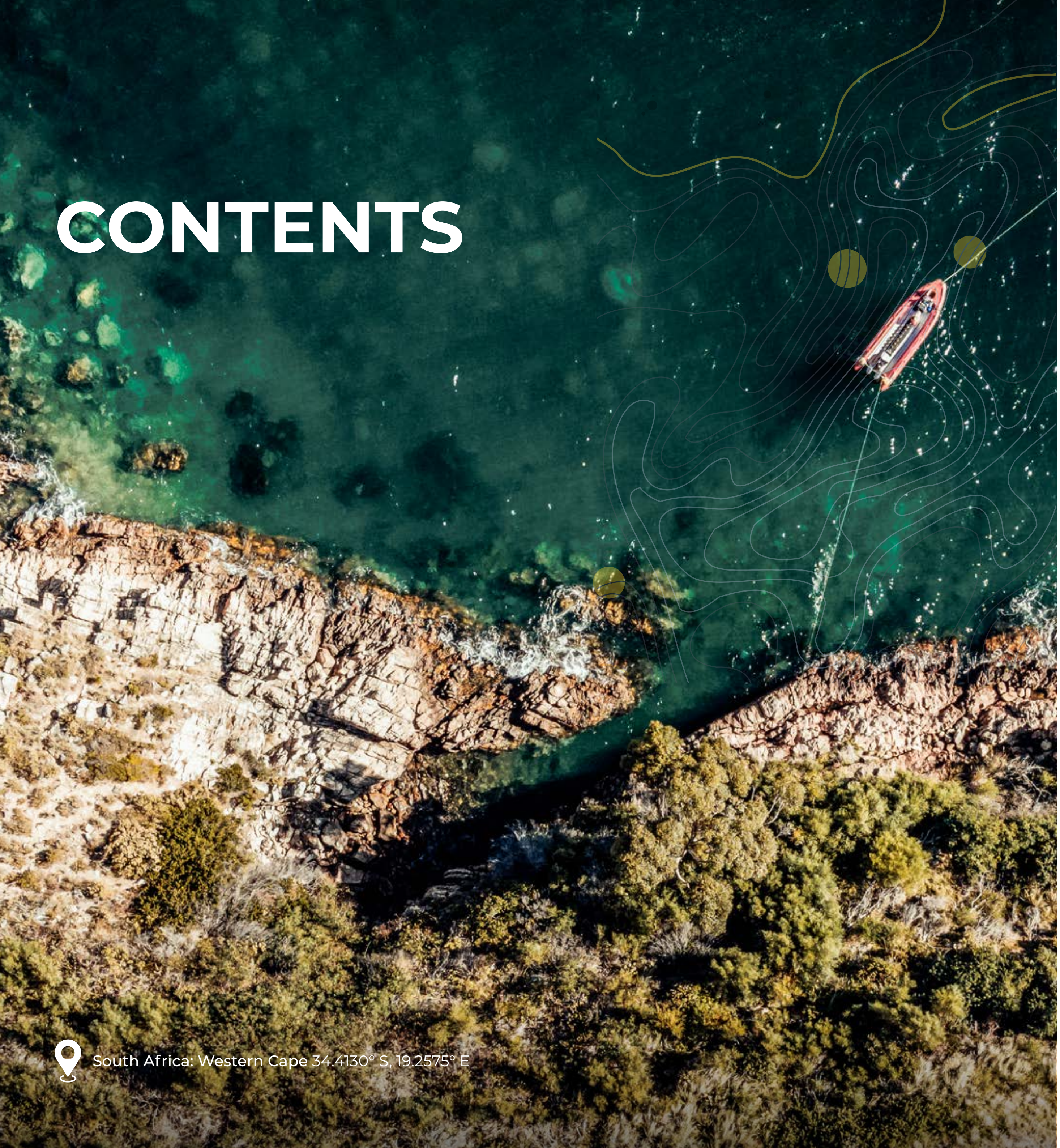
Read more on page 41

The design and theme for the 2021 annual reporting suite is **Watching over Africa: The future starts where the world began.** This concept challenges the narrow and often negative view of Africa. It suggests an open perspective and that we should keep an eye on Africa as it develops. The design concept aligns to our confidence and belief in the continuing growth and potential of this continent and development of its people.

All images in this report and supplementary reports were taken from countries in which we operate.



South Africa: Clifton 33.9415° S, 18.3738° E



CONTENTS

OVERVIEW OF THE GROUP

Zimbabwe: Victoria Falls 17.9243° S, 25.8572° E

The Board is the custodian of corporate governance at Old Mutual. It is accountable for the performance and the reputation of the Group, and ensuring that it continues to operate responsibly, ethically and sustainably. It has a responsibility to ensure that customers' interests are represented and safeguarded but also balance them against those of investors.

A MESSAGE FROM THE CHAIRMAN

As Board members of a purpose-led business, our foremost strategic focus area continues to be ensuring that we become our customers' first choice to sustain, grow and protect their prosperity.

Breaking the poverty cycle and narrowing the inequality gap have become priorities we dare not neglect. We closely monitored the Group's initiatives to expand financial education, provide product solutions that deliver real value for money and create a consistently excellent customer experience across all channels.

Trevor Manuel
Chairman

2021 was a very tough and challenging year in many respects, our company's resilience and resourcefulness were evident throughout.

Against the backdrop of a volatile global economy, rising inflation and slow growth, as well as the ongoing disruption and trauma of the pandemic and lockdown, we succeeded in amplifying our strengths and improving our productivity, performance and total shareholder returns (the latter by 34%).

I am particularly proud that in the face of all the challenges, Old Mutual remained true to its purpose of championing mutually positive futures every day for its customers, communities and all other stakeholders.

I believe the way we responded and addressed these challenges as a Group – with real commitment, empathy and efficiency – strengthened our overall reputation this past year, all of which bodes well for our future. I would like to congratulate Iain, the Executive Team and all Old Mutual colleagues for their incredible efforts to truly shift gears and accelerate our growth trajectory.

The leadership team can be equally proud of the work it has done to make Old Mutual a great example of a business that strives to be responsible, sustainable and ethical. The ESG (Environmental, Social and Governance) principles have been successfully integrated into the business for several years now. These non-financial factors – and their increasing interconnectivity and convergence – play a vital role in the company's decision-making and analysis of growth opportunities and material risks.

As Board members of a purpose-led business, our foremost strategic focus area continues to be ensuring that we become our customers' first choice to sustain, grow and protect their prosperity. We closely monitored the Group's initiatives to expand financial education, provide product solutions that deliver real value for money and create a consistently excellent customer experience across all channels.

This year, that entailed making sure the Group strengthened the market conduct framework – which ensures that customers are treated fairly – and that this applies across the business.

Enhancements to our customer servicing were made by leveraging our end-to-end digital capabilities and artificial intelligence tools. Data science and behavioural economics were also key. I'm delighted to report that these initiatives are already paying off – Old Mutual improved its overall customer satisfaction and net promoter scores during 2021. More details on this can be found throughout this report.

Supporting Old Mutual's overall progress has been the culture change initiative (Project Pulse) driven by the Human Capital team. Accelerated by COVID, the world of work has been dramatically transformed. With the full backing of the Board, Old Mutual has used the opportunity to further enhance leadership development, energise employee talent management and development, and inspire a culture of caring and innovation.

MANAGING DIVERSE RISKS

Another key focus area for the Board is identifying and monitoring risks, from cyber risks to the pandemic, climate and socio-political risks. This entails assessing and addressing our readiness to respond to these various risks.

The events that took place in the provinces of KZN and Gauteng in July 2021 were a wake-up call on the risks of exclusion.

This highlighted the need for both firmer leadership and better collaboration between all social partners especially government and business working together to build an economy that is more inclusive, just and stable.

In our role as custodians of savings and investments across the continent, we already provide disadvantaged families with opportunities for social mobility and intergenerational wealth accumulation.

We are determined to bring well being within the reach of many more.

The Board was pleased with the Group's efforts to drive empowerment and transformation in the financial services sector through the sale of 21.2% of Old Mutual Investment Group's share in Futuregrowth to the African Women Chartered Accountants Investment Holdings.

Significant progress was also made on the environmental front this past year. Apart from formulating a robust climate change strategy, we published the Group's very first public disclosure on the frameworks we are putting in place in support of ever-more-urgent global decarbonisation goals.

Read more about this transformation initiative on page 51

As one of the largest asset managers on the continent, with R1.3 trillion in Funds Under Management, addressing climate change has become a top priority for us. We are determined to be leaders and influencers in this critical space. Accountability has been formalised at Board and Executive Committee level. We are proud of our membership of the UN-convened Net Zero Asset Owner Alliance and Net Zero Asset Managers Initiative. We provide further information on this in our comprehensive Sustainability Report and Climate Report.

During 2021 we concluded the further unbundling of the Group's stake in Nedbank, comprising 12.2% of the issued ordinary share capital. Including this distribution, the Group has, since listing on the JSE in 2018, returned R75.4 billion in total to shareholders. This transaction has contributed to the further simplification of operations across the Group.

The Board has also been pleased with the outcome of the various legal challenges instituted by the Group's former CEO, bringing this matter closer to a final conclusion for all parties involved.

Although 2021 signalled a significant turnaround for Old Mutual, we are acutely aware that complacency is a luxury we cannot afford. The world faces many uncertainties in 2022 and beyond. Apart from the climate crisis and dangerous geo-political conflicts, there is also still a possibility that new viruses or new variants of COVID-19 may develop and create further uncertainty.

Despite this, we remain cautiously optimistic of continued growth in 2022, albeit at a slower pace than 2021. Our business has been substantially rectified, emerging a lot simpler and more efficient than it was only a few years ago. Vigorous green shoots are thriving in many areas and Old Mutual is in a strong position to make the most of fresh opportunities and earn the respect, trust and support of many more new customers across the continent.

Lastly, I would like to sincerely thank Peter de Beyer and Matthys du Toit, who resigned from the Board in May 2021, for their many years of great service and contribution to the Board of Old Mutual Limited. We wish them all the very best. We would also like to warmly welcome the newcomers to the Board: Jaco Langner and Nomkhita Nqweni. We are confident these excellent appointments will add great value to our Board, which continues to stand up to tight scrutiny and elicit positive responses from analysts and shareholders alike.

May Old Mutual and its remarkable people continue to do great things for all our stakeholders!

Ngiyabonga! Rea leboga! Baie dankie! Thank you! Asante Sana!

GOVERNANCE OVERVIEW

South Africa: Hermanus 34.4092° S, 19.2504° E

The Old Mutual Limited Board has the responsibility to steer the Group and oversee the execution of its strategy in a sustainable and responsible manner. We are cognisant of the external challenges and opportunities we face, the expectations of society and our leading role in the markets and communities where we operate.

Please refer to our Corporate Governance Report, where we detail our Board and Executive management and set out our frameworks, policies and decision-making mechanisms that determine the way our people direct, administer and control all our operations, in particular the largest operating subsidiary, Old Mutual Life Assurance Company (South Africa) Ltd.

Refer to the Corporate Governance Report 2021

EXTRACT FROM THE CORPORATE GOVERNANCE REPORT

OUR GOVERNANCE PHILOSOPHY

We believe that good corporate governance is fundamental to the success, sustainability and legitimacy of our Group.

Our organisation-wide corporate governance principles, frameworks and risk management practices ensure we make choices which are aligned with our purpose, vision, values and strategic objectives across all fourteen countries in which we operate.

These foundations of governance hold our directors and our employees accountable for their actions and decisions and ensure orderly devolution of responsibility:

- **Group Governance Framework –** drives top down governance, facilitating devolution of responsibility, avoidance of duplication and clarity of relationship between Old Mutual Limited and its subsidiaries
- **Risk policy suite** – ensures a common set of standards for the management of risk
- **Delegation of Authority Framework –** ensures clear, specific and traceable authority is assigned to appropriate persons through delegation and sub-delegation
- **Three Lines of Assurance –** establishes clear accountability and ownership for risk management, the control environment and required mitigating actions
- **Letters of Representation –** Old Mutual Limited Board obtains annual written assurance from executive management on the effectiveness of governance processes, risk management and controls across the Group
- **Proportionality of Application –** takes into account Old Mutual Limited's size, its resources and the extent and complexity of its activities and reduces the administrative burden without impacting the risk, control and governance environment

OUR ORGANISATIONAL ETHICS

Ethics set the standards for corporate governance at Old Mutual. We strive to conduct our business responsibly and ethically and ensure our behaviour is consistent with our policies, code of ethics and relevant regulations applicable to financial services companies on the African continent.

Our code of ethics, the Maadili[1] charter, defines ethical behaviour as following the spirit and intention of the law and treating our stakeholders and competitors fairly and respectfully. It is supported and extended by a number of policies, which include our Anti-bribery and Corruption Policy and our Conflicts of Interest Policy.

The Maadili charter applies to all Board members and employees and is reviewed regularly and revised as required. This ensures a progressive ethical culture.

1 *Maadili being the Swahili word for ethics*

GOVERNANCE OVERVIEW CONTINUED

OUR ORGANISATIONAL ETHICS

HOW ETHICS IS GOVERNED AT OLD MUTUAL

THE BOARD

The Board is responsible for setting and steering the culture of the Group. Board members are individually and collectively accountable for their ethical and effective leadership of the Group.

Individual Board members are assessed by their peers annually, with a report in this regard submitted to the Chairman. The 2021 assessment indicated that all Board members continued to act ethically in all respects.

Read more about the Board assessment on page 16 of the Corporate Governance Report

THE EXECUTIVE COMMITTEE

The Board delegates to management the responsibility of the implementation and execution of the Maadili charter and supporting policies, as well as the effective monitoring, control and assurance of same.

This underpins a culture that supports employee, customer and investor confidence.

ETHICS GOVERNANCE STRUCTURES

The management of ethics is informed by, among other things, the relevant provisions of the Companies Act, King IV, the United Nations Global Compact (UNGC) principles and best practice guidelines.

Old Mutual has a variety of internal and external mechanisms, including a whistleblower hotline, email and website, for reporting actual or suspected unethical or unlawful behaviour by directors, employees or external third parties. These are supported by strong investigative capabilities and rigorous disciplinary processes and sanctions.

The Risk and Responsible Business committees receive regular ethics reports and monitor the management of risks relating to ethics on an ongoing basis.

EMBEDDING ETHICS IN OLD MUTUAL'S CULTURE

Attestation to the Maadili charter – employees are required to attest to the Maadili charter on an annual basis

Leadership endorsement – the Board and the executive committee expressly endorse the Maadili charter on an annual basis

Recruitment – prospective employees are assessed against integrity checks. The directors, and employees who are subject to Financial Advisory and Intermediary Services (FAIS) Act, also undergo fit and proper assessments

Performance – employee scorecards include elements measuring delivery against Old Mutual's values

Consequence management – disciplinary processes hold employees accountable for breaches of ethical conduct

Awareness drives – regular communication with employees on ethical matters

Malawi: Cape Maclear 14.0152° S, 34.8508° E

PREVENTION OF MONEY LAUNDERING AND CORRUPTION

Old Mutual has a zero-tolerance approach to money laundering, corruption and bribery. The Group has a mature Anti-Money Laundering programme in place to ensure that the business responds to all money laundering, bribery, and corruption risks in an appropriate and consistent manner, in line with applicable legislative and regulatory requirements.

Our Financial Crime Prevention team is responsible for the implementation of the Fraud Management Programme. It has built a strong and well-established investigatory capability, which supports investigations relating to money laundering, bribery and corruption within the business.

ETHICS INITIATIVES MONITORED BY THE BOARD

- Approval of new ethics management approach
- Simplification of Annual Attestation and Declaration of Outside Interests processes

ETHICS FUTURE FOCUS AREAS FOR THE BOARD

Continue to oversee and track the embedding of an ethical culture.

Oversee data ethics initiatives which are underway as part of the Group's conduct and cyber risk and protection-of-personal-information programmes. Data ethics will continue to be a key area of focus for the Board, the Risk and the Technology & Platforms committees.

CONFLICTS OF INTEREST

The Group has a Conflicts of Interest Policy which sets out key provisions, which both directors and employees are required to adhere to. In terms of this policy a director or employee is prohibited from using his or her position, or confidential or price-sensitive information, to the benefit of himself or herself or any related party.

Directors and selected employees are prohibited from dealing directly or indirectly in Old Mutual Limited shares during closed periods. A Securities Dealing Policy is in place which manages this requirement from a JSE perspective, and in terms of the requirements under the market abuse regulations in the United Kingdom, where we have a standard listing. This policy is electronically linked to the Maadili charter.

The Related Party Transaction committee considers, reviews, evaluates and provides oversight over related party transactions, ensuring these are fair and in the best interests of the Group. The terms of reference for this committee allow it to make independent and final determinations on mitigating actions, in respect of all Board members' conflicts of interests.

Refer to the Corporate Governance Report 2021

Directors are required to sign quarterly, a declaration that their disclosed conflicts of interests are up to date.

GIFTS

Gifts (given and received) are limited to a Rand value (currently R1,000), or country equivalent, per annum. All gifts given and received must be declared, except for those exchanged between colleagues.

OUR BOARD

INDEPENDENT NON-EXECUTIVE

95%
BOARD AND COMMITTEE MEETING ATTENDANCE

Trevor Manuel (65)[1]
Chairman
NDip, EMP
Appointed: 2016
Tenure[2]: 5 years
Expertise brought to the Board:
Finance and audit, information technology, leadership, listed corporates, risk management, strategy, sustainability
Committee membership: Corporate Governance & Nominations, Responsible Business
Other directorships: 2

Brian Armstrong (60)[1]
BSc (Electrical Engineering), MSc (Electrical Engineering), PhD
Appointed: 2020
Tenure[2]: 1 year
Expertise brought to the Board:
Digital ethics, digital transformation, information technology, listed corporates, remuneration and performance management, risk management, sales and distribution, strategy, sustainability
Committee membership: Related Party Transaction, Responsible Business, Technology & Platforms
Other directorships: 1 2

Albert Essien (66)[1]
BA (Hons), EDP
Appointed: 2015
Tenure[2]: 6 years
Expertise brought to the Board:
Finance and audit, listed corporates, remuneration and performance management, risk management, strategy
Committee membership: Responsible Business, Risk
Other directorships: 2

Olufunke Ighodaro (58)[1]
BSc (Hons), FCA(ICAEW), CA(SA)
Appointed: 2020
Tenure[2]: 1 year
Expertise brought to the Board:
Finance and audit, information technology, listed corporates, remuneration and performance management, risk management, strategy
Committee membership: Actuarial, Audit, Risk
Other directorships: 1 2 1

Itumeleng Kgaboesele (50)[1]
BCom, PDip (Acc), Dip (FMI), CA(SA)
Appointed: 2016
Tenure[2]: 5 years
Expertise brought to the Board:
Finance and audit, remuneration and performance management, risk management, strategy
Committee membership: Actuarial, Audit, Corporate Governance & Nominations, Remuneration
Other directorships: 3

Jaco Langner (48)[1]
BCom, FASSA, FFA
Appointed: 2021
Tenure[2]: 7 months
Expertise brought to the Board:
Actuarial, finance and audit, information technology, listed corporates, remuneration and performance management, sales and distribution, strategy
Committee membership: Actuarial, Audit, Remuneration

John Lister (63)[1]
BSc (Statistics), FIA
Appointed: 2017
Tenure[2]: 4 years
Expertise brought to the Board:
Actuarial, finance and audit, information technology, listed corporates, risk management, strategy, sustainability
Committee membership: Actuarial, Audit, Corporate Governance & Nominations, Risk
Other directorships: 8

Sizeka Magwentshu-Rensburg (62)[1]
Lead Independent Director
BA, MBA, DPhil
Appointed: 2017
Tenure[2]: 4 years
Expertise brought to the Board:
Finance and audit, information technology, risk management, strategy, sustainability
Committee membership: Corporate Governance & Nominations, Remuneration, Responsible Business
Other directorships: 2

Other directorships key:
Large listed companies | Medium to small listed companies | Large private companies or SOEs

12 (75%) Independent Non-Executives | 2 (12.5%) Non-Executives | 2 (12.5%) Executives

1 Age as at 31 December 2021
2 Tenure considers length of time served on either of the previous Old Mutual Emerging Markets or Old Mutual plc Boards or the Old Mutual Limited Board post listing in 2018

OUR BOARD CONTINUED

INDEPENDENT NON-EXECUTIVE

Nosipho Molope (57)[1]

BSc (Medical Sciences), BCompt (Hons), CTA, CA(SA)
Appointed: 2012
Tenure[2]: 9 years
Expertise brought to the Board:
Finance and audit, listed corporates, risk management
Committee membership: Actuarial, Audit, Risk
Other directorships: 2 ■ 5 ■

James Mwangi (44)[1]

BA (Econ)
Appointed: 2017
Tenure[2]: 4 years
Expertise brought to the Board:
Information technology, remuneration and performance management, strategy, sustainability
Committee membership: Corporate Governance & Nominations, Related Party Transaction, Responsible Business, Technology & Platforms:

Nomkhita Nqweni (47)[1]

BSc, PDip (Inv Mgt), LDP, AMP
Appointed: 2021
Tenure[2]: 7 months
Expertise brought to the Board:
Finance and audit, listed corporates, remuneration and performance management, strategy, sustainability
Committee membership: Actuarial, Audit, Responsible Business
Other directorships: 2 ■

Stewart van Graan (66)[1]

BCom (Hons), PMD
Appointed: 2017
Tenure[2]: 4 years
Expertise brought to the Board:
Information technology, sales and distribution, strategy, sustainability
Committee membership: Corporate Governance & Nominations, Related Party Transaction, Risk, Technology & Platforms
Other directorships: 2 ■ 2 ■

NON-EXECUTIVE

Thoko Mokgosi-Mwantembe (60)[1]

BSc, MSc, SEP, MCRP
Appointed: 2017
Tenure[2]: 4 years
Expertise brought to the Board:
Information technology, listed corporates, remuneration and performance management, sales and distribution, strategy, sustainability
Committee membership: Remuneration, Technology & Platforms
Other directorships: 4 ■ 1 ■ 1 ■

Marshall Rapiya (69)[1]

BAdmin, EMP
Appointed: 2011
Tenure[2, 3]: 10 years
Expertise brought to the Board:
Finance and audit, risk management, sales and distribution, strategy, sustainability
Committee membership: Responsible Business, Risk
Other directorships: 1 ■

EXECUTIVE

Casper Troskie (58)[1]

Chief Financial Officer

BCom (Hons), PGDA, CA(SA)
Appointed: 2018
Tenure[2]: 3 years
Expertise brought to the Board:
Actuarial, finance and audit, listed corporates, remuneration and performance management, risk management, strategy

Iain Williamson (51)[1]

Chief Executive Officer

BBusSc (Actuarial Science), GMP, FASSA
Appointed: 2019
Tenure[2]: 2 years
Expertise brought to the Board:
Actuarial, finance and audit, information technology, listed corporates, remuneration and performance management, risk management, strategy
Committee membership: Responsible Business, Technology & Platforms
Other directorships: 2 ■

Other directorships key:
■ Large listed companies ■ Medium to small listed companies ■ Large private companies or SOEs

1 *Age as at 31 December 2021*
2 *Tenure considers length of time served on either of the previous Old Mutual Emerging Markets or Old Mutual plc Boards or the Old Mutual Limited Board post listing in 2018*
3 *In light of the Director's extensive institutional knowledge of the Group, and to ensure continuity subsequent to the resignations of experienced directors during the year, the Corporate Governance & Nominations committee recommended that he remain on the Board for an additional year*

Refer to the Corporate Governance Report for movements in the non-executives within the board and committees.

COMPOSITION, TENURE AND SKILLS

WHAT IS THE COMPOSITION AND TENURE OF THE BOARD?

Our Board consists of sixteen members with the necessary qualifications, collective skills and expertise required to guide and steer this large and complex Group.

Non-executive directors have no fixed term of appointment but are subject to notice periods. The maximum tenure in the Group is three terms of three years. The retirement age for directors is set at 70 years, or such age as determined at the discretion of the Corporate Governance & Nominations committee. The Corporate Governance & Nominations committee considers, in advance of the Annual General Meeting (AGM), the directors required to rotate, in accordance with the rotation schedule.

The Corporate Governance & Nominations committee also quarterly evaluates the composition of the Board, taking into consideration its succession plan and rotation schedule. The Board composition is also reviewed to ensure an appropriate balance of knowledge, skills, experience, diversity and independence.

In terms of the JSE Listing Requirements, the Board has to set transformation targets in a Board Appointment policy, the performance against these targets, as well as other key data points about the Board, are set out below:

TENURE

25% <2 YEARS ON THE BOARD

62% 2-7 YEARS ON THE BOARD

13% >7 YEARS ON THE BOARD

AVERAGE AGE

58 YEARS

DEMOGRAPHICS

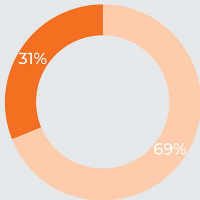
25% NON-SOUTH AFRICAN

25% WHITE SOUTH AFRICAN

50% BLACK SOUTH AFRICAN

*TARGET 50%

GENDER DIVERSITY



Male Female

*TARGET 30%

HOW IS DIRECTORS' INDEPENDENCE ASSESSED?

Directors' independence is assessed annually from the perspective of a reasonable and informed third party, based on, among other things, the prevailing circumstances, the definition of independence in terms of the Companies Act, the King IV guidance in terms of the assessment of independence (substance over form), conflicts of interest, whether perceived or actual, and other relevant considerations. The 2021 independence assessment did not result in any changes in the designations of our directors.

WHAT KNOWLEDGE, SKILLS AND EXPERIENCE DOES THE BOARD HAVE?

In 2018, at the time of listing, the Board determined the individual skills required to provide effective oversight over the large and complex financial services business, creating a skills matrix. The Corporate Governance & Nominations committee reviews this skills matrix of the Board and its committees on a quarterly basis. Skills gaps which are identified inform the training requirements of the Board, as well as skills which will be targeted with future Board appointments. The institutional knowledge of directors are also considered as part of this process.

Preference is given to executive and/or industry experience when filling skills gaps on the Board, as the Board believes that these skills enable the most effective functioning of the Board, supporting robust oversight by Board members who have had the requisite practical experience.

The Board enhanced its composition during the year adding actuarial, financial and executive skills with the appointment of Jaco Langner and Nomkhita Nqweni as independent non-executive directors.

Board members with recognised executive industry expertise in a particular field

STRATEGY	15	Strong strategic and risk management expertise required to successfully govern and steer the Group to ensure shared value outcome
RISK MANAGEMENT	11	
FINANCE AND AUDIT	12	Key expertise required for effective governance, oversight and tracking of performance of a financial services organisation
ACTUARIAL	4	Key expertise given the significance of our Life business and the material impact actuarial shifts can have on the results
INFORMATION TECHNOLOGY	10	Key expertise in the context of the rapidly evolving operating environment and fundamental technology shifts within the financial services industry
REMUNERATION AND PERFORMANCE MANAGEMENT	10	Remuneration expertise is required to steer the Group in retaining, attracting and developing the talent and skills required in a complex financial services organisation
SALES AND DISTRIBUTION	5	Key strategic driver for a financial services organisation
SUSTAINABILITY	9	Essential expertise required to effectively govern and guide the Group in future proofing the business and complying with Environmental, Social and Governance (ESG) requirements
LISTED CORPORATES	11	Important expertise required to effectively govern a Group listed on five stock exchanges

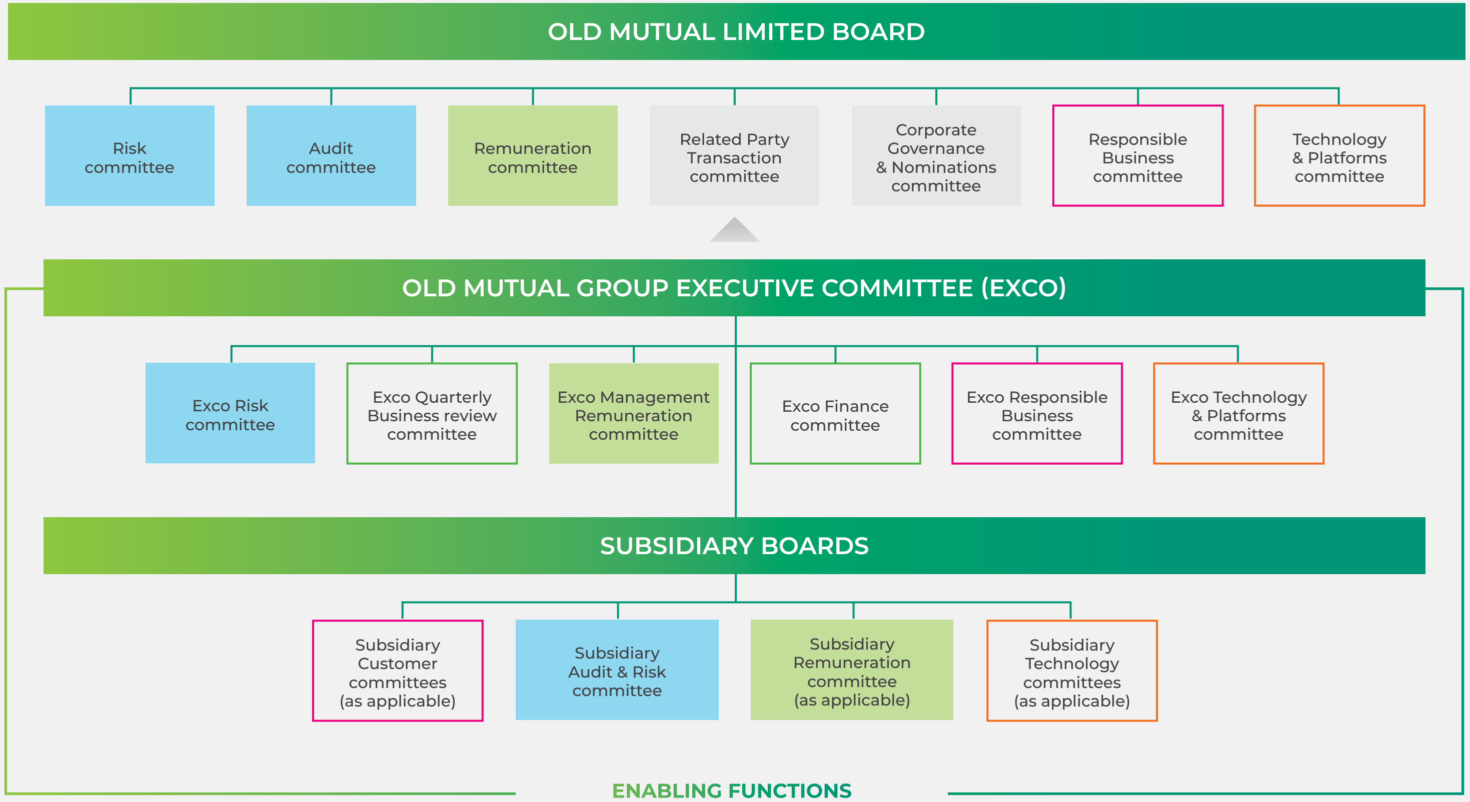
The Board is satisfied that our directors have the appropriate balance of knowledge, skills, experience, diversity and independence for it to govern the Group, considering its nature, size, the scale of operations and the laws and customs governing its actions.

HOW THE BOARD FUNCTIONS

Botswana: Okavango Delta 19.6510° S, 22.9059° E

HOW THE BOARD DISCHARGES ITS RESPONSIBILITIES

The seven committees of the Board assist the Board in discharging its duties and responsibilities. These committees are also responsible for the oversight of the defined governance domains of the Group Governance Framework.



The Board reviews the mandate and terms of reference of each committee annually to ensure effective coverage of, and control over, the operations of the Group.

The Board committees are chaired by independent non-executive directors and are constituted of a minimum of three members with the necessary combination of knowledge, skills, experience and capacity. The committees report to the Board through their respective Chairpersons.

Board committees do in certain instances have overlapping responsibilities. Different committees may consider the same Board material, applying different perspectives as mandated.

It is the responsibility of each committee Chairperson to ensure that matters relevant for consideration by another committee are reported to that committee. Overlapping committee memberships assist in this regard, as do the formal committee reports to the Board, where matters of importance for Board members, as well as other Board committees, are highlighted.

EXECUTIVE COMMITTEE SUB-COMMITTEES

The Executive committee meets monthly as well as weekly in between scheduled meetings, or as and when required. The Executive committee has established sub-committees aligned to each of the Board committees.

This allows the Executive committee to make the requisite decisions in terms of operational matters and oversight responsibilities falling within the mandate of the Chief Executive Officer (CEO). These sub-committees also interrogate and review papers before formal submission to the Board. This ensures these submissions adequately detail how management discharge their duties and provide support to the Board in fulfilling its fiduciary responsibilities.

HOW THE BOARD FUNCTIONS CONTINUED

HOW DOES THE BOARD GOVERN THE GROUP?

The Board is responsible for ensuring that the governance arrangements across the Group enable it to discharge their oversight and fiduciary duties effectively, with clear accountability and devolution of responsibility.

To achieve this, the Board, along with the executive committee, operate and oversee a Group Governance Framework (GGF), in line with international best practice, legislative requirements and King IV.

The GGF explains how the Board executes its direction and oversight responsibilities and how the exercise of power within the Group should be approached and conducted.

It also sets a framework for the minimum governance requirements over various governance domains relevant to the Group.

The GGF takes into account that the Group has significant and geographically diverse operations, with equity listed on five stock exchanges and debt issued on the JSE. It is structured into a five category proportional model.

The diagram to the right represents this five category model.

Operation of, and compliance with the GGF provides the Board with assurance that the Group is operating as they direct, appropriately managing risk, complying with applicable legislation and regulatory requirements and applying the principles of effective governance as expressed in King IV. This underpins the achievement of clear governance outcomes and sustainable value creation across the Group.

The GGF is reviewed annually by the GGF Steering committee to ensure it remains relevant and functions as designed. Proposed changes are submitted to the Corporate Governance & Nominations committee for approval. On an annual basis, boards of selected subsidiaries attest to the application of the GGF.

See Old Mutual's Application of the King IV principles statement on pages 35 to 46 of this report for how we meet our legal, regulatory and supervisory obligations and promote and sustain a sound compliance culture.

Refer to the Corporate Governance Report 2021

GROUP GOVERNANCE FRAMEWORK

Each category of companies within levels 1 to 5 has specific governance requirements, duties and powers, as defined by the GGF.

1	Primary listed entity	OLD MUTUAL LIMITED
2	Holding company with own operations	OLD MUTUAL INSURE LTD; OLD MUTUAL LIFE ASSURANCE COMPANY (SOUTH AFRICA) LTD
3	Non-operating holding companies	OLD MUTUAL (AFRICA) HOLDINGS (PTY) LTD; ALL AFRICAN IN-COUNTRY HOLDING COMPANIES; OLD MUTUAL INVESTMENTS (PTY) LTD
4	Operating entities	OPERATING ENTITIES
5	Other	ALL OTHER ENTITIES

GGF PRINCIPLES

- DEVOLUTION OF RESPONSIBILITY
- AVOID DUPLICATION
- PROPORTIONAL AND FIT FOR PURPOSE
- ENSURE COMPREHENSIVE REGULATORY COMPLIANCE

HOW ARE SUBSIDIARIES GOVERNED?

The GGF sets the minimum Group governance requirements for subsidiaries, allowing for country specific legislation and applicable country corporate governance codes.

The GGF in no way absolves or places a restraint on the ability of the boards of subsidiary companies to execute their fiduciary duties, but instead outlines the requirements of the Board in discharging its duties across the Group.

The Board has constructed lines of accountability as per the GGF and various policies, risk appetite limits and capital management frameworks are approved at Board level. Management is expected to manage within those limits, and report breaches and exceptions to the Board.

A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

"We maintained an unwavering focus on the execution of our Truly Mutual strategy, as we continued to responsibly build the most valuable business in our industry and ensuring positive futures for our customers and communities. The decisive actions taken to improve our operations, including the agility we demonstrated as we responded to the challenging operating environment and opportunities encountered by our businesses, significantly influenced the strong and pleasing recovery in our sales and earnings."

Iain Williamson
Chief Executive Officer

As I reflect on 2021, there were various socio-economic challenges that continued to influence our business throughout the year. COVID-19 continued to impact the way we live and operate, with further uncertainty caused by the continued outbreaks of COVID-19 variants. Fortunately, the global rollout of vaccinations has been instrumental in driving increased economic activity and demand due to the removal or relaxation of lockdown restrictions. This, in turn, contributed to the global economic rebound. The 4.9% growth in the South African GDP for 2021 was pleasing, as much of this was achieved under challenging conditions such as the July civil unrests, electricity supply constraints and continued pressure from COVID-19 lockdowns.

Whilst the operating environment presented its own challenges, our employees remained central to delivering on our strategic goals and our vision of becoming our customers' first choice to sustain, grow and protect their prosperity.

REFLECTING ON OUR PERFORMANCE

The decisive actions taken to improve our operations, including the agility we demonstrated as we responded to the challenging operating environment and opportunities encountered by our businesses, significantly influenced the strong and pleasing recovery in our sales and earnings outcomes.

We experienced strong recovery in productivity levels following the relaxation of COVID-19 lockdowns compared to 2020. Consequently, Life APE sales increased by 16% to R11.4 billion. Gross flows increased by 4% to R194.8 billion due to strong inflows in Old Mutual Investments and Wealth Management. Despite the improved inflows, net client cash flows declined to R0.1 billion from R9.6 billion, mainly as a result of COVID-19 related mortality claims and lower inflows compared to the prior year in Rest of Africa. In South Africa, our retail segments paid approximately R13 billion in mortality claims, maintaining our commitment to supporting our customers in their time of need.

Value of new business grew to R1.3 billion from R621 million in 2020 due to strong new business sales. VNB margin improved from 1.1% to 1.9%, recovering to just below our medium term target range of 2% and 3%.

Results from Operations (RFO) increased by 164% to R4.4 billion, despite recognising a R4,7bn COVID-19 impact during the year. Our businesses had worse mortality claims experience than anticipated, with R6.8 billion in excess deaths claims. We released R5.3 billion from our pandemic provisions, which partially offset the impact of excess deaths on our profit. We have R2.9 billion in pandemic provisions remaining to be utilised against future COVID-19 related mortality claims. There remains uncertainty around the pace of vaccination rollouts across most of our markets, the emergence of new COVID-19 variants and the changes in expected immunity. However, we continue to closely monitor our mortality claims experience. Adjusted Headline Earnings (AHE) increased by 117% to R5.4 billion due to the significant growth in RFO and higher shareholder investment returns. Return on Net Asset Value increased by 520 bps to 9.0% as a result of the strong growth in AHE and lower average adjusted IFRS equity.

Our balance sheet remains well capitalised despite a higher prescribed equity risk stress factor which resulted in the Group solvency ratio decreasing by 1500 basis points to 184%. Cash generation remained solid, with Free Surplus Generated from Operations increasing by 31% to R6.2 billion.

We continued to take decisive capital management actions to optimise the Group's weighted average cost of capital and improve shareholder value. In September 2021, Old Mutual Life Assurance Company (SA) (OMLACSA) issued R1.5 billion of subordinated debt. The Old Mutual Board declared a final ordinary dividend of 51 cents per ordinary share. The total dividend for FY 2021, including 25 cents per ordinary share declared at H1 2021, is 76 cents per ordinary share.

Read more on page 57 which provides context to the Group and segment financial performance

REFLECTING ON OUR TRULY MUTUAL STRATEGY

We maintained an unwavering focus on the execution of our Truly Mutual strategy, as we continued to responsibly build the most valuable business in our industry and ensuring positive futures for our customers and communities. While our Truly Mutual strategy remains unchanged, in 2021 we enhanced it by incorporating and communicating five value drivers that create a link between our strategic actions and the value created for the Group and various stakeholders. These values drivers measure the progress on activities that drive revenue growth, operating margins, execution and delivery, competitive strength, and capital efficiencies. We also introduced an execution framework – Rectify, Simplify, and Amplify – which breaks down our long term ambitions into shorter term tactical steps as we work towards our vision of becoming our customers' first choice.

The excellent progress we continue to make on our strategic goals has been one of the main highlights of 2021 for me and our progress has been evident in:

- Further developing and delivering on our Sustainability Framework, including disbursing R10 million towards the July civil unrest relief efforts and supporting the acceleration of COVID-19 vaccination programmes by establishing vaccination centres and supporting initiatives that deliver vaccinations to outlying communities

HIGHLIGHTS

Results from Operations
up by 164% to
R4.4 billion

Improved
customer satisfaction from 78.9% in 2020 to
82.5%
in 2021

Recognised as South Africa's
top long-term insurer
by Ask Afrika

Joined
Net Zero Asset Owner Alliance and Net Zero Asset Manager Initiative
as part of our commitment to reducing carbon emissions in our investment portfolios

R13.3 billion distributed
as cash dividends and dividend in specie related to the unbundling of Nedbank

A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER
CONTINUED

- Being always present first by utilising data and leveraging technology and digitalisation to continually enhance our customer and intermediary experience
- Using our digital platforms, such as MyOldMutual, and Old Mutual Rewards to encourage and reward our customers for the consistent actions taken towards achieving their personal financial goals
- Supporting our employees by investing in initiatives that enhance employee performance, safety and wellbeing, and skills development
- Enhancing our solutions to drive customer value, including the development of an artificial intelligence capability which allows us to deliver the most sustainable, efficient and competitive service experiences for our customers

Read more on page 45 on our performance strategic delivery

Refer to segment performance on page 67 for detail on strategic activities delivered by segments during the year

An ongoing journey for us as a business has been understanding sustainability and finding efficient and effective ways of embedding it within our full value chain. We believe that sustainability is a critical enabler of value creation due to the interconnectivity between the economic, social, and environmental systems we operate in. This interconnectivity also highlights the global urgency to transform our collective growth path to be socially inclusive, low carbon and resource efficient. We implemented various policies and procedures to embed sustainability in our business, including the integration of ESG in our investment decisions to create positive outcomes and long term value for all stakeholders. We support the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations and have committed to reducing our emissions to align with the Paris Agreement's goal of limiting global warming to 1.5°C. We continued to support the development of our communities through investment in skills development, entrepreneurship, education support, financial education initiatives and inclusion. Lastly, we enhanced our integrated reporting and published a Climate Report and Sustainability Report as part of our 2021 reporting suite.

Refer to our Climate Report more information on our climate change journey

Refer to our Sustainability Report more information on our sustainability journey

OUTLOOK

Global growth is expected to continue in 2022, albeit at a lower rate than 2021, reflecting the uncertainty around further COVID-19 variants. The IMF revised South Africa's growth forecast downward to 1.9% for 2022, with a weaker outlook for investment as business sentiment remains subdued. The conflict in Ukraine-Russia has dramatically increased the level of uncertainty around the global economic growth and inflation, with a stagflation scenario now more likely. The recent oil price hikes and the risk of negative sentiment towards emerging markets are also likely to lead to an increase in inflation and lower growth in our local markets.

Despite a subdued growth outlook, we remain confident of delivering on our strategic pillars and value drivers. Our business model has proven to be highly relevant and resilient, with a strong balance sheet to help us withstand the challenging operating environment.

The recent corporate activities from our businesses position us well for the future, and will enhance our shared value and sustainable growth. In February 2022, Old Mutual Insure acquired a 51% stake in One Finance Services Holdings, unlocking new growth opportunities for the business. Old Mutual Investments sold 21.2% of its stake in Futuregrowth to African Women Chartered Accountants Investment Holdings, in line with our commitment to drive the advancement of transformation in the asset management industry.

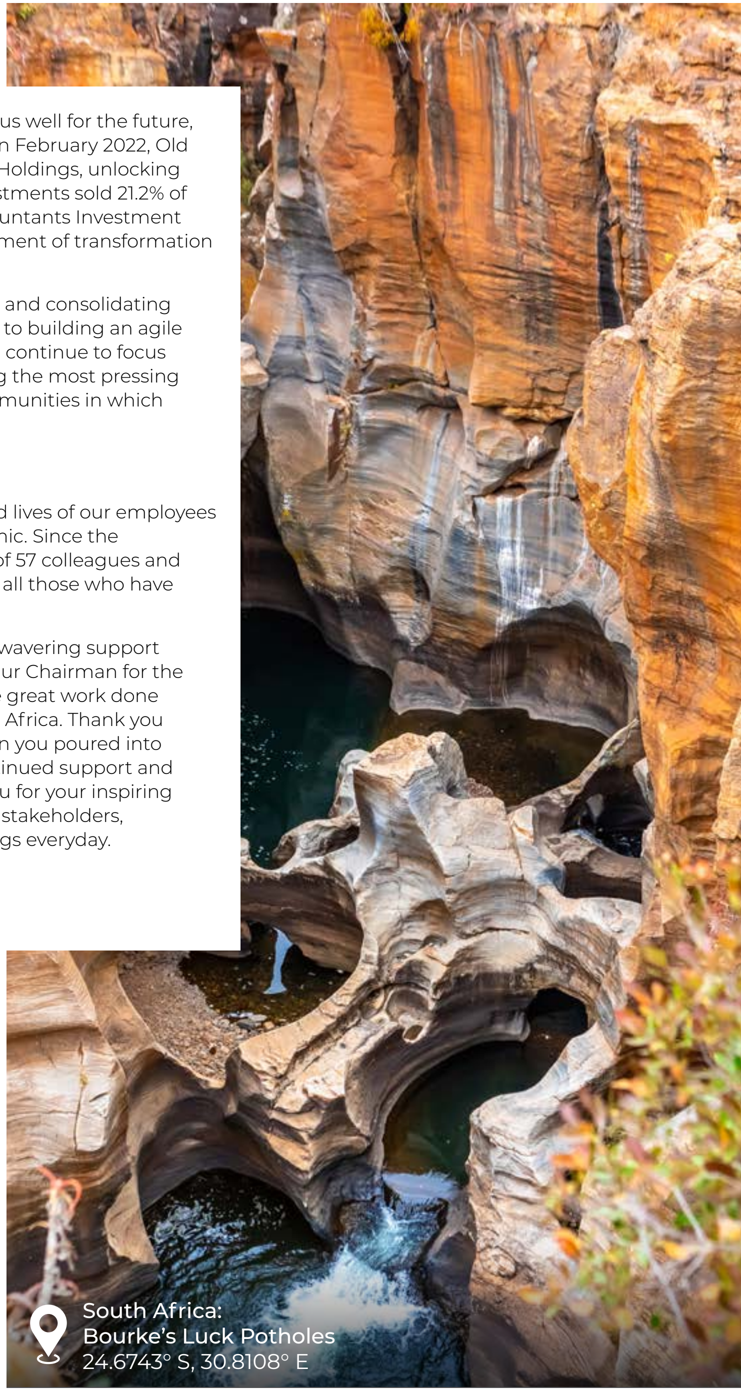
Our focus for 2022 is to continue putting our customers first, and consolidating and simplifying systems and processes that remain a barrier to building an agile business by leveraging technology and partnerships. We will continue to focus on driving shared value and sustainable growth, and tackling the most pressing challenges faced by our customers, employees and the communities in which we operate.

IN CONCLUSION

The adverse impact that COVID-19 has had on the health and lives of our employees continues to be a sad reminder of the severity of the pandemic. Since the beginning of the pandemic, we have mourned the passing of 57 colleagues and we extend our heartfelt condolences to their families, and to all those who have suffered due to COVID-19.

I would like to thank the Chairman and the Board for the unwavering support provided throughout 2021. I would also like to congratulate our Chairman for the Top Empowerment Lifetime Achiever Award received for the great work done to contribute to transformation and empowerment in South Africa. Thank you to my executive team for the support, passion and dedication you poured into this business. To all our stakeholders, thank you for your continued support and engagements. Finally, to all Old Mutual employees, thank you for your inspiring courage and resilience and for effortlessly supporting all our stakeholders, championing mutually positive futures and doing great things everyday.

Iain Williamson
Chief Executive Officer



South Africa:
Bourke's Luck Potholes
24.6743° S, 30.8108° E

OUR EXECUTIVE COMMITTEE

Iain Williamson (51)[1]

Chief Executive Officer

BBusSc (Actuarial Science), GMP, FASSA

Service years: 29

Appointed to Exco: August 2015

Experience: Three decades' worth of financial services experience serving in various roles at Old Mutual across employee benefits, personal finance, corporate development, distribution, technology and finance. Former CFO and COO of Old Mutual Limited.

Casper Troskie (58)[1]

Chief Financial Officer

BCom (Hons), PGDA, CA(SA)

Service years: 3

Appointed to Exco: March 2018

Experience: Extensive financial services experience serving as former CFO of Standard Bank Group, Liberty Group and a partner at Deloitte. Served on the boards of Liberty Holdings, Liberty Group and STANLIB.

Celiwe Ross (42)[1]

Human Capital Director

BSc (Mining Engineering), MBA

Service years: 4

Appointed to Exco: June 2018

Experience: Financial services experience with roles at Standard Bank focusing on project and structured finance and origination. Former leader of Egon Zehnder's (global search and leadership advisory firm), a financial services practice advising clients on leadership needs and team effectiveness.

Clarence Nethengwe (50)[1]

Managing Director: Mass and Foundation Cluster

BProc, BA, LLM, MBA, AMP, EDP

Service years: 12

Appointed to Exco: June 2017

Experience: Former General Manager of Sales & Distribution for the Mass and Foundation Cluster. Prior to joining the Group, practiced as an attorney for over 10 years and worked as a judicial officer for more than 5 years.

Clement Chinaka (53)[1]

Managing Director: Rest of Africa

BSc (Computer Science and Statistics), AMP, FASSA, FFA

Service years: 30

Appointed to Exco: January 2017

Experience: Served in various roles at Old Mutual including Chief Actuary and General Manager of Actuarial at Old Mutual Life Assurance Company (Zimbabwe), Head of Channel Finance, Strategy Executive at Retail Affluent and Head of Group Planning and Business Insights at Old Mutual Emerging Markets.

Garth Napier (43)[1]

Managing Director: Old Mutual Insure

BCom (Hons), MBA

Service years: 3

Appointed to Exco: November 2018

Experience: Former Managing Director of Pep Africa and former Independent Non-Executive Director of Afrocentric Group board. Extensive experience in management consulting and strategy.

Heloise van der Mescht (59)[1]

Executive: Special Projects

MBA

Service years: 41

Appointed to Exco: May 2019

Experience: Served in various roles at Old Mutual including Divisional Manager of Client Service Administration, General Manager of Old Mutual Client Services and Executive General Manager accountable for providing both customer and technology services. LEAN expert and leading Old Mutual's innovation capabilities in robotics and artificial intelligence.

Kerrin Land (48)[1]

Managing Director: Personal Finance and Wealth Management

BSc (Statistics and Econ), Advanced Leadership Certificate, FASSA

Service years: 27

Appointed to Exco: February 2020

Experience: Served in various roles at Old Mutual including CEO of Old Mutual Wealth and Business Development and Operations Director at Old Mutual Investment Group. Member of several Old Mutual Group companies' and industry boards.

1 *Age as at 31 December 2021*

OUR EXECUTIVE COMMITTEE CONTINUED

Khaya Gobodo (43)[1]

Managing Director: Old Mutual Investments

BCom, MSC (Investment Management), CFA

Service years: 4

Appointed to Exco: January 2019

Experience: Served in various roles at large, medium and boutique asset management firms. Former Strategic Head of the Quality Capability at Ninety One Asset Management. Founding partner and former Chief Investment Officer of Afena Capital.

Maserame Mouyeme (55)[1]

Corporate Affairs and Responsible Business Director

BSocSc, Postgrad Diploma in Human Resources Management, MBA, Executive Leadership Programme

Service years: 2

Appointed to Exco: February 2020

Experience: 25 years of experience in the FMCG industry, serving in various roles at Coca Cola, including Director of Public Affairs, Communication and Sustainability for Southern and East Africa, General Manager of the Central Africa Franchise and Marketing Director for West, East and Central Africa.

Prabashini Moodley (42)[1]

Managing Director: Old Mutual Corporate

BBusSc (Actuarial Science), FASSA

Service years: 20

Appointed to Exco: November 2019

Experience: Served in various roles at Old Mutual across Personal Finance and Old Mutual Investment Group. Former CFO of Mass and Foundation Cluster.

Raymond Berelowitz (53)[1]

Customer Solutions Director

BBusSc (Actuarial Service), FASSA, FIA

Service years: 23

Appointed to Exco: January 2017

Experience: Served in various roles at Old Mutual including Head of Product Development at Fairbairn Capital, head of SYm|mETRY and Executive General Manager to Product Solutions.

Richard Treagus (56)[1]

Chief Risk Officer

BBusSc (Actuarial Science), FIA, FASSA

Service years: 33

Appointed to Exco: October 2015

Experience: Served in various roles at Old Mutual including Finance Actuary for the Individual Life division, Group Assurance Executive, General Manager of Product Development and General Manager of Savings Solutions.

Zureida Ebrahim (44)[1]

Chief Operating Officer

BCom (Economics and Law), MAP

Service years: 2 months

Appointed to Exco: 1 November 21

Experience: Over 17 years' of experience in the insurance sector. Former Chief Executive Officer of Client Engagement Solutions at Momentum Metropolitan and a member of the Momentum Metropolitan Executive committee focusing on Transactional Banking and Client Digital Experience.

CHANGES TO THE EXCO COMPOSITION DURING THE YEAR

EXECUTIVE COMMITTEE MEMBER	DATE	IMPACT ON EXECUTIVE COMMITTEE
Zureida Ebrahim	1 November 2021	Appointed Chief Operating Officer
Heloise van der Mescht	31 October 2021	Designation changed from Chief Operating Officer to Executive: Special Projects

1 *Age as at 31 December 2021*

THE CORE OF WHO WE ARE

176 years old.
This is an incredible milestone that we are proud of.

- **1845*:** Our group was established in Cape Town as South Africa's first mutual life insurance company
- **1895*:** Started expanding into Africa with an office opened in Zimbabwe, followed by Namibia and Kenya in 1930
- **1954*:** 1 million policies sold and opened offices in Malawi
- **1971 – 1982:** Annual income increases from R100 million to R1 billion
- **1998:** Opened our first call centre of 40 people in Mutualpark Pinelands
- **1999:** We demutualised and listed on the London Stock Exchange
- **2005:** We signed our Broad-Based Black Economic Empowerment (B-BBEE) deal
- **2013:** Expanded into West Africa with offices in Nigeria and Ghana
- **2016:** Expanded in East Africa
- **2018:** We anchored in Africa with a primary listing on the Johannesburg Stock Exchange
- **2020:** Celebrated 175 years and completed the Nedbank unbundling

Following the listing of Old Mutual Limited in 2018, we unveiled a vibrant new brand identity to reflect our fresh, customer-led approach and stronger focus on Africa.

Old Mutual's visual personality now draws on the optimism, vibrancy and a seize-the-day spirit of the continent, reinforcing the message of "Made in Africa for Africans".

* *We have grown with the changes in Africa. At the time of Old Mutual's expansion, South Africa, Zimbabwe,Namibia and Kenya were not yet countries but rather colonies and/or protectorates of the United Kingdom*

OUR PURPOSE: CHAMPIONING MUTUALLY POSITIVE FUTURES EVERY DAY

THIS IS HOW WE FULFILL OUR PURPOSE

OUR PURPOSE IS THE REASON WE EXIST

CHAMPIONING
- Support and advocate for our customers
- A deep knowledge of what matters to stakeholders
- Safeguard our customers' interests while balancing them with those of investors

MUTUALLY POSITIVE FUTURES
- Recognise the power of shared value In a way that benefits all stakeholders
- Enable our customers to achieve their lifetime financial goals
- Invest customer funds responsibly to create a positive future for them, their families, their communities and broader society

EVERY DAY
- Focus on continuous and improved engagement with all our stakeholders
- Strive to achieve service excellence by being responsive to our customers needs and preferences
- Guide and support our customers to empower themselves and take control of their finances through financial knowledge

OUR VISION:

To be our customers' 1st choice to sustain, grow & protect their prosperity

OUR CUSTOMER-LED APPROACH

We have re-imagined and strengthened our role and relevance in our customers' lives. Increasingly, customers tell us that what they need from their financial services provider is closer involvement and understanding, and practical, hands-on support. In short, we are cutting through the intimidating clutter of the financial sector, to serve more as coaches and partners, providing tools and motivation, and helping customers take the small steps that lead to great things.

THE CORE OF WHO WE ARE CONTINUED

OUR VALUES

Our values define our culture and guide us in our daily business interactions with each other, internally, and with all our external stakeholders.

Champion the customer
We understand our customers' needs, and give them the experience we would want.

Agile Innovation that makes a difference
By listening to how our customers react to what we offer, we continuously drive improvement of our interactions, products and services.

Respect for each other and communities we serve
We objectively listen to and value each others' perspectives and views.

Always act with integrity
We lead with truth and honesty, always doing what is right.

The power of diversity and inclusion
We build and work across diverse teams, embracing different strengths and talents.

Trust and accountability
We are responsible and transparent by owning our commitments and promises.

OLD MUTUAL DOING GREAT THINGS EVERY DAY

1. Purpose led technology

- **1.1 million active digital customers**, representing **34% growth**
- **Awarded second and third place** at the **2021 BCX Digital Innovation Awards** for Comma Insure and SMEgo, respectively
- **Finalist in the Modern Identity Champion Award** from Ping Identity for efforts taken to modernise legacy system solutions for existing investments
- Old Mutual won the **CEO's Choice Pinnacle Award EMEA** from Blue Prism for the use of digital workforce in assigning roles in the business
- **Finalist for the Digital Transformation Award** in the IDC Inaugural Best of Future of Digital Innovation
- **>10 000 unique advisers** accessing Old Mutual Protect (OMP) with **5 000 daily visits**
- **> 1.4 million tax certificates** accessed across our digital platforms

2. Engaged employees

- **Ronald Richman**, chief actuary at Old Mutual Insure, awarded the highly acclaimed **Brian Hey prize 2021** for actuarial research (IFoA in the UK)
- **Celiwe Ross**, Human Capital Director, nominated for **Exceptional Chief Human Resources Officer award**
- **Ranked 613** in Forbes' best employers list. The Group was among the top 5 South African companies included in the list

3. Customers' first choice

- **Best fund of the funds over 5 years** awarded to Old Mutual Multi-Managers Long Short Equity FoHF at the HedgeNews Africa Awards **fourth consecutive year**
- **Ranked 98th** in the **2021 Top 100 Global Insurance Brands** and was the only African brand in the Top 100
- **1.3 million rewards** members with > 1 million being customers

4. Caring

- Old Mutual Limited and Old Mutual Insure **retained Level 1 B-BBEE** accreditation for the 2021 verification period
- Old Mutual Investment Group named **Best ESG Responsible Investor – Africa 2021** by Capital Finance International, a UK-based journal

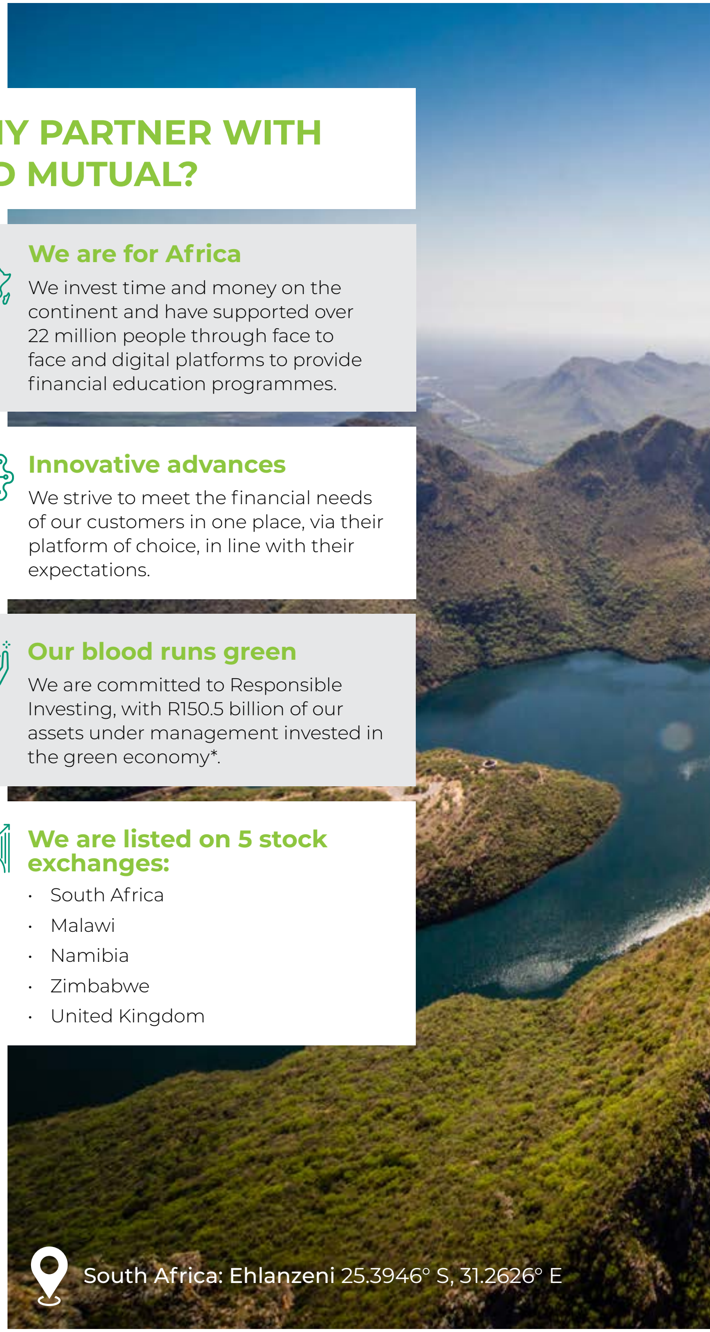
WHY PARTNER WITH OLD MUTUAL?

We are for Africa
We invest time and money on the continent and have supported over 22 million people through face to face and digital platforms to provide financial education programmes.

Innovative advances
We strive to meet the financial needs of our customers in one place, via their platform of choice, in line with their expectations.

Our blood runs green
We are committed to Responsible Investing, with R150.5 billion of our assets under management invested in the green economy*.

We are listed on 5 stock exchanges:
- South Africa
- Malawi
- Namibia
- Zimbabwe
- United Kingdom



* *The green economy refers to socially inclusive, low carbon and resource efficient investments*

THE CORE OF WHO WE ARE CONTINUED

MEETING OUR CUSTOMERS' NEEDS

We recognise the interconnectivity between the economic, social, and environmental systems we operate in, and this determines our approach to sustainability. This interconnectivity also highlights the global urgency to transform our collective growth path to be socially inclusive, low carbon and resource efficient.

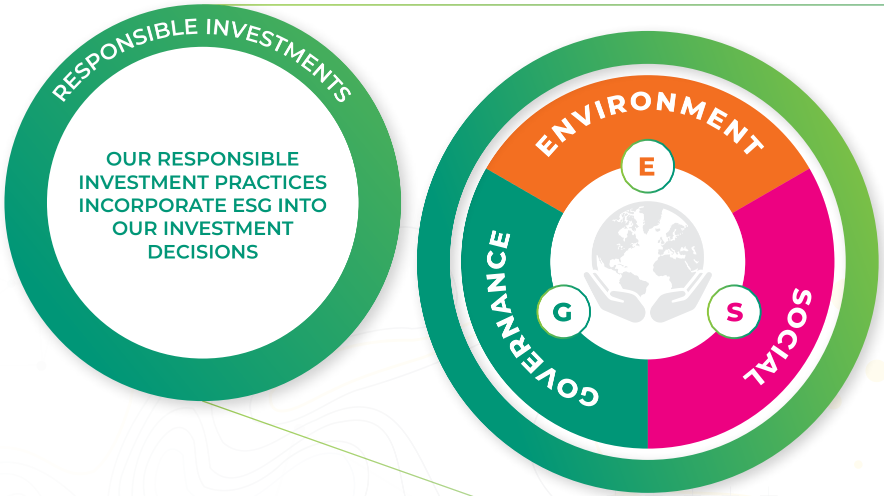
Botswana: Shakawe 18.3673° S, 21.8390° E

SUSTAINABILITY

Our business' approach to sustainability is shaped by our core business activities and competencies, the material Environmental, Social and Governance (ESG) issues impacting our business and our stakeholders, as well as a deep commitment to acting responsibly and treating all stakeholders fairly. Our 2020 Responsible Business Impact Report highlighted the progress we made on our seven Responsible Business focus areas which underpin our Truly Mutual strategy. Our businesses' strategic objectives encompass the consideration of the impact of our actions and duty to build sustainable businesses.

In 2021 we developed our Sustainability Framework to articulate how we align our sustainability agenda in all the countries we operate in to our vision of 'becoming our customers' first choice to sustain, grow and protect their prosperity'. Delivering on this vision enables us to responsibly and sustainably build the most valuable business in our industry. Our Responsible Business focus areas remain relevant and are incorporated into the Sustainability Framework.

OUR SUSTAINABILITY COMMITMENTS



ENVIRONMENT

Our commitment to responsible environmental practices, specifically related to climate change.

We are responding to the challenges posed by climate change by focusing on the decarbonisation of our operational footprint and our proprietary and client investment portfolios.

Refer to the Sustainability Report 2021 Refer to the Climate Report 2021

GOVERNANCE

Our commitment to good corporate governance and ethical leadership.

We believe that good corporate governance is fundamental to the success, sustainability and legitimacy of our Group. Our Group Governance Framework drives top down governance and our organisational ethics and values set the standards for our corporate governance. Our strategy is supported by sound risk management principles and processes. We take our role to contribute to the prevention of financial crime seriously. We believe in transparency in the disclosure of our responsible remuneration policies and practices as well as our approach to the responsible management of our tax affairs.

Refer to the Remuneration Report 2021
Refer to the Corporate Governance Report 2021
Refer to the Tax Transparency Report 2021

SOCIAL

Our commitment to our key stakeholders:

CUSTOMERS COMMUNITIES EMPLOYEES
INTERMEDIARIES INVESTORS REGULATORS

We believe the key to addressing poverty, inequality and unemployment over the long term lies in education and job creation.

We contribute to education, skills development, and entrepreneurship initiatives across all the countries in which we operate. Our financial education and inclusion initiatives are aimed at increasing financial literacy in our **communities**, to shift financial behaviour towards economic transformation and inclusion. Our core savings and protection solutions as well as our ongoing efforts to deliver sound advice to our customers, are at the centre of this approach.

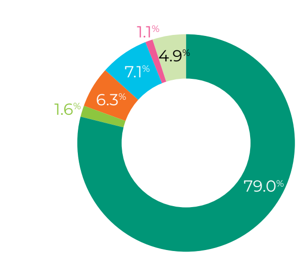
Refer to the Sustainability Report 2021

OVERVIEW OF OUR BUSINESS

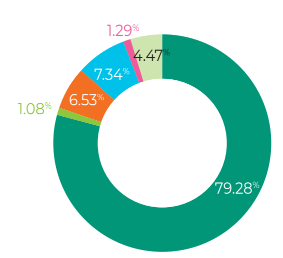
Old Mutual is a financial services provider anchored in Africa and we have been serving our customers and communities for 176 years.

INVESTORS*

2021



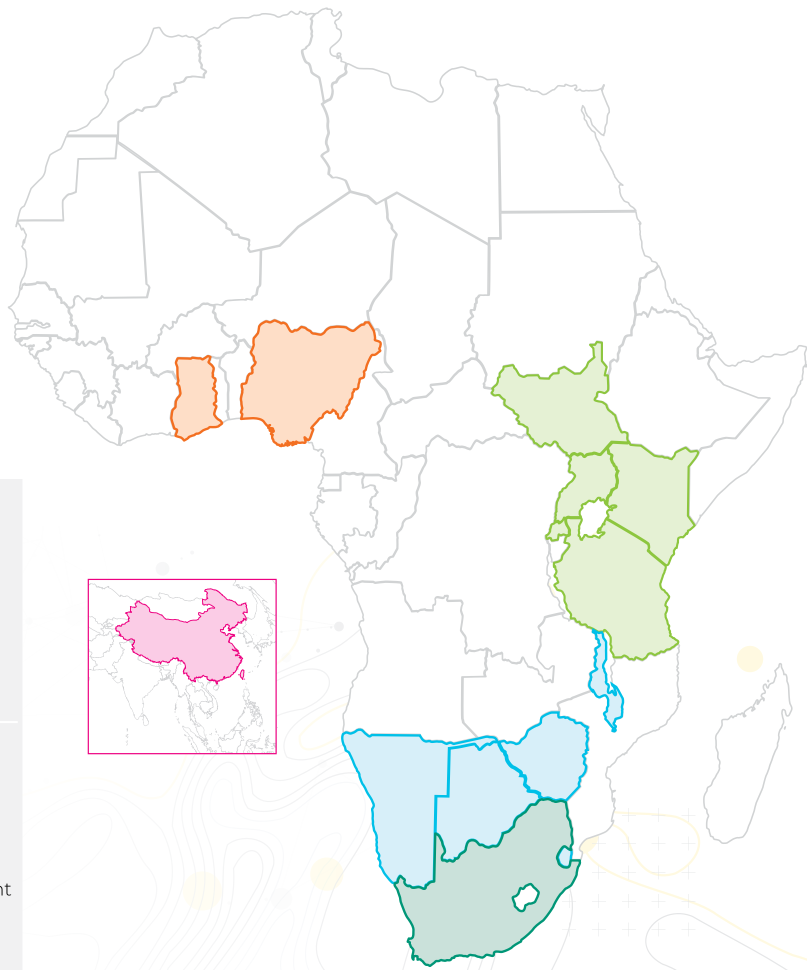
2022



First South African Insurer to join the Net Zero Asset Owner Alliance	**Level 1** B-BBEE	**12.1 million** Customers
R150.5bn Total investment in socially inclusive, low carbon and resource efficient investments	**28,837** Employees	**R1.3 trillion** Funds under management

In China, we provide life insurance and investment solutions to high net worth retail customers through a 50:50 joint venture with the China Energy Capital Holdings, a subsidiary of China Energy (a State Owned Enterprise).

Operating in 14 countries



Region	Countries	Tied Advisers	Employees	Customers
SOUTH AFRICA	South Africa	9,053	21,362	6.2m
SOUTHERN AFRICA	Namibia, Botswana, eSwatini, Malawi, Zimbabwe	888	2,944	2.3m
EAST AFRICA	South Sudan, Kenya, Uganda, Rwanda, Tanzania	1,391	3,331	1.6m
WEST AFRICA	Ghana, Nigeria	316	844	1.8m
ASIA	China	54	356	0.2m

* *The data disclosed above is based on a threshold, investors below this threshold are included as "Other". "Individuals" are based retail investors and do not include retail brokers. This data only relates to the United Kingdom and South Africa listings.*

OVERVIEW OF OUR BUSINESS CONTINUED

MEETING OUR CUSTOMERS' NEEDS

To meet the various needs of our customers, we offer a wide range of products and services through various distribution channels. We deliver our products and services through six main operating segments which are structured to deliver our solutions in line with our customer needs.

Kenya: Amboseli National Park 2.6527° S, 37.2606° E

OUR LINES OF BUSINESS

LIFE AND SAVINGS

Protection solutions for certain risk events including life, critical illness, disability and funeral cover. Long-term savings solutions include retirement and traditional savings products.

ASSET MANAGEMENT

Retail savings and investment products including unit trusts and institutional capabilities across all major assets classes, including listed and unlisted equity, credit, fixed income, property and infrastructure.

PROPERTY AND CASUALTY

A range of short-term insurance solutions for loss of property liability and cover for personal, commercial, specialty and credit risks.

BANKING AND LENDING

Wide range of banking and lending solutions including unsecured lending and simple retail banking solutions. Structured credit through our Specialised Finance division.

OUR DISTRIBUTION CHANNELS

We leverage technology and digital platforms to help us deliver on our goal of being always present first for our customers and advisers. Our digital capabilities are available on the web, mobile app, cellphone commerce channels such as WhatsApp and USSD. This gives our customers the greatest choice, progressing towards creating consistent omnichannel experiences.

Tied and independent intermediaries	ATMs	Active digital users	Retail branches	Worksites
38,737	201	1.1 million	871	47,226

OUR SEGMENTS

Our operating segments provide a broad range of customers with the advice and solutions they need to strengthen their financial wellbeing.

MASS AND FOUNDATION CLUSTER

Provides simple financial products to retail customers in the low income and lower middle income markets.

Read more on page 67

PERSONAL FINANCE AND WEALTH MANAGEMENT

Provides holistic financial advice and a full range of insurance and investment solutions to retail customers in the middle income and high net worth markets.

Read more on page 69

OLD MUTUAL INVESTMENTS

Provides a broad range of asset management solutions and services to retail and institutional investors.

Read more on page 71

OLD MUTUAL CORPORATE

Provides group assurance, investments and advisory solutions to Enterprises and SMMEs.

Read more on page 73

OLD MUTUAL INSURE

Provides a comprehensive range of short-term insurance solutions to retail and institutional customers.

Read more on page 75

REST OF AFRICA

Operates in 12 countries across the African continent, offering a broad range of financial solutions to retail customers, corporates and government institutions.

Read more on page 77

OUR STAKEHOLDERS

We engage with a variety of stakeholders. The material relationships disclosed here are those that either have a significant level of influence or interest in the Group.

Our commitment extends to addressing all material matters impacting our stakeholders across all our businesses, in all the regions where we have operations, ensuring that we are accessible through our various engagement platforms. The various committees assist the Board with the oversight and reporting of material matters related to the Board focus areas.

OUR STAKEHOLDER ENGAGEMENT APPROACH IS DRIVEN THROUGH:

1. Uniform Corporate Narrative – which drives the way we communicate the needs and expectations of all our stakeholders
2. Corporate Governance – driven through the Stakeholder Relations Framework, a requirement contained in King IV Corporate Governance Guidelines
3. Impactful Engagements – driven through an intentional, integrated, and proactive stakeholder offering across our themes

OUR MATERIAL STAKEHOLDERS

- CUSTOMERS
- COMMUNITIES
- EMPLOYEES
- INTERMEDIARIES
- INVESTORS
- REGULATORS

THE BOARD'S POLICY IN TERMS OF STAKEHOLDER RELATIONS

The Board is committed to understanding and responding to the interests and expectations of all our stakeholders. There is a Stakeholder Relations policy in place, in terms of which we govern, manage, and monitor stakeholder relationships.

In terms of this policy, all material decisions must explicitly consider the impact on our stakeholders and the organisation. The principles of consistency and transparency must be observed in our reporting of all our stakeholder dealings.

The boards of our subsidiaries across the continent adhere to the Group's stakeholder relations policy and ensure all the applicable requirements are implemented and complied with. Subsidiary boards must ensure local regulatory requirements are included in their policy implementation.

Subsidiaries are responsible for escalating identified material stakeholder related risks, including control breaks and/or non-adherence with policies.

GOVERNING STAKEHOLDER RELATIONSHIPS

The Responsible Business committee shapes our relationship with our stakeholders and how we relate to corporate citizenship as a Group, while Old Mutual Life Assurance Company (South Africa)'s Committee for Customer Affairs focuses on our relationship with our customers.

These committees are responsible for oversight over effective stakeholder engagement and management on behalf of the Board, and in line with policy, governance codes and best practice.

Refer to the Corporate Governance Report

MANAGING OF STAKEHOLDER RELATIONS

Our dedicated central stakeholder relations function is responsible for the implementation of the requirements and deliverables as contained in the stakeholder relations policy.

This ensures we observe effective industry and international governance practices in managing and responding to the requirements and views of our stakeholders.

South Africa: Outeniqua Pass 33.8864° S, 22.3991° E

OUR STAKEHOLDERS CONTINUED

South Africa: Phalaborwa 23.9424° S, 31.1409° E

WHY ARE THESE STAKEHOLDERS IMPORTANT TO US?	WHAT ARE THEIR CONCERNS/ INTERESTS?	HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS IN 2021?	CHANNELS USED TO ENGAGE OUR STAKEHOLDERS
CUSTOMERS Our customers generate revenue, through the purchase of our products and services. We offer our customers quality advice and fairly priced products to help them meet their needs and achieve their financial goals. Our competitive advantage leverages providing our customers with financial education and inclusion initiatives to encourage saving, investing, credit behaviour and retirement readiness.	• Innovative and flexible product solutions • Competitive and transparent pricing • Omnichannel experience and ease of use • Fast and efficient customer service • Responsible and appropriate advice • Relief in times of significant financial difficulty	• Launched new products and initiatives to enhance our customer proposition • Provided value for money financial solutions to our customers in a responsible way • Enhanced our digital platform channels to drive digital engagement • Used robotics to simplify our processes, giving back time to customers through reduction in servicing and processing time • We continuously send our intermediaries on customer experience training • Embedded customer proposition market conduct framework in our day-today operations • Continued to monitor the impact of the pandemic on our customers	• Traditional distribution channels (including branches and worksites) • Digital apps and tools • Media channels • Annual and interim reports • Newsletters • E-mails
INTERMEDIARIES Our intermediaries serve as a crucial link between our customers and us. By establishing relationships with new customers, providing appropriate advice based on their needs, and providing a service to them through a combination of face-to-face and digital channels, they optimise and enhance the customer experience. They play a vital role in attracting new business and in retaining existing customers.	• Ease of doing business • Digital capabilities that enable engagement sales, and servicing • Product and regulatory training • Fair incentives that reward efforts • To be associated with a brand which delivers on its promises	• Improved our digital servicing capabilities, such as tracking tools, and sales and servicing platforms, to drive ease of use of our digital solutions • Provided ongoing training to improve the experience of our intermediaries • Continue to provide market related incentives and rewards to our intermediaries	• Branches and worksites • Digital apps and tools • Conferences, roadshows, and bespoke events (Online and face to face) • Annual and interim reports
EMPLOYEES Our people are our greatest competitive advantage, and their welfare is our highest priority. We rely on our highly motivated and engaged employees to put our customers first in everything they do and to act as brand custodians, enabling us to execute on our strategic priorities and generate long-term value for our investors.	• Competitive reward structures and benefits • Career growth and development • An inclusive culture that is safe and enabling • Addressing mental health and overall wellness • Flexibility – work/life balance	• Benchmarked rewards to Industry and linked to business performance and outcomes • Invested in various employee skills development and mentorship initiatives, including agile and other technical courses • Facilitated culture surveys and workshops, and were responsive by implementing initiatives and programmes that drive inclusivity, diversity and a safe working environment • Conducted multiple wellness initiatives • Piloted a hybrid model that creates flexibility for employees to work from home or the office, to come into effect in 2022 • Continued to monitor the management of the impact of the pandemic on well-being of our employees	• Workday, our digital human capital technology solution • Surveys • Internal communications • Management roadshows and town hall meetings • Annual and interim reports

OUR STAKEHOLDERS CONTINUED

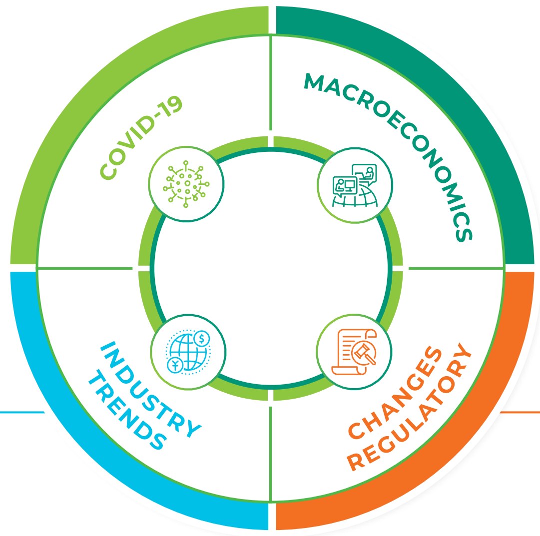
Uganda: Bwindi Impenetrable Forest 1.0521° S, 29.6201° E

WHY ARE THESE STAKEHOLDERS IMPORTANT TO US?	WHAT ARE THEIR CONCERNS/ INTERESTS?	HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS IN 2021?	CHANNELS USED TO ENGAGE OUR STAKEHOLDERS
INVESTORS We rely on our investors for financial capital so that our operations can compete in their chosen markets and support sustainable growth. Through them, as a financial services provider on the African continent, we are able to contribute positively to our customers and communities.	· Long-term sustainable financial returns and distributions · Appropriately capitalised balance sheet to protect against downside shocks · Clear strategic direction and consistency in operational execution · Experienced management team · Transparent reporting and disclosures · Strong financial control environment including corporate governance and ethics frameworks	· Cash dividends paid of R3.6 billion · R10.7 billion paid as dividend in species resulting from the Nedbank unbundling · Interest paid to debt holders of R645 million · Improved Return on Net Asset Value to 9% · Headline Earnings per share increased by 41% to 163.8 cents · Maintained a well capitalised balance sheet with 184% in Group solvency ratio · Strong delivery on our operational objectives and the Truly Mutual strategy · Expanded the management team skills and experience with the appointment of Zureida Ebrahim · Maintained transparent reporting and disclosures in line with our reporting standards and internal policies and procedures	· Digital apps and tools · Media channels · Annual and interim reports · Annual General Meeting's · Investor roadshows · SENS announcements
COMMUNITIES We recognise the interdependence between ourselves and the communities we serve. We go beyond our operations and focus on contributing to socio-economic development that is impactful and sustainable to uplift our communities.	· Financial education and inclusion · Skills development and employment opportunities · Access to supplier development opportunities · Community development · Education support · Access to funding programmes · Climate change activism	· Engaged over 22 million individuals through our financial education initiatives · Launched the SMME Accelerator Programme to enable the funding of SMEs through SMEgo · Supported communities through various initiatives, such as investment in primary and secondary school education, skills development initiatives, community rebuilding initiatives, food relief initiatives, and COVID-19 vaccination programmes	· Media channels · Annual and interim reports · Community projects and campaigns · Thought leadership podcast series on Responsible lending
REGULATORS	· Compliance with regulations · The effectiveness of the control functions · The Board's activities relating to the COVID-19 pandemic and the impact of the July 2021 civil unrest on Old Mutual · Nedbank unbundling · External audit and key external audit findings	· Maintained our solvency capital at levels above regulatory requirements · Detailed risk management and controls systems and performed a self-assessment for Actuarial, Risk and the Compliance functions · Held our Group's human capital annual strategy session where succession plans for senior management are reviewed and discussed · Focused more on dealing with future pandemics as part of business as usual, with management taking the requisite steps to risk-proof the business · Provided an updates on the unbundling of the Group's 12.2% stake in Nedbank · Completed the Group's annual audit effectiveness survey, and responded to the key external audit findings of the 2020 financial year-end and the areas identified for improvement	· Direct communication including submissions of required report, attendance of meetings

OUR OPERATING CONTEXT

The economic performance of emerging market economies since the onset of the pandemic has varied considerably. Government balance sheets have mostly weakened as the pandemic-induced recession reduced revenues; and expenditures grew as countries provided support to their populations while their economies stalled.

- Digitalisation
- Non-traditional market entrants and the rise of ecosystem based business models
- The new world of work
- The conscious consumer
- The need for financial inclusion in Africa
- Partnering for success



- SA conduct standard
- SA directive for conduct
- SA FSTC Guidance Notes
- Taxation amendments
- Indigenisation
- IFRS17

COVID-19

Africa's general struggles with fragile fiscal conditions, weak economic growth, rising unemployment, poor GDP per capita growth, and mounting public debt was exacerbated in 2020 with the advent of COVID-19 and the lockdown measures that shortly followed. As it continued into 2021, the COVID-19 pandemic has created acute changes in the global market.

The shock of the pandemic has been wide-reaching, and concerns due to poor health care systems, limited resources and economic and spatial constraints on social-distancing measures remain. Further, slow vaccine dissemination and hesitancy among populations remain a serious risk to preventing worsening economic outcomes in the face of vaccine-resistant strains of the virus.

The COVID-19 pandemic has taken a toll on human life and has raised concerns related to well-being, poor work-life balance and burnout caused by the ongoing work from home environment. This is a significant consideration in forming the future of how we work. While there was mixed preference with regards to working from home or from the office, we plan to introduce a hybrid work model in 2022 which will result in a lower carbon footprint from our employees and for our company.

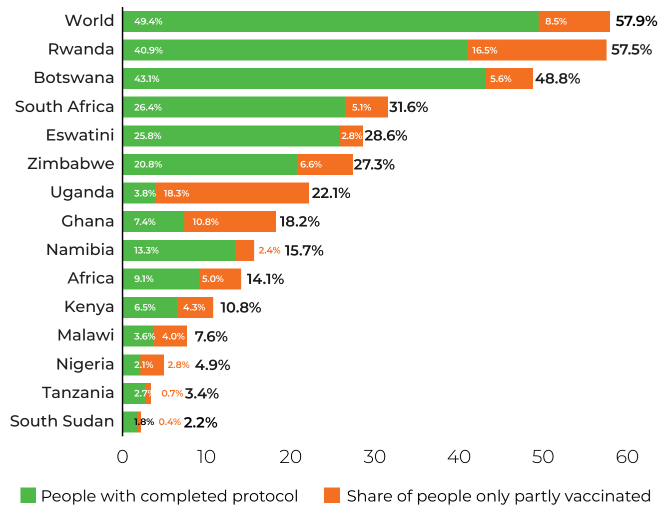
The South African Government approved and made vaccines available to all South Africans over the age of 12. However, vaccine hesitancy has been a challenge. In our continued drive to empower, educate and encourage people to make informed choices to protect tomorrow, we have launched initiatives that encourage people to get vaccinated. In partnership with Netcare we opened a vaccination centre in our MutualPark offices with the capacity to administered 3,500 vaccines per day. Our approach in supporting the communities we operate in against the devastating effects of COVID-19, was to ensure that we are fully supportive of governments' mandate to deliver, administer and manage vaccinations across our businesses on the continent.

COVID-19 elevated all our business operations and strategic risks. While infection rates are expected to continue to decrease, the mitigating responses introduced in 2020 have become a part of "business as usual" as we acknowledge the medium to long term impact of the pandemic. This is reflected in our scenario assessments, which reflect a healthy financial and liquidity position and has been embedded in our strategy and risk approach. Robust economic recovery, aided mostly by favourable commodity prices and demand, in the second half of 2021 led to no material changes relating to our risk assessment and strategy in the short-, medium- or long-term time horizons.

COVID-19 also created opportunities to compensate for revenue concentrations within our business models, and the necessity to constantly develop alternate revenue streams to support sustainable growth. The pandemic highlighted the importance of process automation and efficiency in meeting our customers' service expectations, so we expanded our digitised customer and intermediary service models, emphasising efficient processing and claims payment and continue to do so.

For more information on South Africa COVID-19 experience, read more in the performance section on page 59

People vaccinated against COVID-19, Dec 31, 2021



Source: Official data collated by Our World in Data
Note: Alternative definitions of a full vaccination, e.g. having been infected with SARS-CoV-2 and having 1 dose of a 2 dose protocol, are ignored to maximize comparability between countries.

OUR OPERATING CONTEXT CONTINUED

MACROECONOMIC

The easing of stringent lockdown conditions in 2021 and continued policy support contributed to the strong GDP growth rebound across Africa. Healthy growth was recorded in 2021 in Botswana, eSwatini, Kenya, and Rwanda relative to the slump in growth experienced in 2020. Growth in South Africa similarly rebounded from -6.4% in 2020 to +4.9% in 2021.

South Africa's pre-pandemic growth was only an average 1% per year over the five years to 2019, significantly below the average growth rates seen across emerging and developing economies. The impact of COVID-19 resulted in a greater concentration of job losses among low income and unskilled earners. This, together with other factors such as generally high unemployment, extreme poverty, and political infighting contributed to the July 2021 civil unrest experienced in parts of South Africa. High unemployment levels and continued political volatility could potentially fuel further social unrest and instability.

South Africa's special COVID-19 social relief of distress grant was extended to March 2023, although overall grant spending is expected to increase by less than inflation in 2021–2022. This grant has provided significant economic relief to low income groups, as evidenced in the Bureau of Economic Research's Consumer Confidence survey, with low income groups reporting an improvement in their household finances.

The public sector wage bill remains a key downside risk to keeping the fiscus in check. The proposed budget targets an average annual increase of only 1.8% over the next three years. While this is likely to be met with strong opposition from public sector unions, government has shown their ability to keep wages in check by not raising wages in 2020, and in 2021 only granting pay progression increases of 1.5%. While slow public sector wage growth is not good news for consumers, it is no longer a surprise to public sector employees as it was in 2020 and 2021.

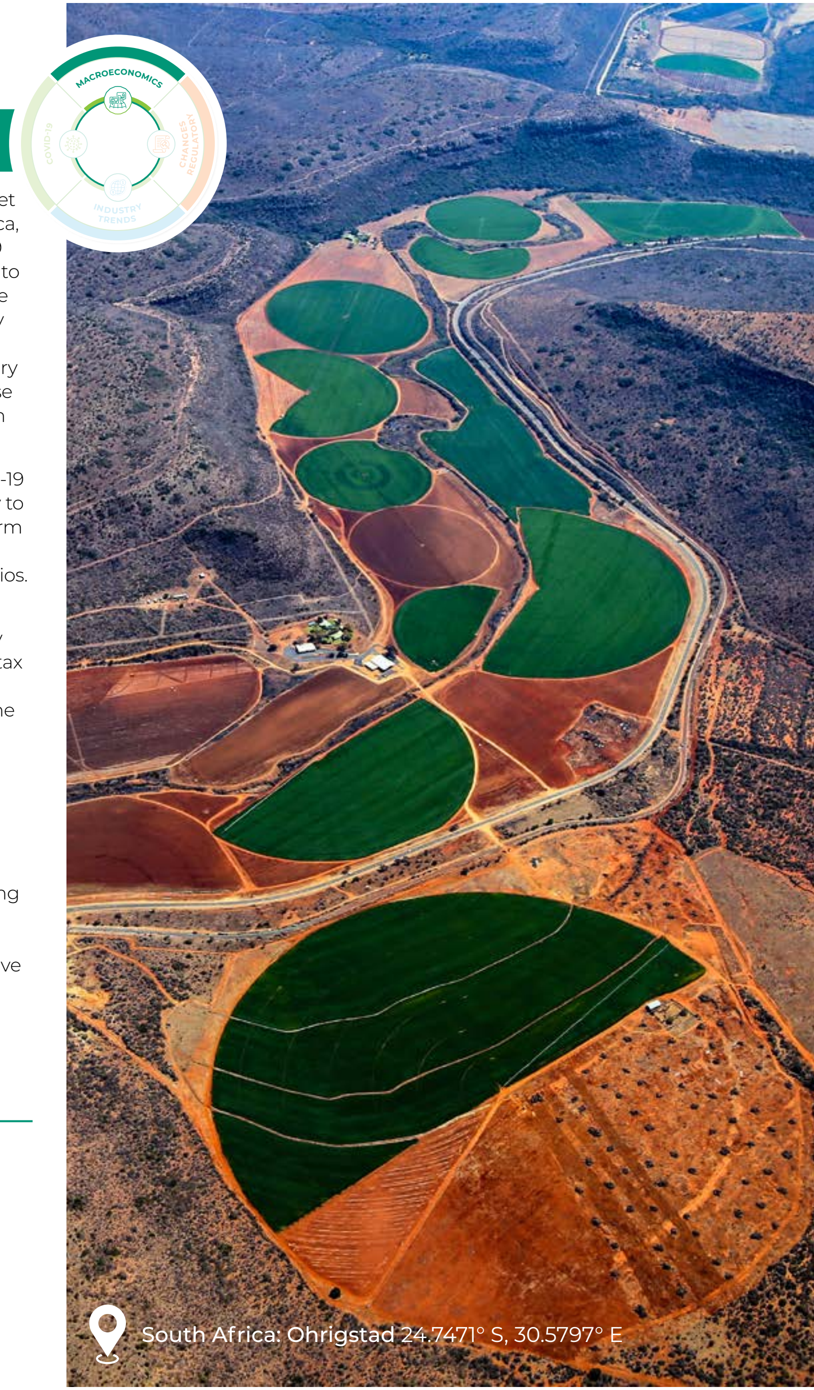
Looking at global trends, we have witnessed a surge in inflation across emerging and developing economies, driven primarily by higher commodity prices, supply chain disruptions, labour shortages, and relatively strong demand for goods as economies reopen post lockdowns. Closer to home, we continue to experience hyperinflationary conditions in Zimbabwe, mostly due to specific issues in that economy.

The result of these inflationary pressures has been that emerging market central banks started the interest rate hiking cycle in 2021. In South Africa, interest rates were cut sharply early in 2020 in response to the COVID-19 crisis. The first hike in the cycle occurred in November 2021. In response to rising inflation and the Reserve Bank's concern that this will in turn drive inflation expectations, another six hikes of 25 basis points each, are likely in 2022. Even though further rate hikes are likely in 2023, interest rates will likely still be lower by the end of 2023 than what prevailed in February 2020 before the start of the emergency rate cuts. This moderate increase in interest rates is not expected to have a significant negative impact on economic growth.

African countries have a heightened risk of default following the COVID-19 pandemic which has decelerated growth and thus impacted the ability to keep budgets under control. In the long-term structural economic reform is required to sustainably uplift economic growth in order to ultimately boost tax bases, cut budget deficits, stabilise and lower debt to GDP ratios.

In South Africa, growth in debt-service costs has outpaced all other expenditure growth. Better than expected growth in 2021, the upwardly revised nominal GDP, very conservative budgeting, strong increases in tax revenue (largely mining income tax thanks to high commodity prices), and expenditure control has helped to significantly reduce fiscal risk. The debt-to GDP-ratio is now expected to stabilise at (or even below) 75%, versus the 95% that was expected in October 2020. This is a significant improvement and it is now likely that South Africa will not experience further downgrades on its current ratings.

The improving environment in South Africa in relation to politics, policy reform, significant energy investment in the pipeline – which should sharply reduce loadshedding risk over the next few years – and improving confidence levels is expected to continue lifting the average annual economic growth rate to a more sustainable level of around 2.5%, a significant improvement on the 1% average annual growth rate in the five years to 2019.



OUR OPERATING CONTEXT CONTINUED

REGULATORY CHANGES

We support all of the regulatory and reporting standard advances that promote financial stability, encourage uniform market practices and the fair treatment of customers. This increases the cost of doing business and the risk of non-compliance, therefore we have strengthened our compliance capabilities to mitigate this risk.

IFRS 17

IFRS 17 is the new international financial reporting standard which presents the change to insurance accounting requirements, replacing IFRS 4 Insurance contracts. IFRS 4 has allowed insurers to use different accounting policies to measure similar insurance contracts, while IFRS 17 provides consistent principles for accounting for insurance contracts in different countries. It removes existing inconsistencies and enables investors, analysts and others to meaningfully compare companies, contracts and industries.

The original effective date of 1 January 2021 has been moved to 1 January 2023 by the International Accounting Standards Board.

Refer to the Annual Financial Statements 2021

Key regulatory developments in South Africa (SA) in draft during 2021 included:

SA conduct standard

- **Payment of pension fund** prescribes the minimum information to be furnished to a fund by an employer with regards to payments of contributions made by them; the rate of interest payable on arrears contributions and notification and reporting obligations on the board of a fund, principal officer or other authorised person where there is a contravention of or non-compliance with the requirements of the Act.
- **Retirement fund reform** seeks to improve the level and coverage of retirement savings, while reducing the cost of retirement savings to customers. Recent updates include – retirement funds must offer default preservation funds, defined contribution retirement funds must have appropriate default investment portfolios, there must be better annuity choice and all underpinned by active member involvement.
- **Retail distribution review** (RDR) is a change in regulation that provides greater clarity about different types of financial services available. It also seeks to improve transparency around the costs and fees associated with financial advice and impacts the intermediary by moving away from upfront commission to as-and-when commission and fee based remuneration for intermediaries.
- **Smoothed bonus policies (guaranteed funds)** seeks to determine the conditions for smooth bonus policies to be considered as part of a default investment portfolio.

SA directive for conduct

- **Non-authorised Early Debit Orders –** Following the introduction in 2019 of a debit order system called the Debi-check by South African Reserve Bank, banks are required to request electronic authorisation directly from their clients. From 1 May 2021 – no more new non-authenticated early debit order (NAEDO) collection system mandates for new business will be accepted by the banks, only Debi-check will be allowed. The Group has followed the national time-line and stopped accepting NAEDO mandates.

SA FSTC Guidance Notes

- **Collective Investment Schemes Control Act (CISCA)** amendment was issued on determining costs, fees and charges which may be deducted from a collective investment schemes (CIS) portfolio by a CIS manager and which fall outside of the scope including listing fees, cost of claiming or receipt of foreign taxes, and bank charges.
- **Group reporting exemption** allows for the application and approval of an exemption for a financial services institution from measuring B-BBEE annually if part of a group.

Key changes to income tax during 2021

The South African Revenue Service (SARS) is expected to challenge the tax treatment of new and untested contractual arrangements between businesses and their customers as insurers respond to competition by differentiating themselves through innovative solutions.

- **Tax treatment of lump sum benefits paid by retirement funds:** an individual is entitled to claim a deduction of contributions made to all retirement funds for tax purposes which are subject to limitation. If the deduction is limited, the amounts are carried forward to the following year of assessment and can be claimed as a deduction in the following year of assessment.
- **Tax Directive: Emigration, Cease to be Resident and Expiry if Visas** amended the definitions of 'provident fund' and 'provident preservation fund' for the annuitisation of benefits on retirement.
- **Income Tax Rate –** The Minister of Finance proposed in the 2021 budget speech to reduce the corporate income tax rate from to 27% (from 28%) in 2022. This would affect the accounting for and determination of deferred tax, but there is uncertainty concerning the interpretation of when the measure is "enacted or substantively enacted".
- **Prepayments: The Supreme Court Case of Appeal**, the tax treatment of once-off cash incentive bonuses paid to commission earners and agents on the sale of initial policyholder contracts held that the expenditure may be claimed over the period which the true benefit is actually enjoyed. This may affect deferred acquisition costs.
- **Loyalty programmes: The Constitutional Court** – in determining whether a retailer was entitled to claim a section 24C allowance in respect of future expenditure to be incurred under its loyalty programme – held that the income earned on the sales contract with customers was not the same as the contract that customers entered into regarding the loyalty programme contract. The tax implication on Old Mutual Rewards is being considered.

Refer to the Tax Transparency Report

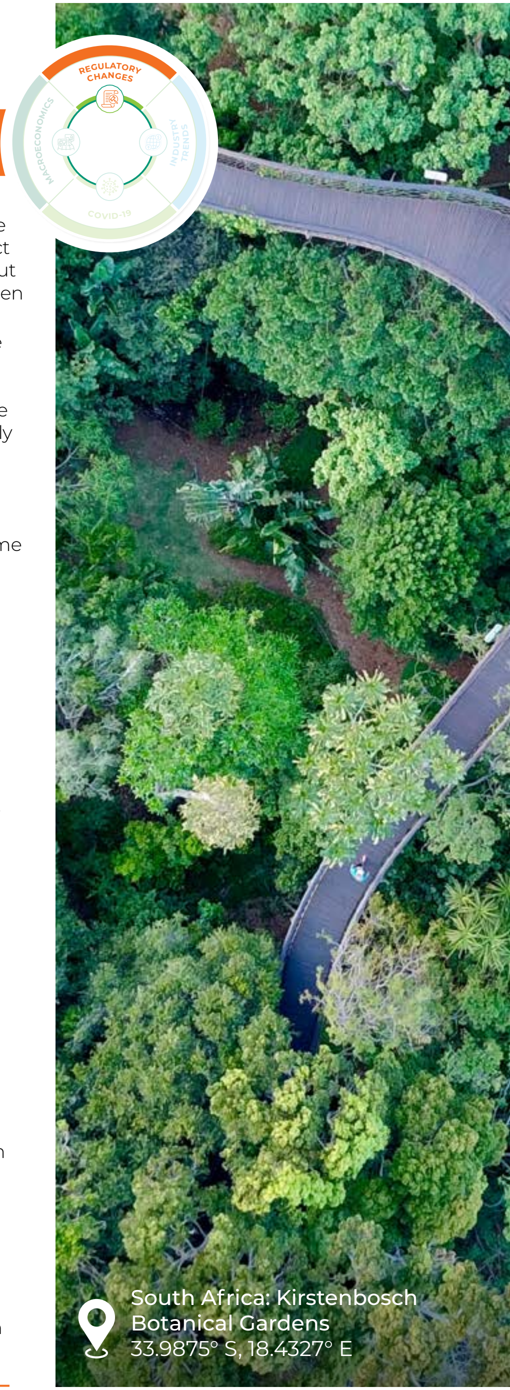
Other key regulatory developments expected to impact Africa:

- B-BBEE continues to be a key trend in financial services and asset managers remain under pressure to review their allocations. The top 100 South African funds have committed to allocate 25% of their assets specifically to B-BEEE asset managers with more than 51% black ownership. A New Equitable Economic Empowerment Draft Bill in Namibia was introduced to encourage the private business sector to become more equitable and make greater contribution to economic empowerment and transformation.

Consumer protection (Africa)

In Africa, there a is a growing focus on protecting consumer rights:

- In Malawi, the framework for market conduct regulation enforces proper treatment of customers at all stages of the product life cycle.
- In Nigeria, new principles relating to E-Commerce platforms have been put in place to protect consumers and to enhance consumer confidence.
- In Kenya, Government is planning to put a Data Protection Bill in place to enhance consumer protection in the country.



OUR OPERATING CONTEXT CONTINUED

INDUSTRY TRENDS

We have identified several fundamental trends impacting the financial services industry and transforming the landscape within which we operate. An important contributor across several of these trends is the technological revolution brought about by the Fourth Industrial Revolution, which has further accelerated as a result of COVID-19. These trends should not be viewed in isolation, as it is the confluence of these trends which have the ability to disrupt the broader industry. We monitor these on an ongoing basis to ensure that we remain agile in the execution of our long term strategy.

Digitalisation

Rapid technological advancements are causing significant disruption across the financial services industry, including the disaggregation of traditional value chains. COVID-19 has acted as a further catalyst for digital interactions. Customer needs and expectations are constantly evolving, requiring customised solutions and convenience in communication and engagement.

Non-traditional market entrants and the rise of ecosystem based business models

Digital and direct distribution is driving growth in simple products which do not require advice. Banks, as an example, continue to roll out integrated financial services strategies with the inclusion of insurance in their core offering. Digitalisation is also driving the disruption of traditional business models, with the emergence of large platform based ecosystems that deliver value based on shared outcomes.

The new world of work

Organisations have had to become more adaptive in response to both workforce and workplace changes in a post-COVID-19 world. The workforce has had to adapt to increasing levels of automation and technology shifts that require continuous reskilling and upskilling to remain relevant. Agile ways of working, including operating across cross-functional teams, is gradually becoming the norm. Employees recognise the value of flexible working options, including remote working, but still seek a human touch and sense of connection. Individuals are increasingly seeking meaningful employment that aligns to their personal values and purpose.

The conscious consumer

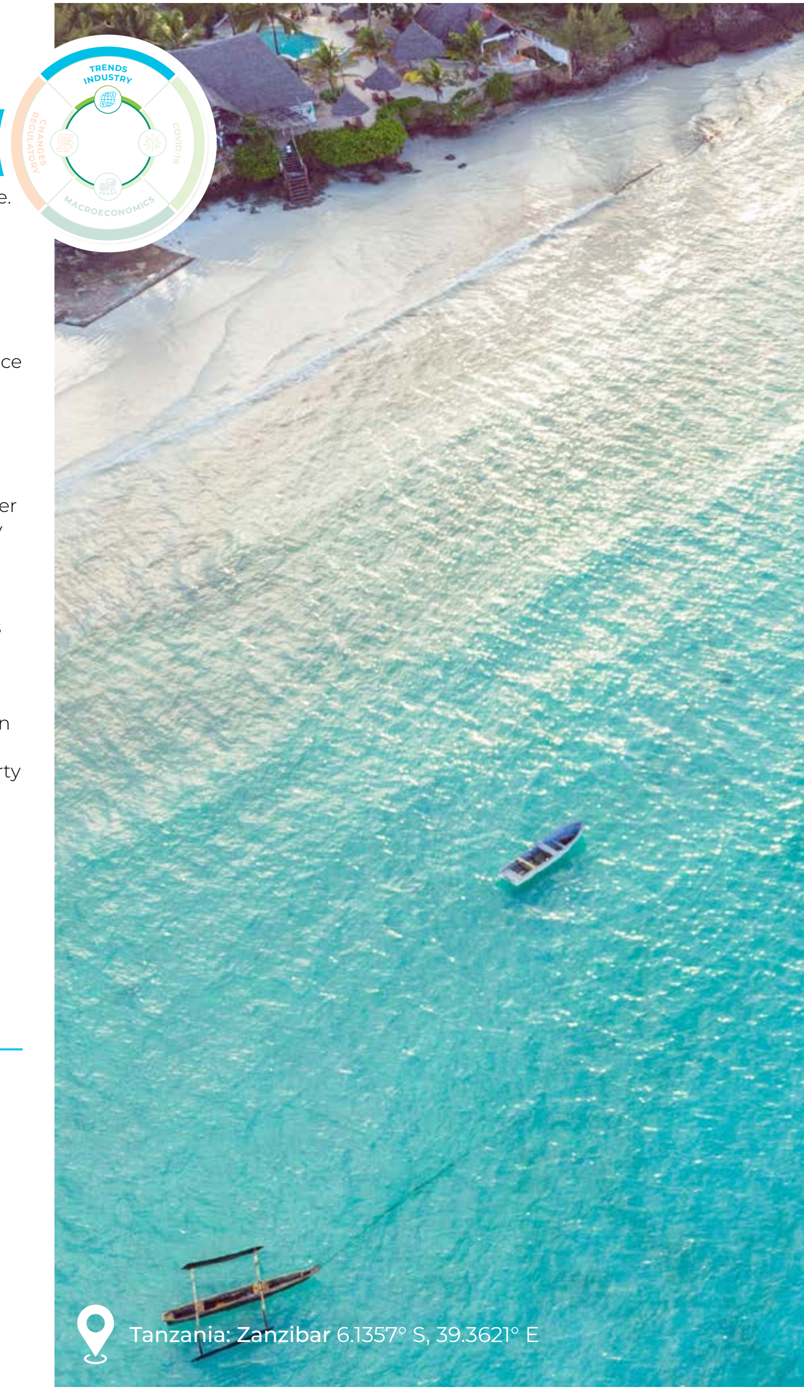
Conscious consumerism is a way of thinking that has gained prominence in recent years. The conscious consumer cares about transparency, how and where the companies they buy from source their products, and that the company operates in an ethical manner. A significant proportion of these consumers are in the younger age demographic of less than 40 years old. These consumers want to know the company behind the brand, its values, and what it does for society and the broader community. They are also willing to pay more for products from socially responsible companies.

The need for financial inclusion in Africa

Financial inclusion across sub-Saharan Africa has grown in recent years supported by innovative digital financial solutions, such as mobile money. Regulatory developments have also supported this by creating enabling policies to stimulate formal financial inclusion. However, formal inclusion, in the form of bank account and insurance penetration remains well below that of developed markets. Improvements in financial inclusion translated to societal benefits such as reduced poverty levels, inequality and more resilient communities.

Partnering for success

Collaborating with partners provides opportunities to deliver shared value. It leverages the strengths and capabilities of various role players to drive meaningful growth. In the broader macroeconomic context, the role of large corporates is evolving with the recognition that we can make a greater collective impact through public-private partnerships. Within the context of our core business operations, we recognise the importance of external partners to amplify our investments in growth.



Tanzania: Zanzibar 6.1357° S, 39.3621° E

OUR MATERIAL MATTERS

Material matters have the potential to significantly impact the Group's performance, our ability to create value for our stakeholders and influence our business model. Our material matters inform our strategy to manage and respond to risks and opportunities. These matters are expected to change over time as the macroeconomic environment changes, new trends develop, and the needs and expectations of our stakeholders evolve. COVID-19 has necessitated a change in the lens applied in assessing risk and opportunities for value creation and the responses to certain material risks.

IDENTIFY

In determining material matters which might impact the Group we consider:

1. Operational context Page 25
2. Risk management framework and our top risks Page 36
3. Expectations of our stakeholders Page 22
4. Strategy and related strategic delivery pillars Page 42
5. Our capital inputs and business model Page 41

RANK

We rank material matters according to likelihood and impact, while considering the relevance in the current operating context and the potential impact on the sustainability of our business.

OUR MATERIAL MATTERS

We have identified the following

- MUTED MEDIUM TERM ECONOMIC GROWTH IN SOUTH AFRICA
- CREATING EFFICIENCIES ACROSS THE WHOLE VALUE CHAIN
- BALANCED RECOVERY COUPLED WITH INORGANIC GROWTH OPPORTUNITIES
- DELIVERY THROUGH A MOTIVATED AND TALENTED WORKFORCE
- MEETING CHANGING CUSTOMER NEEDS
- BUILDING SCALE IN OUR SMALLER OPERATIONS

Relative to our 2020 Integrated Report, we see an improving trend for macroeconomic growth in South Africa and the recovery of our business performance, enabling increased emphasis on activities which amplify our growth. In addition, we continue to focus on achieving our targeted customer experience from point of sale to benefit payment through digitalisation and automation initiatives.

OUR MATERIAL MATTERS CONTINUED

MUTED MEDIUM TERM ECONOMIC GROWTH IN SOUTH AFRICA

The majority of our profits are earned from operations in South Africa due to a large customer base and the extent of products and services offered. Changes in the South African economic environment place significant financial pressure on customers. The economy remains under pressure as the lag effects of the pandemic and social unrest continue to hamper economic growth. Consequently, this could significantly impact our profitability primarily as a result of lower customer acquisition and retention levels, and lower returns and asset growth levels.

Rising consumer price inflation (>5%), fuel prices, rising interest rates, and high levels of unemployment will contribute to lower disposable incomes for our customers, particularly in the lower income market.

The South African fiscal position showed some improvement in 2021 attributable to the tax revenue windfall from the commodity boom, however, the short- to medium-term GDP forecast is muted, at roughly 2%. Debt is now projected to peak at 75% of GDP, significantly better than the 95% projected a year ago. Sovereign ratings are expected to have bottomed out, with Fitch affirming the country's BB- rating and upgrading the outlook to stable.

Nevertheless, the ability of government to manage national debt down to a sustainable level depends critically on the future growth of the South African economy.

In the absence of bolder action, State Owned Enterprises will continue to strain government finances, especially Eskom which relies on government guarantees to finance its operations.

Unemployment has been increasing globally since the 2008 Financial Crisis and has deepened due to the COVID-19 pandemic. The civil unrest in July 2021 served as a catalyst for reform to reduce rising unemployment and enhance service delivery. Institutional strengthening and a renewed emphasis on policy reform are essential to improve growth and economic confidence.

RISKS TO VALUE CREATION

- The growth outlook for Old Mutual is strongly correlated with growth in the underlying economy, which enables increases in real incomes and asset values. The potential for growth is there, but a more enabling environment is needed. Higher inflation could put pressure on disposable income, resulting in customers withdrawing savings and cancelling insurance policies.
- Increased loan payment defaults are also possible, which would have a negative impact on credit losses in our Banking and Lending Businesses.

OPPORTUNITIES TO CREATE VALUE

- In addition to our core tied distribution channels, we are working to increase our alternative channels (brokers, franchise, digital, and direct) to boost our reach and coverage in African retail markets.
- The one year strong investment performance on core funds needs to translate into a three- to five-year track record with brand elevation in the retail and institutional markets in order to attract substantial investment flows.
- Expectations of higher economic growth rates generally across the Rest of Africa, but especially East Africa (particularly Kenya), Ghana and Malawi present opportunities to grow these businesses and diversify the Group's revenue streams.

OUTLOOK

- There is still a great deal of uncertainty about the possible negative impact of future COVID-19 waves.
- Economic recovery has been patchy, remaining heavily dependent on fixed investment in private and energy sectors. Growth is likely to be slower in 2022, but still greater than pre-COVID-19 levels and less than what is needed to support higher levels of employment.
- The SARB is expected to continue a slow hiking cycle that is not expected to be detrimental to the economic recovery. However, improved SA growth remains premised on the political will to implement identified policy reforms.


South Africa: Cederberg Municipality
32.5891° S, 19.0118° E

OUR MATERIAL MATTERS CONTINUED

BALANCED RECOVERY COUPLED WITH INORGANIC GROWTH OPPORTUNITIES

Maintaining a suitable balance between sustained strategic investment and cost-cutting initiatives is vital to ensuring long-term value creation for our stakeholders. The pursuit of inorganic opportunities, including strategic alliances and partnerships, will be critical in influencing our growth trajectory in a positive direction.

RISKS TO VALUE CREATION

- We are unable to identify and integrate the appropriate inorganic growth prospects in a timely manner to reap the desired benefits.
- Customers and advisers do not adopt digital ways of working as promptly as we anticipate, undermining the expected cost savings across our operations.
- Large withdrawals owing to retrenchments and liquidations in struggling sectors, aggressive competitor action, and redirecting flows towards asset managers with B-BBEE credentials are the main challenges in the corporate segment.

OPPORTUNITIES TO CREATE VALUE

- Our ambitious sales targets are aimed at gaining market share through organic growth in traditional channels, growth from alternative distribution channels and strategic partnerships.
- The New Growth and Innovation Office was created to explore new revenue streams and capitalise on market possibilities and ecosystems.

Read more on page 55

- Our healthy balance sheet allows us to explore inorganic growth options, which have been identified across the Group and are in various stages of approval and execution.
- We will continue to simplify and streamline our processes and structures, as well as leverage data analytics to unlock savings and provide a better customer experience at a reduced cost.

OUTLOOK

- Our Retail Business performance has improved, and we are well positioned for future growth.

MEETING CHANGING CUSTOMER NEEDS

Meeting customers' changing needs and expectations requires flexible solutions as well as digital transformation and adoption while ensuring the security of information. Our approach to digital transformation should promote quick adoption by customers and intermediaries to ensure we maintain our market share and gain a long-term competitive edge.

RISKS TO VALUE CREATION

- Slow digital adoption rates among advisers and customers will mean we do not achieve the desired customer experience levels and cost savings.
- It may be difficult to realise the full potential of our data analytics and artificial intelligence capabilities due to the lack of recency of our customer data.

OPPORTUNITIES TO CREATE VALUE

- Using the MyOldMutual ecosystem, we can build a digitally enabled adviser force and boost digital engagement, sales, and servicing across all our core markets.
- Delivering end-to-end digitalisation and automation of customer journeys via MyOldMutual using data-driven insights and artificial intelligence.
- Driving financial inclusion through offering inclusive and reasonably priced product solutions.

OUTLOOK

- We will continue to embed the Old Mutual Protect product and to develop and launch new solutions to meet the evolving needs of our customers.
- We will further grow our data analytics capability to obtain more insights about our customers.
- We will continue to automate processes to improve the customer and intermediary service experience.

OUR MATERIAL MATTERS CONTINUED

CREATING EFFICIENCIES ACROSS THE WHOLE VALUE CHAIN

In a fiercely competitive world where everything is replicable, our strong face-to-face adviser team gives us a competitive advantage by delivering attractive propositions to our customers through personal service and advice. Automation and digitalisation are critical in developing our personalised customer experience from point-of-sale through to benefit payment, enabling our advisers to give a superior service, to create long-term value for customers and other key stakeholders.

RISKS TO VALUE CREATION

- Being ineffective in utilising new technology to transform service and operating processes for greater efficiency.
- With greater digitalisation, we become vulnerable to new cyber security and fraud risks.

OPPORTUNITIES TO CREATE VALUE

- To improve management of the end-to-end value chain, our Customer Solutions division has been co-located with our Servicing business.
- Adopting agile methods of working to simplify governance, delivery and execution.
- Deliver new operating models geared for cost efficient execution and seamless service experiences.
- Develop a workforce of the highest calibre with the right leadership, talent, skills and capabilities.
- Through unshackling ourselves from legacy systems, we drive simple, efficient and future fit solutions.
- Leverage our data platforms to improve the efficiency and relevance of our customer interactions.
- To use AI on medical and Motor Claims in Kenya, Uganda and Rwanda.

OUTLOOK

- Reduction in non-commission expenses and improved Return from Operations.
- Improved underwriting result on medical and motor lines in our Property and Casualty businesses across East Africa (Kenya, Uganda, Rwanda)
- Improved customer and intermediary experience.

DELIVERY THROUGH A MOTIVATED AND TALENTED WORKFORCE

Inspired by our purpose to champion mutually positive futures every day, our hybrid work model allows for the different functional roles to flex and optimise the balance between time-in-the-office and work-from-home. Our talent recruitment and development approaches ensure that we can attract and retain the emerging skills required to execute on both our operational and strategic objectives. All this is underpinned by a corporate culture which supports innovation, integrity and growth.

RISKS TO VALUE CREATION

- Insufficient attention by leadership and poor change management could result in the hybrid model being less effective than expected.
- As we accelerate the speed of change, both in business as usual and through critical programs, dependency on a core group of staff with critical skills across several key strategic programmes may result in delayed execution.
- The introduction of our mandatory vaccination policy to support the hybrid working model may result in the loss of talent, a negative impact on employee morale, and a drop in our people's discretionary effort.

OPPORTUNITIES TO CREATE VALUE

- Our Executive Committee's ongoing engagement in our strategy and the results we are achieving ensures commitment from our employees.
- To future-proof our Group, we must completely understand the skills that will be required to succeed in the future, and acquire and develop talent in a timely and relevant manner.
- With the successful implementation of the hybrid model and increased face-to-face involvement from Executive Committee and management, we are able to strengthen our leadership and raise our culture index score.
- Drive a culture of innovation and integrity which nurtures agility and growth, to enable the business to adapt and thrive in a fast changing environment.

OUTLOOK

- We will continue to provide regular information sessions, workshops and other initiatives that engage and motivate our employees and support them in all aspects of their wellbeing.
- We will continue to prioritise delivery across essential programmes to address resourcing challenges.

OUR MATERIAL MATTERS CONTINUED

BUILDING SCALE IN OUR SMALLER OPERATIONS

Despite increased regulatory capital requirements in several African countries, successfully scaling our activities in these regions remains appealing. These regions have greater economic growth potential than the muted South African market. We have de-risked our activities in Kenya by addressing the property and debt exposures which constrain their balance sheets and growth. We have made good progress with the merger of our businesses in Kenya to simplify our operations. Our businesses in Kenya are now well positioned for growth in both revenues and profits.

RISKS TO VALUE CREATION

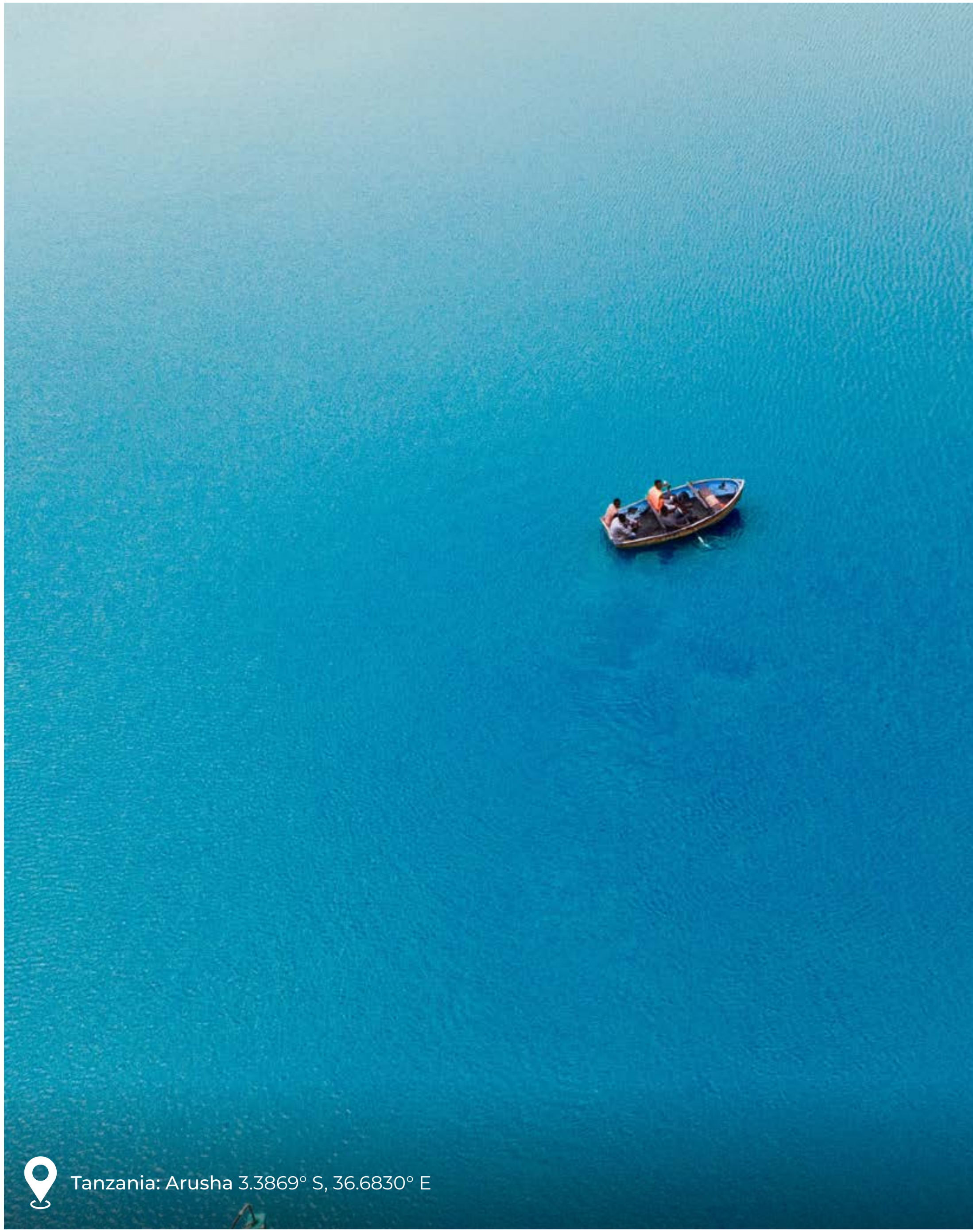
- Control improvements do not bring about the desired outcomes.
- Initiatives to reduce the time to market of new products, transition to digital processes, and increasing the efficiency of traditional life distribution channels take too long to produce the desired results.
- Mergers and acquisitions are not completed on time, or opportunities in our target markets are not recognised, slowing the time to achieve scale.

OPPORTUNITIES TO CREATE VALUE

- We are leveraging the control improvement plan in our Kenyan life businesses for the benefit of other East African subsidiaries and countries outside of Kenya, such as Malawi, Zimbabwe, and Nigeria.
- We have pivoted our life insurance businesses in East Africa, West Africa and Botswana to focus primarily on corporate rather than retail business.
- In our Rest of Africa operations, we are improving the product development process.
- We want to develop a new delivery capability for digital activities throughout the portfolio to increase responsiveness, digital marketing, and leverage off-the-shelf digital capabilities.
- We seek to drive merger and acquisition activities in targeted markets where we want to build scale inorganically.

OUTLOOK

- We continue to seek inorganic expansion opportunities for subscale entities in our Rest of Africa businesses.
- We also have detailed plans in place to enable organic growth across the region.



Tanzania: Arusha 3.3869° S, 36.6830° E

APPROACH TO RISK

Our Risk Strategy together with our Financial Management Framework informs our Truly Mutual Strategy thereby establishing an integrated link between our business operations, risks, and strategy. Our strategy follows a top-down approach and provides guidance on our risk-taking activities, types of risks we are focused on growing our exposure to, and those requiring reduction to sustainably deliver on our strategic objectives.

The Risk Committee is responsible for approving the Risk Strategy and Risk Policy Suite, as well as providing oversight of the Risk Management System and risk taking activities across the Group.

Our risk strategy is underpinned by six risk principles:

- Optimising returns on a risk-adjusted basis
- Focusing on risks that are aligned to both our business strategy and our areas of competitive advantage and evolving skills
- Tolerance for uncertainty informed by the maturity and growth aspirations of our businesses
- Use of risk mitigation techniques to manage risk exposures
- Recognition of the value of diversification and the challenges of risk interconnectedness to avoid excessive risk concentration and ensure sustainability
- To protect our reputation by maintaining trust with all our stakeholders

The following changes were made to the Risk Strategy in 2021:

1 Classification of the risks that we are exposed to

Risk Classification Model (RCM) forms the basis of our risk management system, ensuring consistent classification of risks and ability to aggregate similar risks across the Group to understand their full impact. We updated the RCM to better reflect the significant risks facing our business.

2 Determining our risk preference for each risk category

We modified a few risk preferences to reflect changes in how business approaches these particular risks in executing our business plans.

3 Quantifying the risk appetite metrics for financial soundness, earnings at risk and liquidity

Risk appetite defines the level of risk exposure we are willing to accept in meeting our strategic objectives. Our financial resources and risk appetite determine the nature and level of growth that can be targeted, as they reflect the impact that assumed risk has on capital requirements and earnings volatility. Stress and scenario testing is also used to evaluate the earnings and balance sheet resilience of business plans and the various risk taking activities.

4 Creating target ranges for our earnings at risk and statutory capital requirements

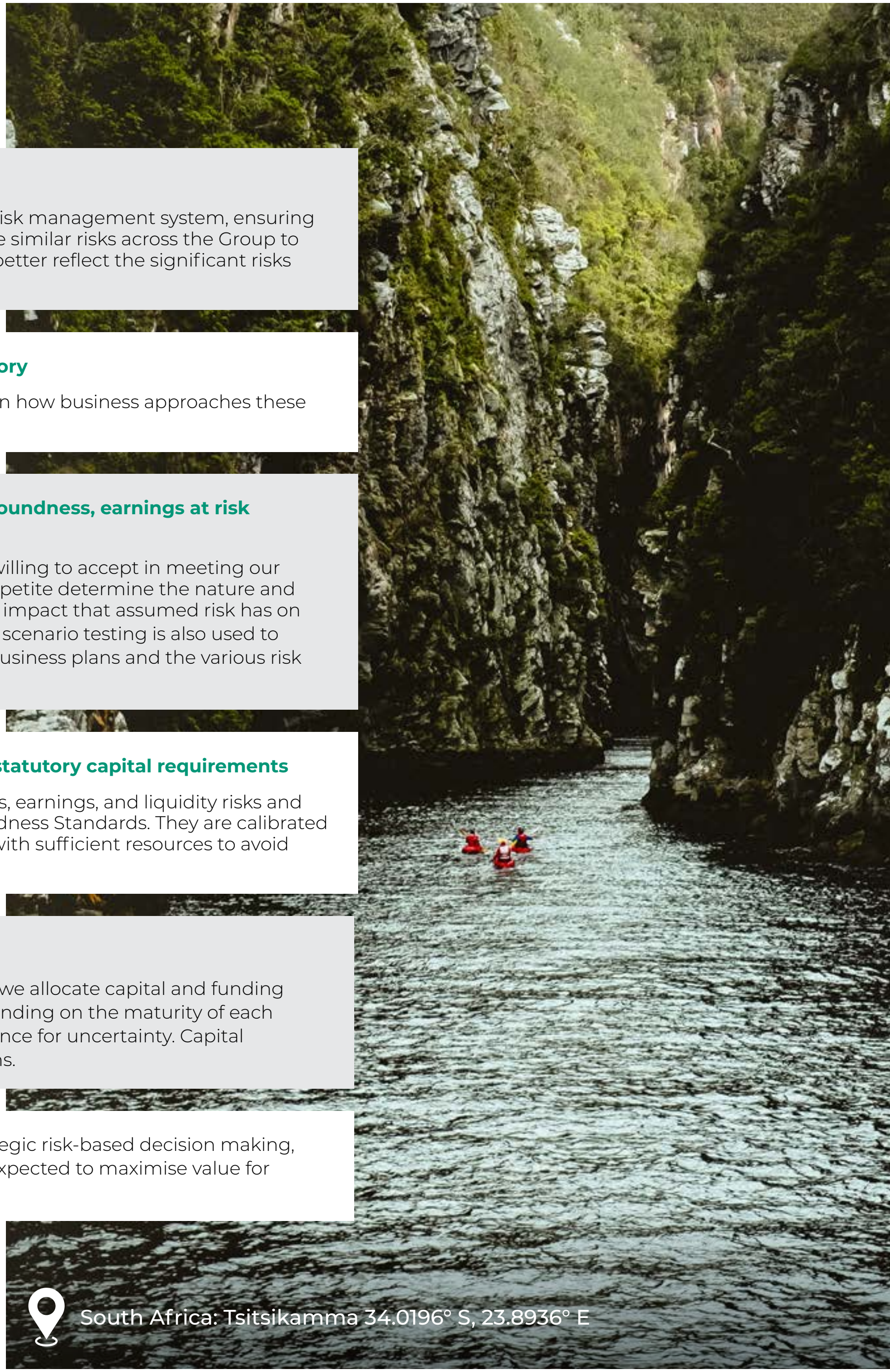
Our risk appetite metrics measure capital requirements, earnings, and liquidity risks and ensure compliance with the Prudential Financial Soundness Standards. They are calibrated to allow us to manage an extreme downside scenario with sufficient resources to avoid regulatory intervention.

5 Allocating capital

Under the Group's financial management framework, we allocate capital and funding to segments within our risk appetite parameters. Depending on the maturity of each business in the Group, we have different levels of tolerance for uncertainty. Capital allocations were updated in line with our Business Plans.

This facilitates a disciplined and balanced approach to strategic risk-based decision making, opportunity assessment and resource allocation, which is expected to maximise value for investors in the long term.

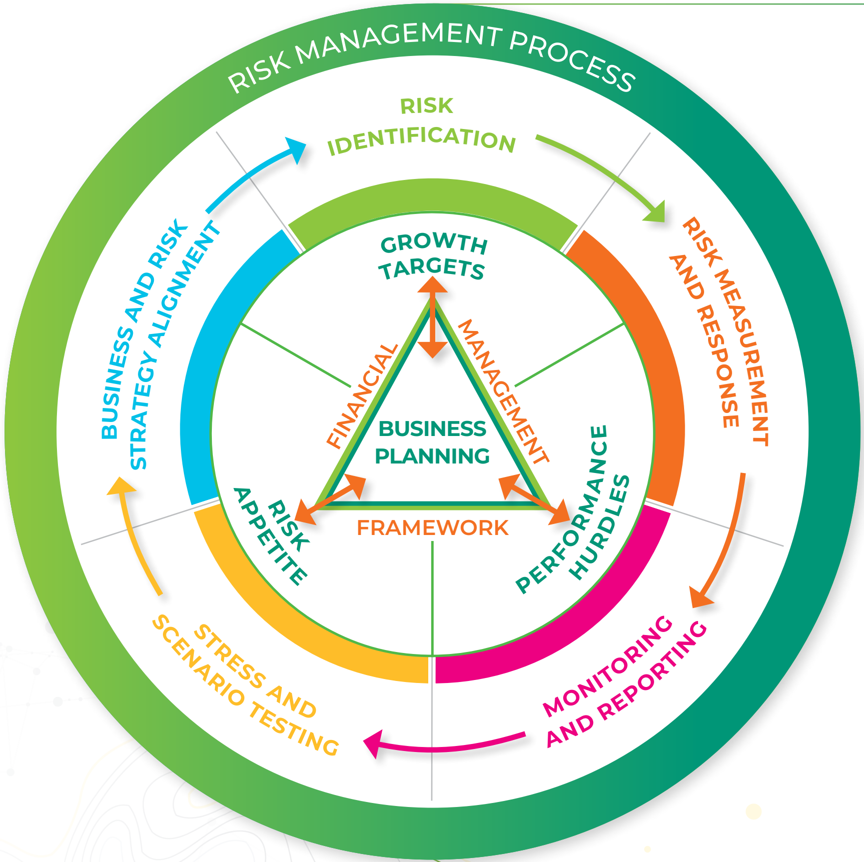
Refer to Risk Committee section in the Corporate Governance Report, page 31


South Africa: Tsitsikamma 34.0196° S, 23.8936° E

APPROACH TO RISK CONTINUED

The sustainability and growth of our business and the ability to create long term value for all our stakeholders is dependent on our effective risk management system and prudent financial management. This is particularly important because there are many challenges in the external environment and significant change and adaption within the internal operating environments of our businesses.

Our risk management process is designed to continuously monitor both the internal and external environment to identify any conditions or changes which require us to respond to mitigate the related risks and both stay within our risk appetite and also stay the course to achieve our business plans and realise our strategic objectives.



RISK IDENTIFICATION is focused on the key impediments to our ability to achieve our business strategy and objectives. These risks are then measured in three dimensions:

Inherent:	Residual:	Residual risk vs tolerance:
considering the likelihood of occurrence and impact (financial & non-financial) that the risk may have on the business	considering the likelihood of occurrence and impact the risk may have on the business, after considering the control environment and any mitigating actions	which compares the residual risk to the risk appetite and preferences that are stipulated by the policy for that category of risk

RISK MEASUREMENT AND RESPONSE relates to our process of quantifying risks by considering the likelihood and magnitude of the risk. Once quantified we focus on those risks with higher ratings to implement appropriate mitigating actions as a response.

RISK MONITORING is the ongoing process of assessing the control environment and the effectiveness of mitigating actions being taken to determine a residual risk rating and considers the impacts of materialised risks, assurance work, indicators, and changes in the external and internal environment on both our risks and controls.

RISK REPORTING is focused on comparing the residual risk exposures to our risk appetite, as articulated in our risk strategy, reporting on risks that are either outside of the targeted range or outside of our risk appetite.

STRESS AND SCENARIO TESTING is the process of evaluating the impact of specified scenarios on our financial position using several statistically defined probabilities. This facilitates the assessment of the resilience of earnings and the balance sheet to business plans and the various risk-taking activities.

BUSINESS AND RISK STRATEGY ALIGNMENT is the process of ensuring that the risks assumed as a result of our business plans reflect our risk preferences, taking into account the interconnectedness of risks and points of leverage within our risk mitigation activities.

THE IMPACT OF COVID-19 ON OUR RISK STRATEGY

COVID-19 amplified the impacts of risks across the full spectrum of our risk categories, the most significant being insurance, growth, operational, people and technology and information security. Stress tests have shown that our business continues to have a healthy balance sheet and liquidity position (at both the OML and OMLACSA levels) relative to targets. This provides a buffer to absorb adverse scenario impacts before growth initiative budgets and planned ordinary dividends would need to be reduced to achieve targeted liquidity and financial soundness positions. Accordingly, no material changes were required to our strategy for short-, medium- or long-term time horizons.

APPROACH TO RISK CONTINUED

COMBINED ASSURANCE

We follow the three lines of assurance model. Our combined assurance approach is to build and sustain an integrated and coordinated approach to assurance at all organisational levels. Our priority is to improve collaboration and information exchange while avoiding duplication of tasks. As a result, our assurance activities have and will continue to be efficient and effective, providing boards with an integrated view of our assurance activities and results. This improves confidence in the effectiveness of internal controls.

OUR THREE LINES OF ASSURANCE

LINE 1 - MANAGEMENT

Responsible for implementing an effective System of Internal Control, as well as risk identification and management on a day-to-day basis across the business. It includes specialist and group functions such as tax, legal, information security and quality assurance functions.

LINE 2 - INTERNAL ASSURANCE PROVIDERS

Responsible for the appropriateness and effectiveness of the risk management system, ensuring that policies and procedures are followed, and that reporting is accurate and complete.

LINE 3 - INDEPENDENT ASSURANCE PROVIDERS

Provides assurance (through the internal and external audit) on the effectiveness of governance, risk management and compliance functions, and the system of internal control. It reports to the appropriate Board committee.

The combined assurance plan provides a consolidated view of all assurance activities related to the Group's key inherent risks. Focus areas for a specific year are identified by considering the current control environment, assurance work completed in prior years, and assessment of the risk.

The risk function is responsible for developing and maintaining the combined assurance framework. The framework was updated in 2021 and changes were approved by the Board. Oversight and support, which also forms a key part of the risk management system, is the responsibility of the risk function with assurance provided by internal audit.

TOP RESIDUAL RISKS

CHANGES TO THE TOP RESIDUAL RISKS

Top risks are identified based on their likelihood of materialising in a reasonably short time frame, while having a magnitude that materially impacts the Group. Based on this assessment, we have added: market conduct and business resilience risk as well as Sovereign risk in South Africa to our top risks, while credit risk has dropped off the top ten ranking. Macroeconomic risk and People risk are covered in material matters.

Top Residual Risks

2021			2020
1	Insurance risk	▲	2
2	Growth risk	▲	3
3	Strategic execution risk	▲	7
4	Technology and information security risk	▲	6
5	Operational risk	►	5
6	Market conduct risk*		
7	Sovereign risk in South Africa*		
8	Business resilience risk*		
9	Climate risk*		
	Macroeconomic risk		1
	Credit risk		4
	People risk		8

KEY: ▼ Reduced exposure ► Stable/static ▲ Elevated risk

* New

South Africa: The Heads 34.0768° S, 23.0623° E

APPROACH TO RISK CONTINUED

EXTRACT FROM THE CORPORATE GOVERNANCE REPORT

BOARD FOCUS AREAS FOR 2021

RISK MANAGEMENT

- The Board monitored macro-economic, environmental, external and emerging risks, including the emergence of disruptors. This informed the Board's considerations of the execution steps required to achieve the Truly Mutual strategy, as well as any enhancements required to these steps.
- We remain concerned about the civil unrests witnessed in South Africa during July 2021, and believe that, as long as poverty and unemployment persists, the risk of a recurrence remains. Engagements internally and within industry forums on ways to mitigate this risk continues. Providing finance through our Economic and Social Development initiatives, to support the rebuilding of the economy, was identified as a key action for us to drive.
- The Risk Committee specifically considered sovereign risk and climate risk in targeted sessions, as well as the Group's readiness to respond in the event of risks materialising.
- The Board continued to consider the Group's response to the COVID-19 pandemic, noting that lessons from 2020 were applied, and that the impact of lockdowns on sales and services was less pronounced than in 2020. The Board believes that the strategy and approach to the pandemic, which were agreed with management in April 2020, have stood the Group in good stead.

Related material matters and top risks*:

- Muted medium term economic growth in South Africa
- Balanced recovery coupled with inorganic growth opportunities
- Sovereign debt in South Africa

* *Material matters are those issues that have the potential to significantly impact the Group's performance, its ability to generate sustainable shared value for its stakeholders and influence our business model*

TOP RESIDUAL RISKS

1 INSURANCE RISK

Adverse claims experience in our Life and Savings business, which provides benefits to customers on death or disability, and our Property and Casualty business which offer short term insurance solutions for loss of property.

Impacts

We provide insurance cover for a wide range of contingencies to our customers in our Life and Savings. The mortality experience associated with offering these benefits to our customers are central to our strategy and in 2021 significantly more claims than expected were experienced in our Life and Savings business due to COVID-19. While the business remained resilient in 2021, the COVID-19 pandemic has required us to apply this lens to our pricing, reserving and underwriting assumptions and practices. Underwriting experience across our Property and Casualty businesses in Rest of Africa were impacted by the pandemic as well as adverse weather conditions and poor underwriting results on private motor lines.

Mitigating actions

- Implemented focused vaccination awareness campaigns for customers.
- Differentiation of premium rates by vaccination status for all new customers on key life insurance products.
- Revised pricing and planned premium increases in 2022 on Life and Property and Casualty products.
- Conclusion of strategic and process initiatives in Rest of Africa and Old Mutual Insure.

Material matters:

2 GROWTH RISK

An inability to achieve and/or maintain a dominant position in our chosen markets, whilst improving our new business margins and retail policy retention.

Impacts

Reduced levels of disposable income for customers continues to impact new business sales volumes and margin as well as retention. There is increased retention risk for retail customers employed in sectors where economic activity has contracted. Results from Operations is impacted by reduced sales volumes and fixed costs.

Increased level of corporate customers fully or partially terminating mandates due to retrenchments and liquidations, and hesitancy to move existing business.

Mitigating actions

- Introduction of new products and services, with more flexibility for customers and rewards benefits.
- Manage mix of business by product and payment method to improve margins.
- Improve premium collection capability on new Old Mutual Protect product.
- Bespoke customer focused interventions to retain institutional customers in South Africa.
- Prioritising data analytics to drive customer insights and improve customer experience. This will promote customer acquisition and create cross and up selling opportunities to drive growth.
- Focus on Corporate business growth across Rest of Africa.
- Improve underwriting experience for Short term insurance business across Rest of Africa.

Material matters:

3 STRATEGIC EXECUTION RISK

Failure to adequately execute our strategic goals as well as to identify, assess, and manage or adapt to both internal and external events and changes which could impede the achievement of our strategy and strategic objectives.

Impacts

Our operations are undergoing various change initiatives and there is considerable reliance on key employees for their execution. This risk is exacerbated by concurrent delivery timelines and the need for key resources in technical finance, actuarial, and IT.

Mitigating actions

- Recruitment has both augmented existing skills and introduced new skills within the business.
- Involving a broader pool of employees in the change initiatives.
  - An Old Mutual Prioritisation Board was established to address both capacity constraints and agile execution.

Material matters:

South Africa: West Coast National Park 33.1709° S, 18.1492° E

APPROACH TO RISK CONTINUED

TOP RESIDUAL RISKS

4 TECHNOLOGY AND INFORMATION SECURITY

Legacy IT infrastructure poses a risk to achieving the customer experience and efficiencies we are targeting. An increasing cyber threat environment poses a challenge to business resilience and data security.

Impacts

Simplification and modernisation of our IT infrastructure is a top priority, along with adoption of new technologies, to remain relevant for customers and enhance their experience and ensure business resilience and data security. Protecting intellectual property, sensitive customer information, and other business-critical information requires a comprehensive security strategy.

The acceleration in the adoption of digital tools caused by the pandemic has also led to an increase in the number of attempted cyber-attacks.

Improvements in the management of our IT estate creates efficiencies across the whole value chain.

Mitigating actions

- Adopted a cohesive group-wide approach to IT architecture, business resilience and information security.
- Mandatory cyber risk training and awareness programs, including phishing simulations.
- Upgrades and simplification of our IT infrastructure, as well as incorporating cloud technology.
- By the end of 2021, 51% of our IT estate in South Africa was moved to the cloud.
- Digitalisation of our processes to satisfy the continuously changing demands of our customers and advisers.
- Extend reach and take-up of the MyOldMutual platform.
- Continuously adapt and enhance cyber risk monitoring and protection to address changing threats.

Material matters:

5 OPERATIONAL RISK

Earnings may be negatively affected by weaknesses in business processes and the internal control environments.

Impacts

Inefficient processes and ineffective controls can result in operational losses and poor customer experience, particularly in Old Mutual Insure and across the Rest of Africa.

Mitigating actions

- A business process automation roadmap has been developed to improve the control environment of the Group through automation.
- A formal control improvement programme was implemented and tracked in Kenya with further rollout for other entities outside Kenya has commenced.
- Coaching and training initiatives for employees.
- Ongoing digitalisation of processes will address efficiencies and controls and prevent operational losses.

Material matters:

6 MARKET CONDUCT RISK

Our products and solutions do not perform as intended and servicing standards do not meet the expectations of customers and our own servicing targets.

Impacts

Service challenges erode our brand promise and pose reputational risk.

If our products are not perceived to provide value for money, it will impact our growth.

Mitigating actions

- Embedded a new market conduct framework through the Board's Responsible Business committee
- Independent review and challenge of the value for money components of our products at both a design stage and on an ongoing basis.
- Focus on the insightfulness of our campaigns to customers using meaningful data analytics.
- Drive digital engagement with our customers and continue to focus on quality advice.
- Develop a new range of savings and investment plans, focusing on different time horizons, flexibility, and multiple distribution models to drive improved value for money and persistency.
- Flexible support employee numbers to meet service demand, especially in times of high claims and transaction activity.
- Increase automation of our servicing activities using robotics.

Material matters:

APPROACH TO RISK CONTINUED

TOP RESIDUAL RISKS

7 SOVEREIGN RISK IN SOUTH AFRICA

The risk of inadequate supply of suitable long-dated assets to match the liabilities of the business and minimise reinvestment risk due to the weak outlook for the South African-macro environment in the longer term, as well as global macro vulnerabilities induced by the COVID-19 crisis precipitating a sovereign default and/or debt re-scheduling crisis.

Impacts

A sovereign crisis could reduce our customers' returns and trigger value for money concerns in some portfolios.

Old Mutual invests in long dated sovereign debt instruments to match the long-term nature of the liabilities. A sovereign debt crisis would reduce the supply of such investments and thereby expose the business to significant reinvestment risk if a sufficient alternative supply of long-dated instruments was unavailable. Although default risk is low, a restructure of sovereign debt is possible if the fiscal position worsens over the longer term.

Old Mutual is also exposed indirectly to the sovereign via local banks, through bank deposits and hedging strategies.

Depending on the severity, our capital and liquidity levels may be impacted, limiting our ability to invest in growth opportunities.

Mitigating actions

- Portfolio tilts have been introduced into our investment portfolios to reduce sovereign risk exposure.
- Local bank exposure has been reduced by increasing our exposure to offshore banks and other international counterparties.
- Tailor product range and investment strategies to mitigate this risk should it arise.
- Engage with industry groups around how to respond to the systemic risk posed by a sovereign debt crisis.
- Developed a sovereign risk dashboard with forward-looking risk indicators to monitor the extent of sovereign risk exposure and enable proactive management decisions.

Material matters:

8 BUSINESS RESILIENCE

The inability to minimise the impact of disruptions and maintain business operations at predefined levels due to various internal and external causes.

Impacts

Operational systems, people and processes are impacted to different degrees depending on the cause of the disruption, with knock-on impacts on reputation and market conduct.

Mitigating actions

- Our Crisis Management team continued to manage our response to the COVID-19 crisis and related lockdown levels.
- We have plans in place to deal with power outages on our main campuses. During power disruptions, key positions have been equipped to continue working from home.
- To ensure uninterrupted service levels, service employees were brought back to the office as part of the hybrid working model.
- In the face of escalating cyber-attacks, the Information Security Programme continues to strengthen its capabilities.
- We continue to digitise our processes.
- There are business continuity strategies in place to deal with the effects of civil unrest.
- We are strengthening our management and risk oversight of key 3rd parties and service providers.

Material matters:

9 CLIMATE

Climate change risk represents a significant threat to the world as we know it. Many of the countries in which we operate are already experiencing more extreme weather patterns, including droughts, flooding and severe storms, which impacts both the design of our products and resilience of our operations.

Impacts

Increased Property and Casualty claims due to increasing frequency and intensity of extreme weather events.

Increased concentration risk by geography or sector due to physical climate risks or dependency on primary industries.

Business disruption due to severe weather events.

Possible deterioration in mortality and morbidity over the longer term, due to illness and food insecurity induced by extreme weather events.

Policy shifts leading to stranded assets triggering asset devaluations and job losses from highly exposed industries including fossil fuel investments.

Mitigating actions

- Understanding Old Mutual's fossil fuel investment exposure, influencing action in investee companies on climate risk issues and developing a path to decarbonisation of our investment portfolios.
- Managing our own carbon footprint as a business by improving our management of energy, increasing the efficacy and efficiency of our waste recycling processes and creating alternative water supplies for our buildings.
- There is an opportunity to be a market leader in how we develop products that will help our customers protect against climate risk and ensure that we continue to provide cover for our customers.
- Assessing the impact of climate-related risks and opportunities on our businesses, strategy, financial outcomes and developing response plans.

Refer to Climate Report 2021

Material matters:

STRATEGY AND VALUE CREATION

Botswana: Okavango Delta, 19.6510° S, 22.9059° E

Our Truly Mutual strategy aims to deliver shared value for all our stakeholders by building the most valuable business in the industry

40 STRATEGY AND VALUE CREATION

OUR VALUE CREATION BUSINESS MODEL

SIX CAPITALS | INPUTS | BUSINESS ACTIVITIES AND OUTPUTS | VALUE OUTCOMES

BUSINESS ACTIVITIES AND OUTPUTS

We offer products and services in a way that best services our customer needs. We do this with the support of the Group's enabling functions.

FINANCIAL

Our shareholder and debt funding underpin our strong capital base that supports the operations of our business and funds growth. Financial capital includes the funds our customers invest with us.

Inputs

- Equity of **R62.2 billion** (FY 2020: R67.0 billion)
- Total debt of **R17.5 billion** (FY 2020: R17.3 billion)
- Funds under management of **R1.3 trillion** (FY 2020: R1.1 trillion)
- Strong liquidity and **capital optimisation policies** and procedures

Value outcomes

- ▲ Continued capital returns to shareholders:
  - Full year dividend of **76 cents per share** (FY 2020: 35 cents)
  - **R10.7 billion returned** through Nedbank unbundling
- ▲ **Improved financial performance**, with RONAV up by 520 bps to 9.0%
- ▼ Balance sheet remained well capitalised, however, Group Solvency ratio[1] decreased by 1 500 bps to 184%

HUMAN

Our culture and our people, tied advisers, our collective competencies, capabilities, experience and motivation to innovate.

Inputs

- **28,837 employees** (FY 2020: 29,830)
- **R82 million** invested in employee learning and leadership development
- Productive **learning culture**
- Strong safety and **wellbeing policies and procedures**, including diversity and inclusion

Value outcomes

- ▲ **R10.8 billion paid** in salaries and benefits
- ▲ In South Africa, **84% of our employees are black** and **57% of our black employees** are in senior management positions
- ► **Piloted a hybrid working model**, creating a more flexible and inclusive workplace
- ► **305 leaders enrolled** in formal talent development programmes that drive future fit leadership
- ► **Over 8,500 employees enrolled on Udemy,** maintaining a culture of learning and growth

MANUFACTURED

Our physical and digital infrastructure through which we conduct business activities. It includes our branch network, digital platforms and IT estate.

Inputs

- **568 retail branches** (FY 2020: 527)
- **47,226 worksites** (FY 2020: 48,900)
- **Artificial intelligence** and robotics capabilities
- Fully functional and **enhanced digital platforms**
- Largely **cloud based IT** estate in South Africa

Value outcomes

- ▲ **Automated 39 new processes** through robotics, resulting in **9 million** processing minutes saved
- ▲ Active digital users **increased** from 858,000[2] in 2020 to **1.1 million**
- ▲ **84% of total funeral claims paid within 4 hours**, an improvement from 80% in 2020
- ▲ More than **65,000 claims** initiated via Whatsapp, USSD and our websites, a significant increase from 2020, reflecting the value of our digital channels to improving customer experience
- ► Improved processing levels and service availability

INTELLECTUAL

Our trusted brand and franchise value, strategic partnerships and innovative capabilities and expertise.

Inputs

- Strong **strategic partnerships**
- Scalable **digital capabilities** built in simplified and **secure technology estate**
- **Innovative culture** underpinned by the right employee skillset and mindset

Value outcomes

- ► Introduced artificial intelligence capability set to enhance our servicing levels and solutions offered
- ▲ Recognised as South Africa's **top long-term insurer** by Ask Afrika

SOCIAL AND RELATIONSHIP

Our relationships with all our stakeholders, including deep ties with the communities we operate in.

Inputs

- **12.1 million customers**[3] (FY 2020: 13.7 million)
- **Established relationships** of trust with our stakeholders
- Contribution to **South Africa's transformation and empowerment** agenda
- Sustainability framework

Value outcomes

- ► Over **R100 billion paid in claims and benefits**
- ► Maintained our **Level 1 B-BBEE** status
- ► **R150.5 billion invested** in socially inclusive investments, including low cost housing
- ▲ **R14.2 billion paid** in direct and indirect taxes (FY 2020: R 12.2 billion)
- ► Participated and contributed to industry engagements and thought leaderships, including ESG and shared value engagements

NATURAL

The use of, including the influence and impact of our business activities, on natural resources.

Inputs

- Responsible investing activities and practices, with focus on **low carbon and resource efficient investments**
- Integration of material **climate related risks and opportunities** into investment decisions
- Mutualpark- **6 Green Star rating** from Green Building Council of South Africa

Value outcomes

- ► **Committed to net zero emissions** in our investment portfolios by 2050 by joining Net Zero Asset Owner Alliance and Net Zero Asset Manager Initiative
- ► **Completed** the construction of a **water treatment plant** in MutualPlace, our offices in Johannesburg
- ► We declared support for the Financial Stability Board's Taskforce for Climate-related Financial Disclosures recommendations and published our first Climate Report

*KEY: ▲ Value created ► Value preserved ▼ Value eroded

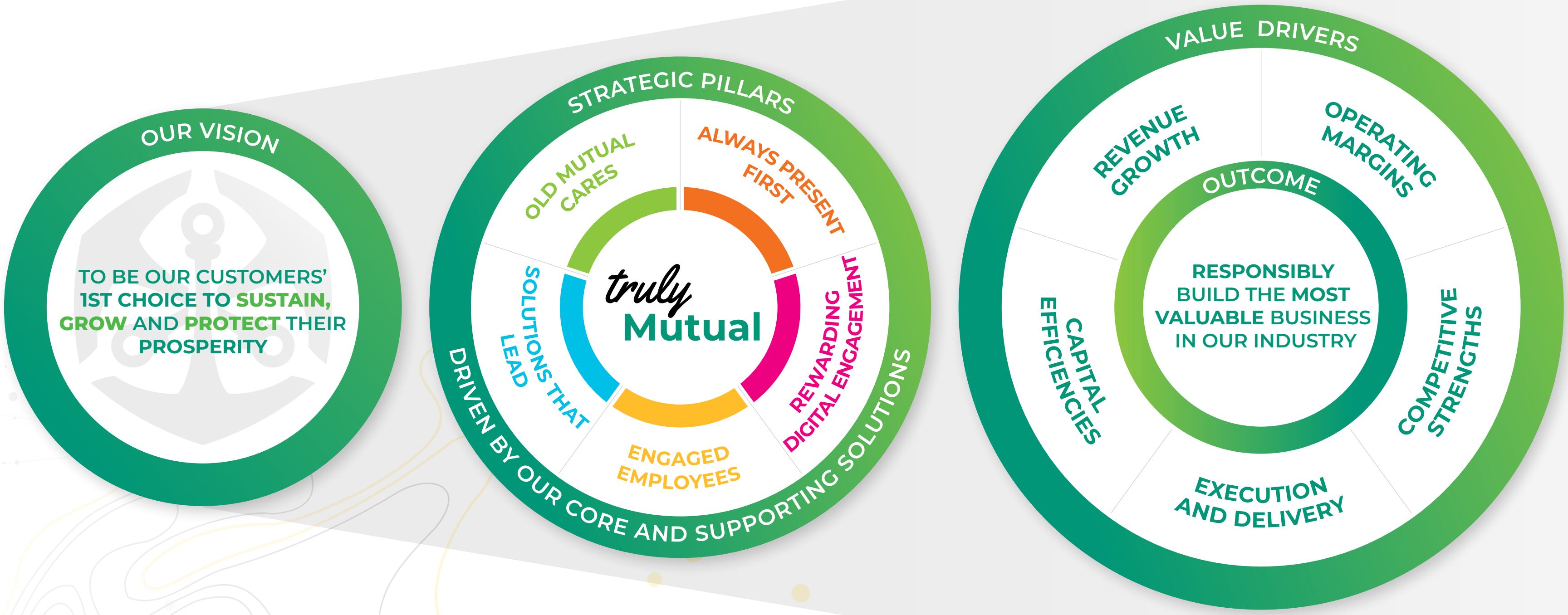
1 *The FY 2020 Group Solvency ratio was prepared on a pro-forma basis to account for the use of the accounting consolidation method*
2 *FY 2020 numbers were restated to include Rest of Africa numbers*
3 *Customer numbers include corporates that have individual members that form part of our customer base*

OUR STRATEGY OVERVIEW

Our Truly Mutual strategy is aligned with, and inspired by, our purpose of championing mutually positive futures every day.

It builds on a strong foundation of serving customers for 176 years, using our trusted brand and enviable distribution scale. Our strategy has been formulated taking into consideration our operating environment, evolving customer needs, the competitive landscape and rapidly changing technological advancements to ensure that we are able to sustainably deliver long-term value to all our stakeholders.

Our five interconnected strategic pillars aim to drive brand differentiation, provide solutions that meet changing customer needs and enables a seamless transition between face to face and digital journeys. We draw on our talented and engaged employees to achieve these objectives. We remain mindful of our responsibility to society and the important role we play in ensuring positive futures for our customers and communities. In 2021, we formalised five value drivers as an overlay to our strategy. The value drivers create a link between our strategic actions and the value creation impact for the Group. They also help inform the prioritisation of these actions to ensure maximum value creation for customers and shareholders alike. The execution of our Truly Mutual strategy will translate to shared value for all our stakeholders by building the most valuable business in our industry.



We will make it evident that **Old Mutual Cares**

through solutions and actions that support customers, their families, and communities

We will aim to be **Always present first**

by ensuring that propositions and advice are available to customers when and how they need them, and through our brand that is always top of mind

We will build **Rewarding digital engagement**

through considerate and effective use of advice and customer data

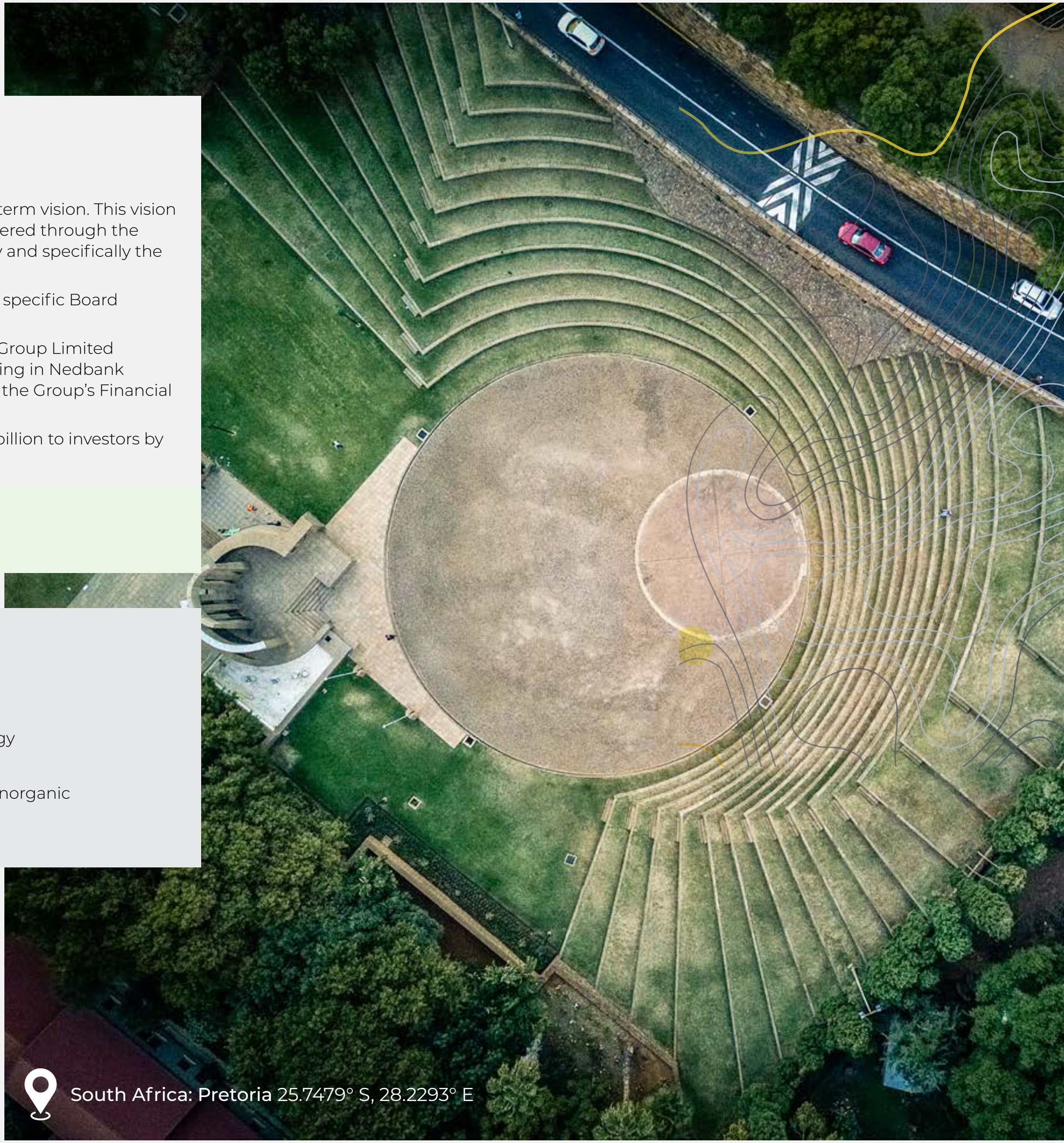
Our high performing **Engaged employees**

will make meaningful contributions to achieve our purpose, vision and values

We will deliver **Solutions that lead**

in service and performance, for insurance, investments and supporting banking needs

OUR STRATEGY OVERVIEW CONTINUED



BOARD FOCUS AREAS FOR 2021

STRATEGY

- The Board previously approved the Group's long-term strategy and supports management's long-term vision. This vision is to be our customer's "first choice to sustain, grow and protect their prosperity", and is being delivered through the Truly Mutual strategy. During 2021 the Board and management continued to enhance the strategy and specifically the detailed execution steps required to deliver it.
- The primary outcomes to be delivered through this strategy have been identified and are linked to specific Board approved value drivers for investors, as detailed in the Integrated Report.
- The Board considered and approved the unbundling of a portion of the Group's stake in Nedbank Group Limited (Nedbank), comprising 12.2% of the issued ordinary share capital. The Group's remaining shareholding in Nedbank continues to support the capital structure of the Group and will be optimally managed in line with the Group's Financial Management Framework.
- Including the Nedbank distribution the Group has, since listing on the JSE in 2018, returned R75.4 billion to investors by way of share buy backs and dividends in cash or specie.

Related material matters and top risks*:

- All

BOARD FUTURE FOCUS AREAS

STRATEGY

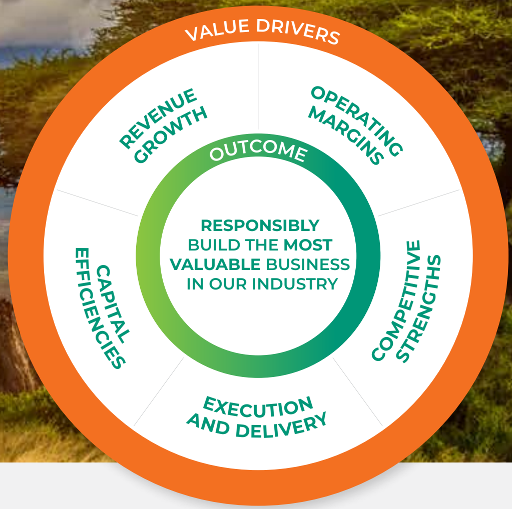
- Continue to monitor the steps implemented to amplify the Group's medium and long-term strategy
- Monitor the impact of disruptors on the industry and the Group's response thereto
- Support management in appropriate strategic allocation of capital, focusing both on organic and inorganic opportunities, which support innovation and competitive positioning
- Support management in the refinement of the Group's strategy for the Rest of Africa operations

Read more on page 29 for our material matters

OUR STRATEGY OVERVIEW CONTINUED

LINK BETWEEN BUSINESS STRATEGY AND REMUNERATION INCENTIVE STRUCTURES

Our 2022 Truly Mutual strategy, and associated value drivers, underpin the decisions taken in the selection of our short-term incentive (STI) and long-term incentive (LTI) scorecard and metrics to ensure that our pay arrangements support the delivery of the Group's strategy and the fulfilment of our potential for long-term sustainable growth.



Kenya: Mount Kilimanjaro 3.0674° S, 37.3556° E

DELIVERY OF VALUE DRIVERS MEASURED THROUGH THE FOLLOWING PERFORMANCE METRICS

CATEGORY	PERFORMANCE METRICS	MEASURED IN STI	MEASURED IN LTI	VALUE DRIVER	DESCRIPTION
Financial	RFO	✓		Outcome of value drivers	Delivery of operational profit and therefore an outcome of the value drivers.
	RoNAV	✓	✓	Capital efficiency	AHE generated as a percentage of adjusted IFRS equity.
	VNB	✓		Revenue growth	Growing the life business through profitable new business.
	VNB margin	✓		Operating margin	The efficiency of profit generation on life business.
	AHEPS		✓	Outcome of value drivers	Delivery of profit, leading to dividends for shareholders and therefore an outcome of the value driver framework.
Strategic	Strategic execution	✓		Revenue growth Competitive strengths Execution and delivery	Strategic delivery, focussed on new propositions, improving digital capabilities, and executing the Rest of Africa strategy.
ESG and Customer Focus	Customer growth		✓	Revenue growth Operating margin	Growing the Retail customer base and the average needs we meet for each of our customers, increasing revenue and improving efficiencies.
	Net promoter score	✓		Revenue growth	Improving customer experience will lead to an increase in business.
	Female representation at management level	✓		Execution and delivery	Reducing barriers within the Group will improve retention of employees, attract talent, and improve the execution of our strategy.
	Culture and Engagement Index		✓	Execution and delivery	Measures overall progress against culture shifts and the engagement levels of employees. Improvements reflect a more agile and delivery-focussed workforce.

PERFORMANCE AGAINST OUR STRATEGY

Our five strategic pillars function in an interconnected manner to deliver on our vision of becoming our customers' first choice. Our pillars have been articulated so as to remain relevant over the long term. We measure progress using a range of strategic KPIs, which serve as lead indicators that ultimately translate into value creation through our value drivers. The underlying medium term priorities are determined on a rolling three-year basis and are generally multi-year initiatives. These priorities are reviewed annually to ensure that the execution of our strategy remains responsive and relevant. We take into consideration our broader operating context, customers' needs, competitive pressures and broader industry trends (page 25). Our priorities are also assessed against our five value drivers to ensure that we are enhancing value creation.

Our 2021 progress and achievements which are highlighted in this section represent a summary of the broader group-wide priorities. Refer to the segmental performance section (page 67) to see how our strategy is brought to life within each of our operating segments.

OLD MUTUAL CARES

WHAT ARE WE AIMING FOR

To be known as a financial services provider that truly cares for its stakeholders and delivers shared value across the countries in which we operate.

HOW WE WILL DELIVER ON THIS

We will make it evident that Old Mutual cares through solutions and actions that support customers, their families, and communities.

We do this by offering our customers solutions that are accessible, affordably priced and supporting them through financial education. We also demonstrate "care" by treating all stakeholders fairly and ensuring that we create shared value by delivering on our Responsible Business focus areas, which are incorporated into our Sustainability Framework.

Our Responsible Business focus areas are responsible investment, environmental impact, financial education and inclusion, education, entrepreneurship, skills development, and diversity and inclusion.

OUR MEDIUM TERM PRIORITIES

1	Further embed and accelerate our response to climate change through our responsible investment philosophy and by proactively reducing our carbon footprint.
2	Deliver an integrated, enterprise-wide financial education strategy and embed financial education into all customer touchpoints and solutions.
3	Support economic growth and job creation by way of increased investment in small, medium and micro enterprises (SMMEs) through vehicles such as the Masisizane Fund, and support small businesses directly via our internal value chain.
4	Invest in our Learn. Think. Do initiative which makes education more accessible across the continent by providing open education resources that can be accessed in multiple languages and through multiple platforms.

WHAT WE ACHIEVED IN 2021

Our Sustainability Framework, including our Responsible Business focus areas, encapsulates the intention and goals of Old Mutual Cares. A summary of our achievements in five of our Responsible business focus areas are provided below. The focus areas of skills development and diversity and inclusion are covered as part of the Engaged employees strategic pillar on page 50.

Refer to our 2021 Sustainability Report for more detail on each.

Responsible investment: We have R458 billion AUM under active stewardship. R150.5 billion of AUM is invested in socially inclusive, low carbon and resource efficient investments.

Environmental impact: We joined the Net Zero Asset Owner Alliance and the Net Zero Asset Management Initiative thus committing to net zero emissions in our investment portfolios by 2050 or earlier. To progress our journey to net zero, it is important that we understand our baseline emissions. During 2021 we commenced the process of ascertaining the baseline carbon footprint of the proprietary investment portfolios in our South African Life business. Although our direct environmental footprint is significantly smaller than our indirect impact from our investment activities, we recognise our responsibility to understand and manage our own carbon footprint. We reported our South African Scope 1, Scope 2 and part of operational scope 3 greenhouse gas emissions to the Carbon Disclosure Project and achieved a B score.

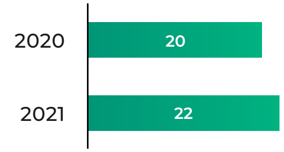
Financial education and inclusion: Our extensive portfolio of financial education and inclusion initiatives reaches customers and communities in the thirteen African (14 with China) countries we operate in. Across Africa, our financial education initiatives have reached more than 22 million people.

Education: Our education initiatives are designed to impact the entire education system at all levels, from early childhood development through to tertiary education in preparation for employment or entrepreneurship. R60 million of Social Responsibility funding was invested in education initiatives. We reached over 650,000 young people through our education and training programmes in South Africa and 97% of our bursary graduates are employed or pursuing further education.

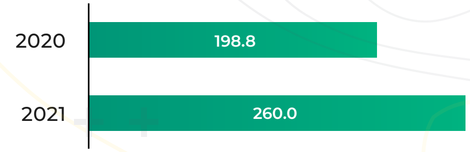
Entrepreneurship: We help entrepreneurs build resilient and successful businesses. Our programmes are designed to help entrepreneurs develop their businesses through customised funding solutions, market access facilitation and post investment support. We reached over 4,600 SMMEs and committed over R260 million in South Africa. The Masisizane fund disbursed R62.8 million, up 99% on the prior year.

STRATEGIC KPI

Number of people reached through financial education (in millions)



Funding committed in support of SMMEs (R million)



PERFORMANCE AGAINST OUR STRATEGY CONTINUED

OLD MUTUAL CARES

BOARD FOCUS AREAS FOR 2021

CLIMATE CHANGE

- Old Mutual recognises climate change as a systemic risk that has the potential to impact our entire business value chain. We not only consider climate change as a threat to the sustainability of our business operations, but also to the communities and countries in which we operate.
- Accountability for climate change has been formalised at a Board and Executive committee level within the existing structures (Responsible Business and Risk committee) with clear lines of accountability.
- The Board and Executive committee assessed the Group's Task Force on Climate-related Financial Disclosures (TCFD) readiness, baselining key metrics within our investment portfolios, and engaging key internal stakeholders.
- The Board approved the scope of the climate risk investment exposure analysis, the asset owner strategy and phased approach towards assessing climate risks.
- The Board approved the Group's Climate Change Positioning Statement, Asset Owner Responsible Investment approach, Climate Change Action Statement and the commitment to join the Net-Zero Asset Owner Alliance and the Net-Zero Asset Managers Initiative.
- We also approved the climate change risk management approach and reviewed key climate change risks and opportunities and reviewed proposed climate change scenarios.
- The Group remains committed to phase-out thermal coal within our proprietary investment holdings over time.

CUSTOMERS

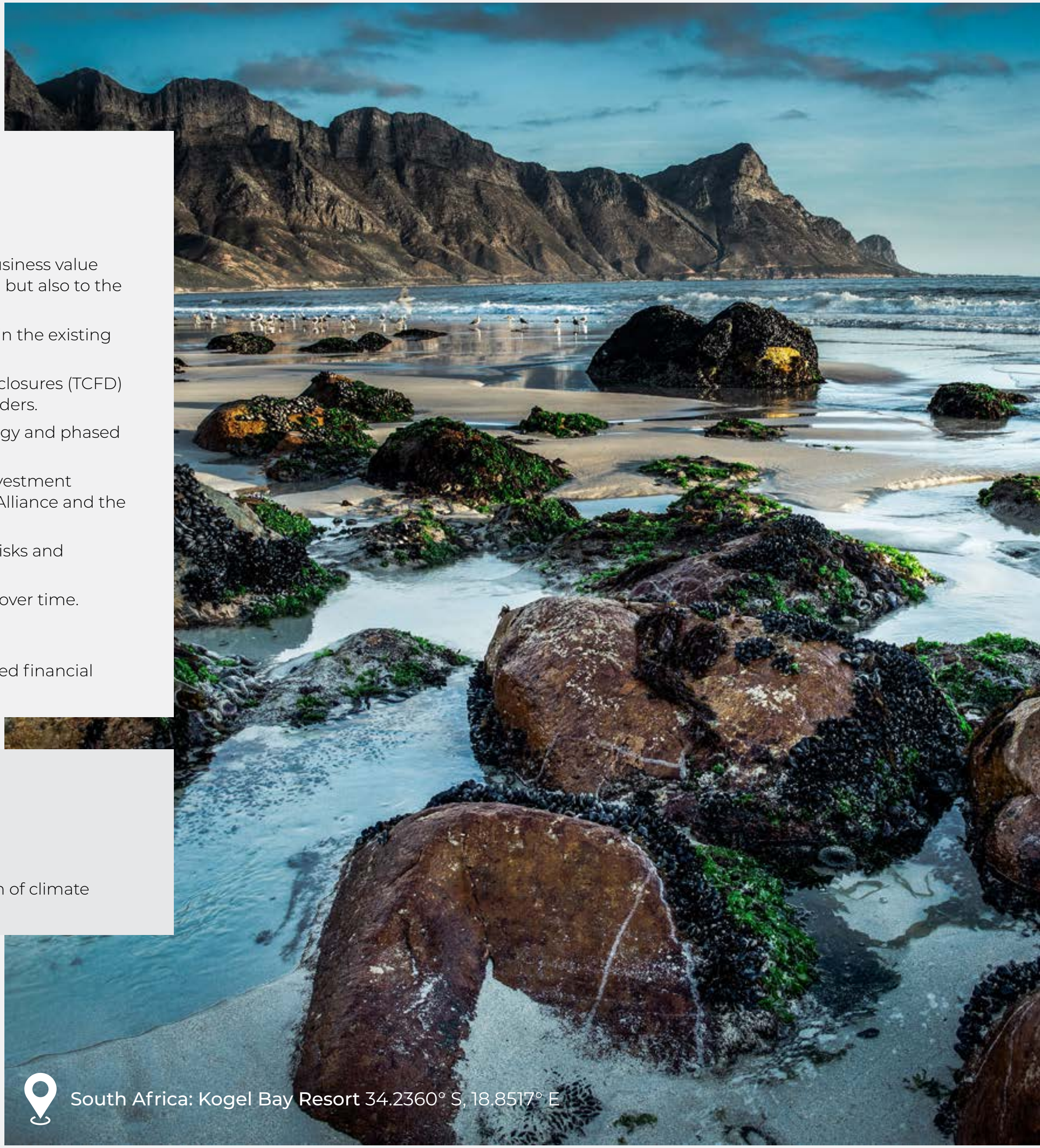
- The Board monitored the Group's initiatives to ensure that customers were supported to make informed financial decisions and that the Group provides innovative, value for money and integrated product solutions.

BOARD FUTURE FOCUS AREAS

CLIMATE CHANGE

- Continue to support management in the Group's response to climate change including the mitigation of climate change risks

Read more on page 29 for our material matters


South Africa: Kogel Bay Resort 34.2360° S, 18.8517° E

PERFORMANCE AGAINST OUR STRATEGY CONTINUED

ALWAYS PRESENT FIRST

WHAT ARE WE AIMING FOR

To offer customers the right solution (product, service and advice) at the right time and through the channel of their choice. By understanding our customers at an individual level, coupled with superior engagement levels and leading solutions, we will be the preferred brand for the solutions we offer.

HOW WE WILL DELIVER ON THIS

We will maintain our dominance across our physical channels and modernise our traditional distribution advantage by digitally enabling our intermediaries. We will integrate the best parts of our physical solutions with digital solutions that provide a seamless and integrated customer experience across all touch points. Enhancing our physical reach with a digital presence will help us to be "always present".

This will be supported by a strong brand presence so that when customers think of financial services, they think of us first.

OUR MEDIUM TERM PRIORITIES

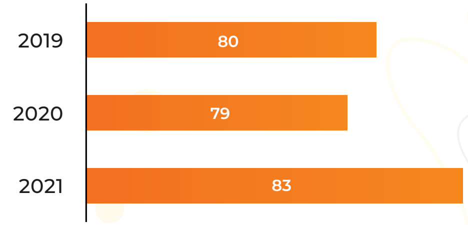
1. Deliver superior brand equity through retail proposition marketing in South Africa.
2. Drive the integration of digital marketing and e-commerce across all marketing initiatives.
3. Grow adviser and franchise footprint across select South African segments.
4. Strengthen Old Mutual brand equity in East Africa through the re-branding of UAP Old Mutual.

WHAT WE ACHIEVED IN 2021

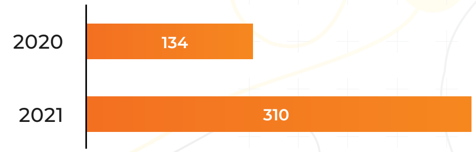
- Old Mutual was ranked the 4th most valuable brand in both South Africa and across the rest of Africa (Brand Finance), up from 5th in 2020. Old Mutual was the only insurer in the top 10.
- Improved our customer satisfaction score from 78.9% in 2020 to 82.5% in 2021 (as measured by the annual Consulta South African Consumer Satisfaction Index)
- Used WhatsApp, USSD and the MyOldMutual web-based platform to process more than 65,000 claims in South Africa – which is more than double that of 2020. We also used these channels to deliver customer statements and tax certificates.
- Released a second update of the MyOldMutual app in Zimbabwe, Nigeria, Ghana, Kenya, Rwanda, South Sudan, Tanzania, and Uganda. The app now allows customers to register, view their portfolio and product offerings, request a call-me-back and submit a first-notification of loss to make a claim.
- Progressed the digitalisation of the adviser experience in South Africa. New features launched include the ability to receive customer insights via WhatApp; and an automated service functionality that allows advisers to initiate and track servicing transactions on behalf of customers.

STRATEGIC KPIS

SA Customer satisfaction levels (%)



Digital sales, APE* (Rm)



* *Digital sales figures are for South Africa only*

ACCELERATING OUR DIGITAL STRATEGY

We leverage technology and digitalisation to continually enhance our customers' experience and help us to deliver on our vision of becoming customers' first choice. In 2021, we made material progress in the execution of our purpose-led technology strategy and the acceleration of our digital strategy.

In line with our communicated cloud strategy, 51% of our IT estate in South Africa now runs on the cloud, compared to only 15% at the end of 2020. This strategy is delivering benefits such as agility, resilient technology services, and cost reduction; enabling us to deliver better customer and adviser experiences. The scale and reliability of the underlying infrastructure translates to the average cost of workload reducing by almost 25%.

PERFORMANCE AGAINST OUR STRATEGY CONTINUED

ALWAYS PRESENT FIRST

LEVERAGING DATA TO CREATE VALUE AND PERSONALIZED CUSTOMER EXPERIENCES

We are building a cloud-based, group-wide data lake which enables faster and cheaper access to our data. This allows us to deliver business insights across multiple geographies consistently, and enables our data scientists to create models that increase business value. This means we are better able to leverage data to deliver an enhanced customer experience, while optimising business value.

In 2021 the first consumers of the data lake were enabled, with our South African customer data now housed within the data lake. Our ability to leverage our data through data science models has thus far delivered approximately R40 million in value.

EXTRACT FROM THE CORPORATE GOVERNANCE REPORT

BOARD FOCUS AREAS FOR 2021

CUSTOMERS

- The Board monitored the Group's initiatives to ensure that customers were supported to make informed financial decisions and that the Group provides innovative, value for money and integrated product solutions.
- We spent significant time considering the Group's efforts to deliver a consistent, high-value customer experience, focused on simple, easy to understand solutions. It was noted that products are being proactively improved, based on customer feedback. The Board was also pleased with the progress made on the omni-channel system, allowing customers a choice in engagement with the Group.
- Through the Responsible Business Committee, the Board ensured that the Group's market conduct framework, which supports the fair treatment of customers, was embedded throughout the business. Several individual customer complaints also received focused attention by the Board's committee structures, resulting in process changes by the business.

DIGITAL JOURNEY

- In order to be a recognised leading digital financial services organisation across Africa, various digital initiatives are being implemented across the Group. The Board was pleased with the utilisation of robotics and artificial intelligence to enhance customer service and personalised engagement. The use of data and behavioural economics to understand the customer's context were also discussed.
- The Board monitored the digitalisation of services for advisors and customers and how this was being supported by the Group's cloud strategy.
- The reskilling of employees to leverage these technological advances also received Board oversight.

Related material matters and top risks*:

- Meeting changing customer needs
- Building scale in our smaller operations
- Creating efficiencies across the whole value chain

Read more on page 29 for our material matters

BOARD FUTURE FOCUS AREAS

CUSTOMERS

- Continue to oversee the Group's efforts to enhance our customer centric approach
- Monitor the impact of the constrained macro-economic environment on our customers

DIGITAL JOURNEY

- Monitor the progress and effectiveness of the various information and technology strategies and initiatives across the Group, including the reskilling of employees

South Africa: Johannesburg 26.2041° S, 28.0473° E

PERFORMANCE AGAINST OUR STRATEGY CONTINUED

REWARDING DIGITAL ENGAGEMENT

WHAT ARE WE AIMING FOR

To deliver a meaningful and personalised customer experience, that is integrated across digital and face to face mediums through the MyOldMutual platform.

To convert our customer base to multi-product consumers through effective use of advice and customer data, supported by meaningful incentive structures.

HOW WE WILL DELIVER ON THIS

We will convert our understanding of our customers' goals and circumstances to provide personalised, regular and meaningful engagement. We will do this by educating, encouraging and rewarding customers for taking consistent action towards achieving their personal financial goals.

At the centre of this intent is MyOldMutual, a pan-African digital platform that aims to deliver a seamless and integrated customer experience across our full suite of capabilities. This includes financial advice, financial education, rewards, data driven nudges and a full suite of modular products. This will enable us to offer customers the right solutions at the right time, enabling them to reach their financial goals.

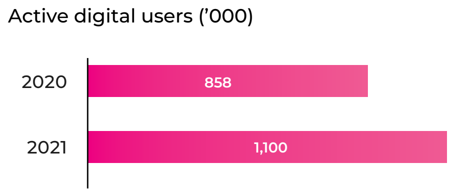
OUR MEDIUM TERM PRIORITIES

1. Increase active digital customers by at least 40% and deliver a converged digital experience through the MyOldMutual platform.
2. Enhance Old Mutual Rewards, including new features, personalisation and integration into the MyOldMutual platform as well as the roll out of Old Mutual Rewards across select African countries.
3. Accelerate the roll-out of the automated goal-matching capability to South African customers and advisers.

WHAT WE ACHIEVED IN 2021

- Increased active digital users by 28% to 1.1 million users from 858,000[1] in 2020.
- Achieved scale on our Rewards programme, with a 57% increase to 1.3 million members
- Activated nudges on the MyOldMutual app to encourage Old Mutual Insure customers to use the usage-based motor insurance offering. This offering provides customers with discounts for driving less.
- Expanded the range of goals available to customers on the MyOldMutual app, including a beta pilot for retirement goals. The goals functionality aims to improve adviser productivity and the ability of customers to meet their financial goals. It shows customers digitally how they are tracking against these goals and rewards them for taking corrective actions where necessary. Select customers are now able to access their risk goals within the app, with an additional savings goal being introduced in 2022.

STRATEGIC KPIS



1 FY2020 active digital numbers have been restated to include Rest of Africa numbers

OLD MUTUAL REWARDS

One of the primary objectives of our rewards programme is to encourage members to engage in positive financial behaviour. The programme offers members incentives to participate in online financial education content which allows them to make better decisions. In 2021 we reached 1.3 million members, with 1 million of these being our customers.

Old Mutual Rewards won two highly commended awards in the Truth Loyalty Survey – the Best Financial Services Loyalty Program category and in Best Short Term Marketing Campaign of the Year.

We also made progress in 2021 towards improving the functionality and features of the programme. These include:

- Added new partners, such as The Foschini Group.
- Improved the functionality of the MyOldMutual app so that members can redeem their Rewards points using the app.
- Introduced new ways for members to earn points, including fitness bonus points and points for seeking financial advice.
- Added gamification elements to the Rewards website through the introduction of a progress tracker for points.
- Introduced nudges for members who have poor credit scores to take action to improve their credit status.

EXTRACT FROM THE CORPORATE GOVERNANCE REPORT

BOARD FUTURE FOCUS AREAS

DIGITAL JOURNEY

- Monitor the progress and effectiveness of the various information and technology strategies and initiatives across the Group, including the reskilling of employees

Related material matters and top risks*:

- Creating efficiencies across the value chain
- Meeting changing customer needs

Read more on page 29 for our material matters

PERFORMANCE AGAINST OUR STRATEGY CONTINUED

ENGAGED EMPLOYEES

WHAT ARE WE AIMING FOR

To create an environment where our employees find a deep sense of connection and meaning in our purpose and vision, as demonstrated by their relentless focus on delivering meaningful customer experiences at every stage of the customer journey.

We want our employees to feel empowered and motivated to be part of an organisation that rewards and recognises high-performance.

HOW WE WILL DELIVER ON THIS

Our people strategy is focused on building a future-fit workforce, culture and people experience that enables the business to respond effectively to rapidly changing customer needs.

In building this workforce, we will create an environment that embraces new ways of working and develop the requisite capabilities to gear the business for growth. This will be supported by driving the requisite culture shifts to create an agile and execution focused organisation. We will also ensure that our employee experience, including our employee value proposition, remains compelling so that we are able to attract and retain key talent.

OUR MEDIUM TERM PRIORITIES

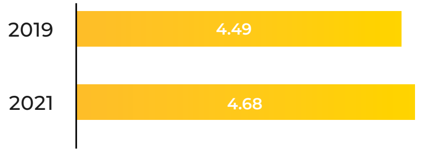
1. Implement agile operating model and ways of working to improve speed to market and efficiencies.
2. Enable a future-fit workforce by investing in future skills development.
3. Enhance our employee value proposition to attract, engage and retain top talent.
4. Establish a diverse and inclusive workforce in all countries we operate in.

WHAT WE ACHIEVED IN 2021

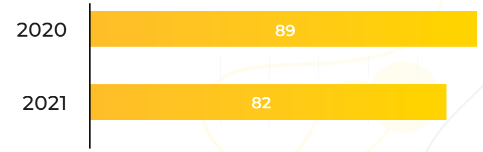
- Improved our Culture Index Score to 4.68, up from 4.49 in 2019.
- Invested R82 million in learning and leadership development initiatives to support emerging talent, employee re-skilling and upskilling and future-fitting our leaders. Our skills development spend has declined over the past two years driven by a shift to cheaper modes of training via virtual channels and through group-wide learning platforms such as Udemy.
- Trained over 6,500 intermediaries through our sales academies. This includes advisers, trainees and broker insurance agents.
- Completed more than 1,700 agile training courses across the organisation, supporting our transition to agile ways of working.
- The Board approved our Fair and Responsible Pay philosophy and principles, which is a key step on our journey to ensuring that reward and performance related outcomes are in alignment with our approach and with local legislative requirements across our markets.

STRATEGIC KPIS

Culture Index Score (Score out of 6)*



Skills development spend (Rm)



* *No full culture survey was conducted in 2020. Given the introduction of lockdown, we chose to focus on the dimensions of Psychological Safety and Engagement*

OUR CULTURE JOURNEY

Our Culture Index Score is measured through our annual Pulse Culture survey. The survey measures 13 dimensions of our culture and engagement model. The 2021 survey received a 69% overall response rate (17,888 employees) compared to the 70% response rate (18,989 employees) in 2019.

Encouragingly, we saw an increase in the Employee Engagement, Inclusive Leadership and Psychological Safety dimensions between 2019 and 2021. A dimension identified for improvement was 'Remove the hassles', particularly related to the ways teams deliver services to each other across the value chain. We remain focused on making delivery easier and simpler to enable faster speed to market.

DRIVING OUR DIVERSITY AND INCLUSION AGENDA

We believe a diverse workforce that represents the vibrant communities and countries we operate in promotes innovation, and drives transformational growth. Our inclusive workplaces nurture a strong sense of belonging and connection, enabling us to deliver on our strategy. This is also reflected as part of our organisational culture of 'The power of diversity and inclusion'. We've made great strides in 2021, including:

- Introduced Pride@Mutual in South Africa. This is an employee resource group to highlight and support the LGBTQIA+ community in our business
- Launched the "Unleash Her" women in leadership development programme to develop women across the organisation

PERFORMANCE AGAINST OUR STRATEGY CONTINUED

ENGAGED EMPLOYEES

FUTURE-PROOFING OUR ORGANISATION

SKILLS DEVELOPMENT

We encourage our employees to approach their growth and development journeys with a focus on business outcomes over knowledge gained, and a growth mindset over current skillset.

In developing a future-fit workforce, we consider both technical and behavioural skills categories. We offer a range of group-wide and segment-specific academies that offer upskilling and reskilling opportunities towards the categories:

80%	20%
towards technical and role specific skills	towards behavioural, management and leadership development

Key focus areas were building sales, service and advice capability, resilience and wellbeing, agility, data and digital skills and the new world of work. 2021 highlights include:

- Every Old Mutual employee enrolled in an online course.
- Employees completed 220,451 virtual, instructor-led courses through Udemy for Business.
- 8,470 employees completed skills courses on the new world of work through the Power Skills Academy.
- 1,778 employees completed agile training courses.

We defined the specific capabilities we need per leadership level to inform our development efforts. Digital self-directed leadership learning journeys are available to line managers across all levels of management.

TALENT MANAGEMENT

As part of our talent management strategy, we adopt an integrated approach to reward decisions by linking reward initiatives to talent management outcomes and a bias for sustainable performance. Our approach supports the retention of critical successors and top contributors required to support the delivery of our strategy. This deliberate development and reward integration with talent management and succession planning is starting to shift the performance culture, allowing us to be discerning and deliberate about investing in the right talent.

Additional enhancements to our talent management strategy in 2021 include:

- The introduction of a Talent Pool approach to develop the talent pipeline required to support the delivery of our strategy, by exposing high potential individuals to differentiated talent management practices and bespoke development interventions.
- The introduction of dynamic succession management, compared to the historic approach of static and linear succession planning. This includes building leadership bench strength for a variety of futures through deliberate diversification which will allow us to hedge against uncertainty.

TRANSITIONING TO A DISTRIBUTED WORKFORCE

In 2020 we launched a distributed workforce pilot to establish the best way of enabling our employees to work and serve our customers remotely. As a result, we developed a hybrid working model for roles that are able to work partly remotely and partly in office.

The model takes into account:

- Employee wellbeing and work-life balance
- Productivity, performance and customer service
- Company and team culture and collaboration

Practically, the application of the model focuses on IT and home office enablement, office readiness, training of line managers and employees, wellbeing support, change management and employee experience tracking. Implementation of the model is staggered, with the first employees having returned to the office in March 2022. Subject to COVID-19 developments, we expect the model to be fully implemented by the second quarter of 2022.

COVID-19 SUPPORT AND MANDATORY VACCINATION

As one of the leading custodians of Africa's savings and investments, we have a responsibility to make and support decisions that will benefit the long-term wellbeing of our employees, customers, communities, and our business. Accordingly, we instituted a mandatory COVID-19 vaccination policy. This decision was not taken lightly. It was based on scientific research and in consultation with stakeholders, including trade unions and specialist medical teams. The first phase of implementation is for all South African employees, who are required to be fully vaccinated by 1 April 2022. Employees may apply for exemption from vaccination on legitimate medical, religious and constitutional grounds. Exempted staff, and those who choose not to vaccinate, are required to undergo weekly PCR testing to gain access to our offices.

EXTRACT FROM THE CORPORATE GOVERNANCE REPORT

BOARD FOCUS AREAS FOR 2021

CULTURE AND HUMAN CAPITAL

- The Board believes that to remain competitive, **the Group needs to embrace a culture of innovation.** The drive to shift the group culture has received significant attention through the Project Pulse initiative. During 2021, we received updates on the impact of Project Pulse initiatives as measured through the Group's Culture Survey. **Increased scores were recorded in all 13 measured dimensions** with the highest scoring dimensions being Inclusive Leadership, Diversity & Inclusion and Trust & Accountability. Psychological Safety and Employee Engagement showed the biggest year on year increases in scores.
- It is acknowledged that COVID-19 has resulted in a changed "world of work" with a significant transformation of the workforce, and how our people are managed. This changed "world of work" was specifically considered by the Board and management in a focused session on Human Capital strategy. **Updated talent management and development strategies, talent transformation initiatives, an enhanced leadership development approach, and a refreshed senior succession planning methodology are being rolled out** to support this "workforce of the future".

Related material matters and top risks*:

- Delivery through a motivated and talented workforce

BOARD FUTURE FOCUS AREAS

CULTURE AND HUMAN CAPITAL

- Continue to oversee the Group's cultural transformation to a higher performance culture
- Monitor the Group's efforts aimed at identifying, recruiting and retaining critical skills
- Continue to monitor the Group's succession planning methodology

Read more on page 29 for our material matters

PERFORMANCE AGAINST OUR STRATEGY CONTINUED

ENGAGED EMPLOYEES

REMUNERATION OVERVIEW

We have made significant progress on our reward journey since the listing of Old Mutual Limited in 2018. We continued to listen and seek feedback from shareholders and our broader stakeholder group, to ensure that our reward strategy is fit for purpose and supports the delivery of our Truly Mutual Strategy.

While unprecedented events over the last two years had a significant impact on our business and our employees, we are starting to see green shoots across our business. We remain optimistic that we are gaining momentum in our recovery journey.

PROGRESS ON OUR REWARD JOURNEY

In 2021 we enhanced our approach to remuneration to improve alignment with shareholders' interests. Shareholder roadshows and targeted engagements provided opportunities to present our reward structures in more detail and **receive valuable feedback**. Our published Remuneration report provides insight into the improvements made on our reward journey. We would like to thank shareholders for their contributions.

VALUE CREATION

The Remuneration committee focussed on ensuring there is **a strong link between our business strategy and our remuneration strategy**. The focus areas of our Truly Mutual strategy, and associated value drivers, underpin the decisions taken in the selection of our STI and LTI scorecard and metrics.

Read more on our link between business strategy and remuneration incentive structures on page 44

The creation of value is encouraged through our variable pay structures. A number of enhancements have been made to our variable pay structures to drive the delivery of shareholder value and broader stakeholder interests, these include:

- A higher proportional weighting towards long-term incentive structures which are 100% performance vested;
- Long-term incentive plan targets were revised upwards and retrospectively applied to all 2021 awards; and
- Introduced a Customer Growth Scorecard and an employee focussed Culture and Engagement Index, as key ESG metrics, aligned with the 2022 Sustainability strategy.

FAIR AND RESPONSIBLE PAY PHILOSOPHY

In 2021, the committee established a Fair and Responsible Pay philosophy and set of guiding principles. This serves as a "constitution" in terms of which all reward decisions are made, policies and procedures are drafted, and existing practices are assessed.

Fair and Responsible Pay practices stretch beyond pay alone and includes a holistic view of reward that is competitive throughout the countries and regions where we provide employment. This is in alignment with our values, purpose and commitment to being a responsible business, while being fair to all stakeholders. Following the approval of the Fair and Responsible Pay philosophy and principles, the committee will now focus on developing appropriate metrics to track progress against our Fair and Responsible Pay principles. The committee is aware of the recommended amendments to the Companies Act on pay ratios and disclosure. When such guidance or regulations are finalised, the committee will make the appropriate disclosures where necessary.

We are committed to evolve our application of these principles across all aspects of reward over a multi-year period.

COVID-19 PANDEMIC

The COVID-19 pandemic had a material impact on our customers and our business operations in 2020 and 2021. Incentive schemes align with this outcome, with financial performance in both the short-term incentive and long-term incentive schemes reducing materially. The single figure remuneration outcomes for the Executive committee have been materially below target, being on average 48% and 50% of on-target for 2020 and 2021 respectively. Please refer to page 26 of the full Remuneration report, for further information on the impact of Covid-19 on business performance and remuneration outcomes.

REWARD PHILOSOPHY

Our reward philosophy underpins our Group strategy in supporting a high-performance culture that rewards engaged employees that make meaningful contributions to achieve the Group's purpose, vision and values.

The Group manages reward on a total reward basis, which incorporates a combination of financial and non-financial reward elements. This approach allows us to attract, motivate and retain skilled, experienced, and high-performing individuals who enable us to meet our strategic objectives and ensures alignment of the Group's interests and those of our employees and stakeholders over the longer-term.

PERFORMANCE AGAINST OUR STRATEGY CONTINUED

ENGAGED EMPLOYEES

THE REMUNERATION REPORT IS STRUCTURED AS FOLLOWS:

MESSAGE FROM OUR REMUNERATION COMMITTEE CHAIRPERSON

PageS 3-8

Our Remuneration committee Chairperson provides an overview of the context within which the remuneration policy had to operate over the period under review including our strategic shifts and COVID-19 responses in respect of remuneration. The background section further provides an outline of our reward journey to date, feedback on our engagements with shareholders, outlines the committees focus areas during 2021 and it's forward-looking focus areas for 2022.

REMUNERATION POLICY

1. **Reward philosophy and principles:** Our reward philosophy underpins our Group strategy in supporting a high-performance culture that rewards engaged employees that make meaningful contributions to achieve the Group's purpose, vision and values. Our core reward principles supports the philosophy.
   Reward elements unpacks how our Total Reward Framework is delivered through core financial and non-financial remuneration elements and design principles. Page 10-12
2. **Group short-term incentive (STI) policies** showcase how our STI policy is designed to motivate and reward employees for substantial achievement of business outcomes and individual performance outcomes.
   Group long-term incentive (LTI) policies showcase how our LTI is designed to reward executive and selected senior management for achievement of our strategic targets over a three-year measurement period and to retain them over the five-year vesting period. Page 13-18
3. **Executive reward** describes how our Executives' remuneration is structured, outlines the reward mix and how we benchmarked against comparable companies.
   Minimum Shareholding Requirements (MSR) outline what the MSR is for each director and prescribed officer, the current level of holding and the period over which they are required to become compliant with the requirements.
   Other policies outlines our remuneration practices and policies on matters of terminations malus and clawback as well as service contracts Page 19-21
4. **Fair and Responsible Pay** explains how we ensure that remuneration across the Group is externally relevant, internally equitable and supports the delivery of the Group's short, medium and long-term objectives. Page 22
5. **Governance and risk** explains how the Group policies and processes support remuneration governance and enable risk evaluation and assessment of reward implementation across the Group. Page 23
6. **Non-executive directors' fees** explains how non-executive directors' fees are reviewed, benchmarked and determined on an annual basis to ensure they remain appropriate for the responsibilities carried out and in accordance with the relevant corporate governance standards and requirements. Page 24

Detailed information on our Remuneration Policy and Implementation report is available in our stand-alone Remuneration report.

Click here to access the full Remuneration Report

REMUNERATION IMPLEMENTATION

1. **Performance overview** provides the backdrop against which executive reward outcomes are determined. This includes an outline of the operating context of the Group and the business performance for the year. Page 26
2. **Summary single figure remuneration** is a summary of the TGP, STI, LTI and qualifying dividends received by executive directors and prescribed officers during 2021. Page 27
3. **Guaranteed pay outcomes** explains how the Remuneration committee determines an increase mandate annually, considering affordability, macroeconomic factors, and market benchmarking. Page 28
4. **Group STI outcomes** set out how the Group STI pool is determined with reference to business performance. The main driver of the total Group STI pool is RFO. Page 29
5. **Group LTI outcomes** set out how the Group LTI is determined and the approval process. The total Group LTI pool is awarded based on multi-year targets. Page 30
6. **Single figure and awarded remuneration** explains how the TGP, STI and LTI for executive directors and prescribed officers were determined.
   Single figure pages outline the business performance for each director and prescribed officer during the year and their STI and LTI outcomes as a result of the combination of business and individual performance. Page 31-40
7. **Directors' interest in Old Mutual Limited shares** at the end of 2021.
   Unvested shares per director and prescribed officer.
   Non-executive directors' annual and other fees paid during 2021. Page 41-51

PERFORMANCE AGAINST OUR STRATEGY
CONTINUED

SOLUTIONS THAT LEAD

WHAT ARE WE AIMING FOR

We will deliver solutions that lead in service and performance, for insurance, investments and supporting banking needs. Customers will be able to meet all their primary financial services needs with us.

HOW WE WILL DELIVER ON THIS

For solutions where we are already competitive and market-leading, we will focus on enhancing their flexibility and ease of use.

We will continuously improve solutions and launch innovative and refreshed propositions. These propositions will enable key shifts that our customers require, including customised solutions and the best advice delivered through a seamless experience.

OUR MEDIUM TERM PRIORITIES

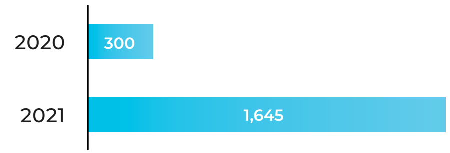
1. Enhance the Old Mutual Protect proposition through granular pricing and the introduction of new benefits.
2. Launch new flexible and modular solutions, such as the new Savings and Income proposition, by utilising the new core technology infrastructure.
3. Accelerate growth in transactional banking.

WHAT WE ACHIEVED IN 2021

- Continued growth in sales of our new Old Mutual Protect risk offering, reaching over 1 million active policies. We closed Greenlight, our previous risk product, to new business.
- Released a second update of 22Seven's account linking capability within the MyOldMutual app. The update allows customers to view all their linked, external accounts on the app, a 360 view of their finances and total wealth on the MyOldMutual app.

STRATEGIC KPIS

Old Mutual Protect APE (Rm)



INVESTING IN ARTIFICIAL INTELLIGENCE AND ROBOTICS

We have moved beyond simple robotics process automation and introduced an artificial intelligence capability. The introduction of this capability allows us deliver the most sustainable, efficient and competitive service experiences for our customers.

The use of machine learning tools like Natural Language Processing and Optical Character Recognition reduces the need for manual work allocation across high volume activities, such as reading and routing emails, in our servicing offices. We are also starting to use these technologies in key customer journeys, such as disinvestments and withdrawals.

We also increased the number of active robots deployed across our internal value chains. We now have a total of 89 processes automated, achieved through 221 active robots (26% growth on last year). This resulted in the equivalent of 9 million minutes saved through automation in 2021.

ENHANCING OUR BANKING SOLUTION IN KENYA

We introduced a mobile banking suite for Faulu Bank in Kenya that allows customers to facilitate effective and efficient digital micro-lending. This allows us to grow our customer base through self-onboarding, and drive deposits for bank. The banking suite includes a mobile app, USSD banking, relationship management, electronic document management, ATMs, and agency banking. Following the launch, we successfully onboarded more than 22,000 customers in the first month. The proposition delivers significant value for both customers and the business. For customers, this includes 40 user-friendly features on the app, with 27 of these being new features. For the business, we have improved back-office efficiencies by introducing a 360 view of the customer. All of this gives us a strong platform for growth, by having a solid foundation off which we can introduce new solutions for our customers.

EXTRACT FROM THE CORPORATE GOVERNANCE REPORT

BOARD FOCUS AREAS FOR 2021

DIGITAL JOURNEY

- In order to be a recognised leading digital financial services organisation across Africa, various digital initiatives are being implemented across the Group. **The Board was pleased with the utilisation of robotics and artificial intelligence to enhance customer service and personalised engagement.** The use of data and behavioural economics to understand the customer's context were also discussed.
- **The Board monitored the digitalisation of services for advisors and customers and how this was being supported by the Group's cloud strategy.**
- The reskilling of employees to leverage these technological advances also received Board oversight.

CUSTOMERS

- Continue to oversee the Group's efforts to enhance our customer centric approach
- Monitor the impact of the constrained macro-economic environment on our customers

South Africa: Pietermaritzburg 29.6006° S, 30.3794° E

STRATEGY AND VALUE CREATION

ENHANCING VALUE CREATION BY INVESTING IN LONG-TERM GROWTH

In line with our Truly Mutual strategy, we are continually exploring how we can better understand and serve our customers, while generating sustainable long-term value across all our stakeholder groups. We remain alert to the ever-changing environment, including how customers are choosing to interact with – and consume – financial services. Being able to respond swiftly and appropriately to these challenges and opportunities will be critical to securing our desired growth in the future.

Over the past year, we have made select strategic investments towards securing our future growth and building the financial services business of the future. These include opportunities in fintech and payments, ecosystems and in expanding our current transactional banking capability. These initiatives are currently in their infancy and the inherent nature of these opportunities is one that has a longer-term return profile. We remain steadfast in our belief that doing the right thing for customers will translate into sustainable financial value over the long term.

INNOVATION AT THE EDGE THROUGH OUR NEW GROWTH AND INNOVATION OFFICE

The New Growth and Innovation Office (NGI) was established in August 2021 to complement the core business by accelerating the growth and innovation agenda outside of our core businesses of today. NGI was borne out of the recognition that consumer needs and market forces are evolving at a rapid pace, and that large, traditional corporate structures can constrain the ability to respond at speed and deliver disruptive transformation. NGI was therefore established to respond to the opportunities created by these changing market dynamics and deliver game-changing innovations to support sustainable, long-term growth across the Group's businesses.

We see the unit driving growth and value in two ways:

(i) **Defending the existing business,** which will focus on creating value over a shorter term time horizon (1-3 years) through the delivery of new solutions, capabilities and strategic partnerships.

(ii) **Creating new businesses and revenue streams,** which will focus on creating value over a longer term time horizon (4 years+) through the delivery of new disruptive propositions and businesses in adjacent ecosystems.

Our investment in NGI as part of the broader group portfolio reflects our commitment to securing our collective futures – not only for our Company, but for our customers, communities and businesses that we partner with.

Meeting customer needs through ecosystem-based business models

We believe that adopting a truly customer-led approach to solving friction points is a key contributor to setting up a successful ecosystem. This means understanding customers' challenges and what they value to build a view of potential 'ecosystem plays'. We prioritised six customer need spaces which have a sizeable consumer spend, attractive future growth potential and are consumer spaces in which we believe we have a "right to win". Examples include education, health and jobs as priority ecosystems.

Protecting and preserving financial futures through digital wills

In October 2021, we launched a free digital will solution. We see this as an important step in ensuring that our customers have access to basic financial services improving the financial position for themselves and their families. The proposition was made available through public online sites, but also embedded into our MyOldMutual platform.

We have seen great validation of customers' needs being met. We concluded over 1,000 finalised wills in a space of 4 months. We will continue to refine our proposition in response to customer needs and feedback.

Making financial wellness more accessible through 22seven

22seven is our market-leading personal money management app. 22seven allows customers to see all their money in one place, and the advanced transaction categorisation engine generates a personalised budget based on actual spending. Through 22seven, we partnered with Moya Messenger to make a data-free version of the app, called 22seven lite, available to all South Africans.

This removes the wifi and mobile data barrier to helping consumers better manage their financial lives.

EXTRACT FROM THE CORPORATE GOVERNANCE REPORT

BOARD FOCUS AREAS FOR 2021

STRATEGY AND EXECUTION

- The Board previously approved the Group's long-term strategy and supports management's long-term vision. This vision is to be our customer's "first choice to sustain, grow and protect their prosperity", and is being delivered through the Truly Mutual strategy. During 2021 the Board and management continued to enhance the strategy and specifically the detailed execution steps required to deliver it.
- The primary outcomes to be delivered through this strategy have been identified and are linked to specific Board approved value drivers for investors, as detailed in the Integrated Report.
- The Board considered and approved the unbundling of a portion of the Group's stake in Nedbank Group Limited (Nedbank), comprising 12.2% of the issued ordinary share capital. The Group's remaining shareholding in Nedbank continues to support the capital structure of the Group and will be optimally managed in line with the Group's Financial Management Framework.
- Including the Nedbank distribution the Group has, since listing on the JSE in 2018, returned R75.4 billion to investors by way of share buy backs and dividends in cash or specie.
- Reviewed and supported management in the formulation of the platform strategy and its delivery.
- Reviewed and supported management on the approach to the Insurtech and Fintech partnership models.

The Group delivered strong recovery in sales and earnings, maintained a robust balance sheet and continued to drive shareholder value through capital returns

GROUP FINANCIAL PERFORMANCE

2021 continued to be heavily impacted by COVID-19, with wave 2 and 3 having a significant impact on our results due to the deterioration of our mortality experience in South Africa and Namibia. Nevertheless, the Group demonstrated its resilience, delivering a strong recovery and performance across most of our metrics.

Our balance sheet remained well capitalised despite a decline in our Group solvency ratio. We actively executed management actions that maximise return for our shareholders through various capital optimisation initiatives and strategic asset allocation of shareholder capital.

Casper Troskie
Chief Financial Officer

GROUP HIGHLIGHTS

Rm (unless otherwise stated)	FY 2021	FY 2020	Change
Gross flows	**194,757**	187,137	4%
Life APE sales	**11,400**	9,786	16%
NCCF (Rbn)	**0.1**	9.6	(99%)
FUM (Rbn)	**1,273.6**	1,104.6	15%
VNB	**1,266**	621	>100%
Results from Operations (RFO)	**4,384**	1,663	>100%
RFO excluding direct COVID-19 impacts	**9,103**	7,742	18%
Adjusted Headline Earnings (AHE)	**5,402**	2,484	>100%
Adjusted Headline Earnings per share (cents)[1]	**118.5**	54.3	>100%
Return on Net Asset Value (RoNAV) (%)	**9.0%**	3.8%	520 bps
Free Surplus Generated from Operations	**6,149**	4,700	31%
% of AHE converted to Free Surplus Generated	**114%**	189%	(7 500 bps)
Group Solvency ratio (%)[2,3]	**184%**	199%	(1 500 bps)
Headline Earnings (HE)[3]	**7,209**	5,088	42%
Headline Earnings per share (HEPS)[3]	**163.8**	116.1	41%
IFRS Profit/(Loss) after tax attributable to equity holders of the parent[3]	**6,662**	(5,097)	>100%
Basic Earnings per share (cents)[3]	**151.3**	(116.3)	>100%
Final dividend per share (cents)	**51**	35	46%

1 *Weighted average number of shares (WANS) used in the calculation of the Adjusted Headline Earnings per share is 4,558 million (FY 2020: 4,574 million)*
2 *FY 2020 amounts have been re-presented to account for the use of the accounting consolidation method*
3 *These metrics include the results of Zimbabwe. All other key performance indicators exclude Zimbabwe*

	KPI	Target	FY 2021 Outcome
Growth	Results from Operations	Deliver **2019 result plus 5% to 10% by 2023**	R4,384 million
Returns	Return on Net Asset Value	Between **Cost of Equity+2% and Cost of Equity+4%**	9.0%
Efficiencies	Cost efficiencies	**R750 million by the end of 2022** through our South African insurance and savings businesses	R450 million
Efficiencies	VNB margin	Between **2% and 3%**	1.9%
Efficiencies	Net underwriting margin	Old Mutual Insure **underwriting margin 4% – 6%**	4.8%
Capital	Solvency	**Old Mutual Limited:** 170%-200%	184%
Capital	Solvency	**OMLACSA:** 175%-210%	201%
Capital returns	Dividend cover	Full year cover: **1.5x to 2.0x** Interim dividend cover: **40% of AHE**	1.51

GROUP FINANCIAL PERFORMANCE CONTINUED

SIGNIFICANT TRANSACTIONS: NEDBANK UNBUNDLING

On 23 June 2021, the Group announced its intention to unbundle 12.2% of its 19.4% stake in Nedbank by way of a distribution in specie. The Group believes that the unbundling was in the best interests of shareholders and allows shareholders to participate directly in the investment cases of both businesses whilst providing a return of capital to shareholders. The unbundling received all the requisite regulatory approvals, and was concluded on 8 November 2021.

INITIAL ACCOUNTING TREATMENT

As at 30 June 2021, the Group reclassified the 12.2% distributed stake ("the distributed stake") as an asset held for sale and distribution. The total stake in Nedbank was further assessed for impairment and a subsequent remeasurement adjustment was recognised in terms of IFRS 5 for the distributed stake. The Group had recognised a reversal of previously recognised impairments of R108 million for the total stake, as well as a remeasurement loss of R47 million on the distributed stake.

SUBSEQUENT ACCOUNTING TREATMENT

Following the reclassification to an asset held for sale and distribution, the Group ceased equity accounting Nedbank earnings associated with the distributed stake with effect from 1 July 2021. A remeasurement gain of R65 million was recognised to the date of unbundling, resulting in an increase in the pre-unbundling carrying value of the distributed stake. The Group recognised a "held for distribution" liability. The held for distribution liability was discharged by crediting the distributed stake, effectively derecognising the held for sale and distribution investment off the balance sheet.

The retained stake continued to be classified as an investment in an associated undertaking until the date of unbundling of the distributed stake. Following the unbundling of the distributed stake, the Group no longer had significant influence in Nedbank and the retained stake was reclassified to investments and securities at fair value through profit or loss. Following the reclassification to investments and securities, the Group ceased equity accounting Nedbank earnings associated with the retained stake with effect from 1 November 2021. Part of the retained stake (5.3%) has been hedged, limiting the exposure to movements in the share price of Nedbank.

SUPPLEMENTARY INCOME STATEMENT

Rm	Reference	FY 2021	FY 2020	Change
Mass and Foundation Cluster		**3,016**	2,008	50%
Personal Finance and Wealth Management		**3,402**	3,208	6%
Old Mutual Investments		**916**	888	3%
Old Mutual Corporate		**1,518**	1,340	13%
Old Mutual Insure		**522**	309	69%
Rest of Africa		**533**	401	33%
Net expenses from central functions	A	**(804)**	(412)	(95%)
Results from Operations excluding direct COVID-19 impacts		**9,103**	7,742	18%
Separately identifiable direct COVID-19 impacts	B	**(4,719)**	(6,079)	22%
Results from Operations		**4,384**	1,663	>100%
Shareholder investment return	C	**2,726**	1,612	69%
Finance costs	D	**(543)**	(484)	(12%)
Income from associates[1]	E	**1,252**	917	37%
Adjusted Headline Earnings before tax and non-controlling interests		**7,819**	3,708	>100%
Shareholder tax		**(2,088)**	(1,188)	(76%)
Non-controlling interests		**(329)**	(36)	(>100%)
Adjusted Headline Earnings		**5,402**	2,484	>100%

1 *Reflects our share of earnings related to our investments in Nedbank and China*

RECONCILIATION OF AHE TO IFRS PROFIT AFTER TAX

Rm	Reference	FY 2021	FY 2020	Change
Adjusted Headline Earnings		**5,402**	2,484	>100%
Investment return for Group equity and debt instruments in life funds		**(190)**	785	(>100%)
Impact of restructuring	F	**(1,482)**	497	(>100%)
Operations in hyperinflationary economies	G	**3,489**	1,093	>100%
Residual plc	H	**(10)**	229	(>100%)
Headline earnings		**7,209**	5,088	42%
Impairment of goodwill, other intangible assets and property, plant and equipment	I	**(552)**	(1,408)	61%
Remeasurement of non-current assets held for sale and distribution		**4**	–	100%
Reversal of impairment/(impairment) of investments in associated undertakings	J	**37**	(8,777)	>100%
Loss on disposal of subsidiaries and associated undertakings		**(36)**	–	(100%)
IFRS Profit/(Loss) after tax for the financial period attributable to ordinary equity holders of the parent		**6,662**	(5,097)	>100%

GROUP FINANCIAL PERFORMANCE CONTINUED

A NET EXPENSES FROM CENTRAL FUNCTIONS

Net expenses from central functions increased from R412 million in the prior year to R804 million. The increase in shareholder operational costs was largely as a result of a significant increase in growth and innovation investments, an increase in project costs, the impact of fair market rental concessions and negative movements in Group staff related share based expenses. This was partially offset by net treasury gains due to positive mark to market movements related to improved economic growth compared to 2020.

B SEPARATELY IDENTIFIABLE DIRECT COVID-19 IMPACTS

We have presented certain direct COVID-19 impacts separately within our presentation of RFO, in order to reflect the underlying results of our segments on a more comparable basis to prior years. Only items that are directly attributable to COVID-19, separately identifiable and reliably measurable have been presented in this line item. We have not made any pro-forma adjustments for impacts such as the loss of earnings due to lower sales activity resulting from lockdown restrictions.

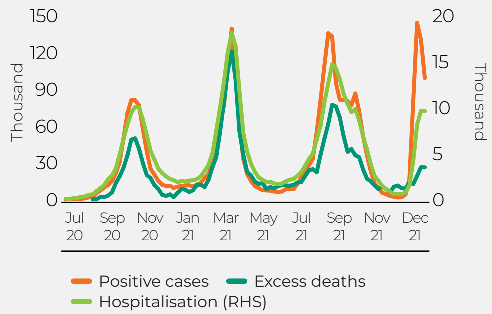
The table below illustrates the direct impacts of COVID-19 on our alternative profit measure, RFO. Please note that RFO and RFO excluding COVID-19 impacts are non-IFRS measures.

	FY 2021			FY 2020	FY 2019
Rm	RFO	Direct COVID-19 impacts	RFO excl direct COVID-19 impacts	RFO excl direct COVID-19 impacts	RFO excl direct COVID-19 impacts
Mass and Foundation Cluster	**2,752**	**264**	**3,016**	2,008	3,527
Personal Finance and Wealth Management	**448**	**2,954**	**3,402**	3,208	2,169
Old Mutual Investments	**1,109**	**(193)**	**916**	888	1,008
Old Mutual Corporate	**727**	**791**	**1,518**	1,340	1,816
Old Mutual Insure	**543**	**(21)**	**522**	309	233
Rest of Africa	**(391)**	**924**	**533**	401	496
Net expenses from central functions	**(804)**	**–**	**(804)**	(412)	(277)
Total	**4,384**	**4,719**	**9,103**	7,742	8,972

Rm	FY 2021	FY 2020	Change
Net pandemic impact	**4,932**	4,393	12%
Pandemic impact, net of releases	**5,716**	4,393	30%
Management actions	**(784)**	–	(100%)
Business interruptions and rescue reserves	**(21)**	791	(>100%)
Unrealised Mark to Market	**(193)**	704	(>100%)
Underwriting results – Personal Lines	**–**	(293)	100%
Forward looking information	**–**	169	(100%)
Increase in operating expenses	**–**	315	(100%)
Total direct COVID-19 impacts	**4,719**	6,079	(22%)

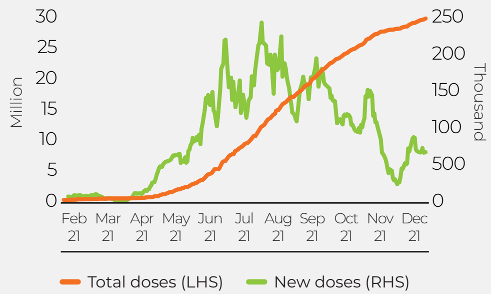
NET PANDEMIC IMPACTS, NET OF RELEASES

South African COVID-19 experience



Source: SAMRC, NICD

South African COVID-19 vaccination



Source: SA Corona Website

Rm	Mass and Foundation Cluster	Personal Finance	Old Mutual Corporate	Rest of Africa	Group
Excess deaths before the release of COVID-19 provisions	(1,003)	(3,818)	(1,310)	(684)	**(6,815)**
Release of COVID-19 provisions	1,105	2,868	1,094	199	**5,266**
Additional COVID-19 provisions (net of management actions)	(366)	(2,004)	(575)	(438)	**(3,383)**
H1 2021	(251)	(1,255)	(253)	(218)	**(1,977)**
H2 2021	(115)	(749)	(322)	(220)	**(1,406)**
Net pandemic impact on RFO	**(264)**	**(2,954)**	**(791)**	**(923)**	**(4,932)**

In South Africa, COVID-19 continued to have a significant impact on our claims experience. Wave 2 and Wave 3 excess deaths experience was more pronounced in the insured population due to the older age profile and heterogeneity of lives.

At a Group level, provisions raised in December 2020 and June 2021 were insufficient to fully offset excess death claims during 2021. Personal Finance wave 3 excess claims experience was significantly worse than wave 2, with provisions raised insufficient to cover the excess deaths. Although Old Mutual Corporate experienced similar levels of excess claims across wave 2 and wave 3, the business had insufficient provisions to offset excess claims from wave 3 as experience was impacted by the heterogeneity of lives and pricing factoring in a lower impact of wave 3 due to positive impact of vaccinations. In Mass and Foundation Cluster, wave 3 experience was similar to wave 2 experience in 2021, and the segment had sufficient provisions in place to fully cover excess deaths. The year ended with wave 4 reaching its peak, albeit with lower excess deaths levels compared to the previous waves. Experience in Rest of Africa had been muted until the second half of 2021. Namibia experienced its first significant wave, resulting in a material increase in excess deaths. This increase was exacerbated by the lack of oxygen in the country's health facilities during the peak of the wave.

Management took a number of actions during the year to mitigate the impact of COVID-19. These included price increases for individual underwritten new business (for unvaccinated lives) and rate reviews on corporate group life schemes. The in-force Greenlight pricing basis used for premium reviews at the end of the guaranteed period was also adjusted to take into account the expected future cost of COVID-19.

GROUP FINANCIAL PERFORMANCE CONTINUED

Rm	Mass and Foundation Cluster	Personal Finance	Old Mutual Corporate	Rest of Africa	Group
Pandemic provisions at 31 December 2020	1,024	1,979	891	68	**3,962**
Release of COVID-19 provisions	(1,105)	(2,868)	(1,094)	(199)	**(5,266)**
Additional COVID-19 provisions (gross of management actions)	434	2,650	575	509	**4,168**
Pandemic provisions at 31 December 2021	**353**	**1,761**	**372**	**378**	**2,864**
Best estimate liability and prescribed margin	353	1,518	275	378	**2,524**
Discretionary margin		243	97		**340**

Closing provisions were set taking into account the most recent experience and assumes that there will be no break-out variants that bypass immunity in the future. We assumed that each future wave would contribute less to excess mortality mainly due to continued roll out of vaccines and increased immunity acquired through past infections as the virus remains transmissible but less virulent.

Past experience for Personal Finance and Old Mutual Corporate were significantly different to that expected due to various factors such as the heterogeneity of insured lives. R340 million of discretionary margins were established across these two segments to cater for this. These margins were set in relation to our Earnings at Risk appetite. Existing Mass and Foundation Cluster and Rest of Africa mortality related discretionary margins were deemed adequate to cater for this risk and therefore no further explicit discretionary margins have been raised in these segments.

Risks to pandemic assumptions

The short term provisions established for 2022 onwards have assumed that future waves of the pandemic will result in fewer excess deaths as the virus progresses towards becoming endemic. It was therefore assumed that no break out variant will occur in the future. To the extent that a break out variant occurs that bypasses immunity provided by vaccines and prior infection, it would result in a negative impact on earnings and future provisioning.

It was assumed at a national level, vaccinations would be administered to around 60% of the population by the end of the first half of 2022, with the remainder of the population achieving immunity through prior infection. To the extent that vaccination uptake is not achieved for age groups 40 years and older we would expect shorter term volatility in earnings and provisioning.

It was also implicitly assumed in the modelling that past infection will assist in preventing deaths in the future. To the extent that this proves not to be true and immunity from past infection wanes, there could be higher losses than modelled.

Sensitivity of the pandemic provisions

		Change in provisions			
		Immunity benefit		Vaccine take-up	
Rm	Base	-25%	+25%	-10%	+10%
Pandemic provisions	**2,864**	1,389	(1,215)	327	(264)

The table above shows the sensitivity of the pandemic provision to two different scenarios before allowing for any offset from discretionary margins:

- **Immunity benefit:** This assumes that immunity from vaccination and prior infection changes by the specified sensitivity (applied multiplicatively).
- **Vaccine take-up:** This assumes an absolute change in ultimate vaccination level at a national level (applied additively).

Impact of the pandemic provisions on the OMLACSA solvency ratio

Rm	Solvency ratio excluding COVID-19 provisions	COVID-19 provisions at 31 December 2021	Solvency ratio including COVID-19 provisions
COVID-19 provisions	**–**	**2,486**	**2,486**
Own funds	63,907	(1,436)	62,470
SCR	31,417	(333)	31,084
OMLACSA Solvency ratio	**203%**	**(2%)**	**201%**

OMLACSA remains strongly capitalised. The COVID-19 provisions have minimal impact on the solvency coverage, with the provisions resulting in a 2% reduction in the solvency ratio.

BUSINESS INTERRUPTION AND RESCUE RESERVES

During the year, Old Mutual Insure released a portion of the business interruption and rescue reserve recognised in 2020, following increased certainty around claims payable. Management remains comfortable that the remaining gross reserves are adequate to cover future claims.

UNREALISED MARK TO MARKET LOSSES

We have excluded from RFO, net positive fair value investment movements of R193 million related to unlisted equity and a portfolio of credit exposures in our Specialised Finance business. The improvement in economic and equity markets performance resulted in partial unwinding of the R704 million fair value investment losses recognised in the prior year, and further improved the valuations of our unlisted portfolio.

GROUP FINANCIAL PERFORMANCE CONTINUED

C SHAREHOLDER INVESTMENT RETURN

Shareholder investment returns for the Group of R2,726 million increased by 69% from R1,612 million in the prior year.

In South Africa, shareholder investment returns increased by 48% to R1,931 million. The increase in investment returns was largely driven by a rally in the local equity market and improved valuations of the unlisted equity portfolio. Investment returns earned on South African interest-bearing assets were impacted by the lower average interest-bearing asset base. Various enhanced cash strategies were deployed which resulted in a 4.4% return, a 0.6% outperformance of the STeFI Composite index.

The investment returns earned on the South African listed hedged equity portfolio is higher than the prior year, mainly as a result of the local equity market rally. The hedged equity portfolio (ex-Nedbank) returned 9.4% for the year. In South Africa, a hedged equity strategy is utilised primarily to reduce capital losses. The hedging strategies are executed in the form of zero cost collars where the exposure to losses is limited to 5% – 15% of the investment value whilst the underlying equities track the SWIX40 total return index. During 2021, a transition to the Capped SWIX40 index commenced within the portfolio. The valuation of the unlisted equity portfolio increased due to the improved market multiples of listed peers and the higher profitability of the underlying entities. The return on the unlisted equities portfolio was 21.2% for the year. Post unbundling, the retained Nedbank stake was recognised as part of shareholder invested assets with associated fair value movements accounted as part of shareholder investment returns. A portion of the Nedbank investment (5.3%) has been hedged using a similar collar structure as protected equity, with a lower floor limiting losses to between 2%-5%. Fair value movements on the collar structure are accounted in shareholder investment returns.

The shareholder investment portfolio in the Rest of Africa achieved a return of R795 million, an increase from R311 million recognised in the prior year. This was primarily driven by increased investment returns in Namibia, Malawi and East Africa. Namibia's investment returns increased significantly largely due to a rally in local equity markets. Malawi's investment returns were driven by growth in interest income and higher fair value gains on equity investments compared to the prior year. The increase in investment returns in East Africa was mainly due to lower fair value losses in investment properties compared to the prior year.

D FINANCE COSTS

Finance costs on the long term debt that supports the capital structure of the Group increased by 12% to R543 million. This was largely driven by fair value losses on interest rate swaps compared to the fair value gains recognised in the prior year.

E INCOME FROM ASSOCIATES

Income from associates increased by 37% to R1,252 million largely due to an increase in Nedbank earnings. The increase in Nedbank earnings was primarily due to the decline in the impairment charge and strong revenue growth when compared to the low base in 2020. Our business in China reported a 76% decrease in its losses largely due to fair value losses on financial assets recognised in the prior year that did not repeat in the current year. An increase in technology related expenses and poor claims experience partially offset the decrease in losses.

F IMPACT OF RESTRUCTURING

The restructuring line includes costs mostly relating to Nedbank unbundling, with R1.2 billion deferred tax raised on the total stake at 30 June 2021. For the distributed stake, the difference between the carrying value under IFRS 5 and the tax base of the investment was a taxable difference in terms of IAS 12, resulting in a tax liability of R731 million at the capital gains tax rate. This amount was reclassified from deferred tax to a current tax liability upon recognition of the held for distribution liability and was settled prior to 31 December 2021. The deferred tax balance was revised for the retained stake, amounting to R429 million at 31 December 2021.

Refer to the Tax Transparency Report where the tax implications of the Nedbank unbundling are clearly set out.

G OPERATIONS IN HYPERINFLATIONARY ECONOMIES

Due to the volatility that hyperinflation continues to cause on the economic outlook in Zimbabwe and barriers to access capital by way of dividends, we continue to exclude the results of the Zimbabwe business from Adjusted Headline Earnings. The increase in Zimbabwe's profits was mostly due to an increase in investment returns earned on the group's shareholder portfolio. The increase in investment returns relates to fair value gains earned on equities traded on the Zimbabwe Stock Exchange (ZSE) as market participants seek to invest in equities which preserve value in an inflationary environment. The ZSE generated returns of 311% for the year. We caution users of our financial results that the investment returns earned on the group's shareholder portfolio may reverse in the future.

H RESIDUAL PLC

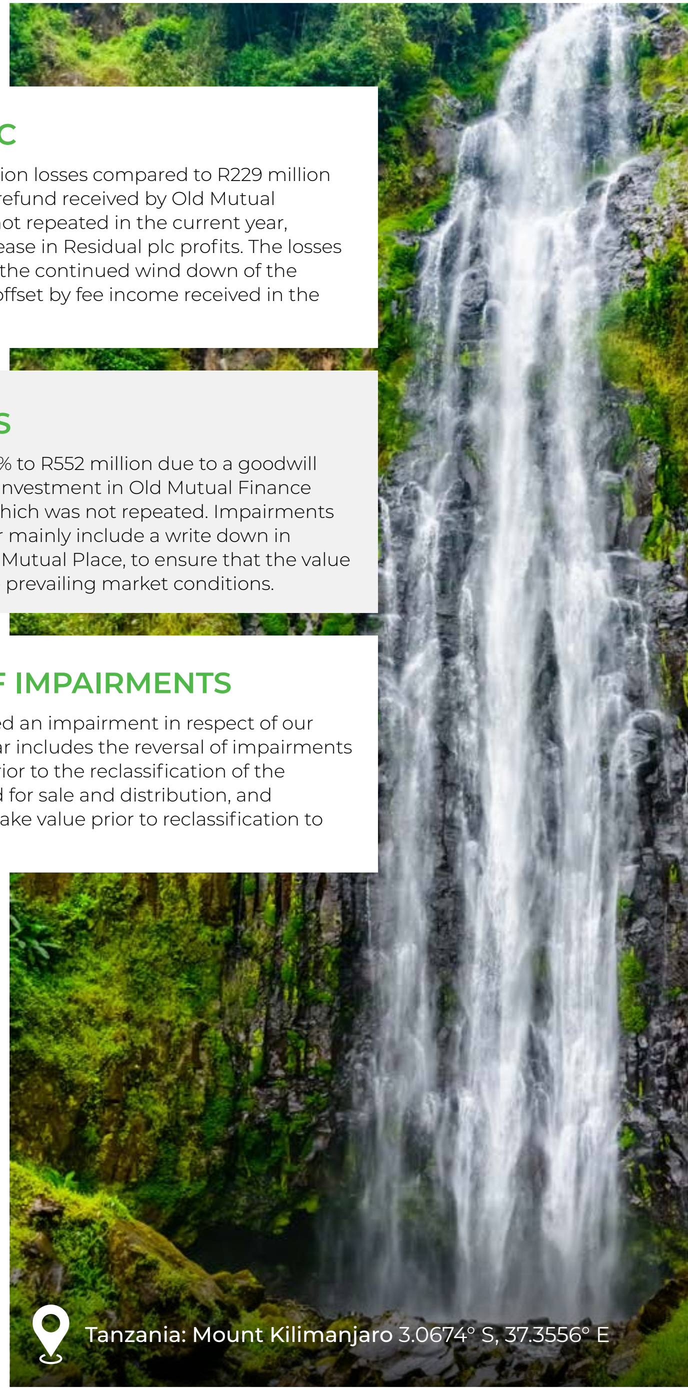
Residual plc reported R10 million losses compared to R229 million profits in the prior year. A tax refund received by Old Mutual Netherlands BV in 2020 was not repeated in the current year, resulting in a significant decrease in Residual plc profits. The losses include costs associated with the continued wind down of the remaining operations, partly offset by fee income received in the second half of the year.

I IMPAIRMENTS

Impairments decreased by 61% to R552 million due to a goodwill impairment in respect of our investment in Old Mutual Finance recognised in the prior year which was not repeated. Impairments recognised in the current year mainly include a write down in respect of one of our offices, 1 Mutual Place, to ensure that the value of the asset better reflects the prevailing market conditions.

J REVERSAL OF IMPAIRMENTS

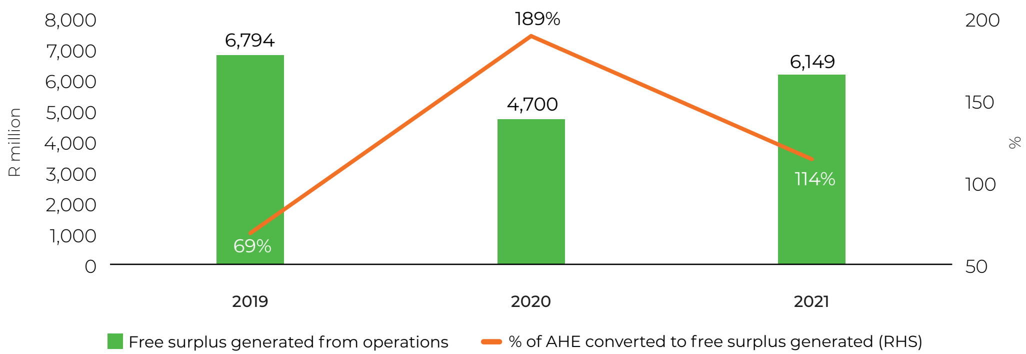
In the prior year, we recognised an impairment in respect of our stake in Nedbank. Current year includes the reversal of impairments on the total Nedbank stake prior to the reclassification of the distributed stake as asset held for sale and distribution, and movements in the retained stake value prior to reclassification to investments and securities.



Tanzania: Mount Kilimanjaro 3.0674° S, 37.3556° E

GROUP FINANCIAL PERFORMANCE CONTINUED

FREE SURPLUS GENERATED FROM OPERATIONS



Our operating segments continued to generate a high proportion of cash earnings. However, this was partly diluted by the change in Nedbank treatment as Nedbank earnings were reported as part of free surplus from our operating segments, with no corresponding dividends flowing to Free Surplus Generated.

Lower capital requirements contributed to the increase in free surplus, albeit at significantly lower levels compared to the prior year. Capital requirements in the prior year were largely driven by a material once-off reduction in Solvency Capital Requirements (SCR) as the Prudential Authority approved the use of the Iterative Risk Margin approach in the calculation of the solvency position of OMLACSA. In the current year, contributions to free surplus were mainly due to lower capital requirements in OMLACSA driven by the hedge implemented on the retained Nedbank stake that backs allocated capital, and lower capital requirements in Old Mutual Insure driven by the decrease in business interruption and rescue provisions compared to the prior year.

CAPITAL MANAGEMENT

The Group actively drives regular management actions to maximise return on equity for shareholders. This is achieved through various capital optimisation initiatives combined with efficient capital allocation and strategic asset allocation of shareholder capital. The Group also actively manages the returns and related capital of guaranteed products. These activities will support the accelerated recovery of the Group's RoNAV.

LIQUIDITY AND MARKET RISK MANAGEMENT

Liquidity and market risks are assessed at an entity level with the management and mitigation strategies aligned with the respective business and its operating environment.

The Group's liquidity position remained robust and within targeted ranges throughout 2021. Liquidity levels remained sufficient to facilitate business plan execution while still ensuring sufficient protection against defined liquidity risk scenarios. Market risk was managed in line with defined appetite, utilising a variety of risk mitigation strategies.

Key initiatives over the year include the refinements in OMLACSA's guaranteed product hedging programmes to reduce residual market risk, and the refinement of the liquidity risk requirement modelling (ensuring optimal liquidity usage).

CAPITAL OPTIMISATION

The Group continues to optimise its capital structure to create value for shareholders. We finalised the Nedbank unbundling on 8 November 2021, simplifying the Group's capital structure, providing a substantial return of capital to shareholders and allowing shareholders to participate more directly in the differentiated investment cases of Old Mutual Group and Nedbank. The retained stake in Nedbank is managed in line with the Group's financial management framework and supports the capital structure of OMLACSA. In the first half of 2021, the continued wind down of Residual plc operations released a further £25.6 million (R505.1 million) of capital.

FUNDING

On 23 September 2021, OMLACSA issued R1.5 billion subordinated debt at 154 bps over the 3-month JIBAR. We intend to issue subordinated debt annually to optimise the Group's weighted average cost of capital, provided that the market conditions and investor demand remain favourable.

CAPITAL ALLOCATION

The Group's strategy and financial management framework drive the allocation of capital across the Group. The framework is embedded in all significant business decisions and defines the financial metrics for all capital allocation decisions that enhance shareholder value.

The Old Mutual Limited and OMLACSA solvency target ranges were reviewed following the approval by the Prudential Authority of the use of iterative risk margin and accounting consolidation method when aggregating SCR for the Group solvency calculation. Following the review, the OMLACSA range remained unchanged at 1.75x – 2.10x throughout the year. The Old Mutual Limited range changed from 1.55x – 1.75x to 1.65x to 1.95x. The range subsequently changed to 1.70x – 2.00x post the use of the accounting consolidation method at the end of 2021.

The Group measures any new opportunities strictly against an acquisition framework which ensures that any acquisitions considered meet the Group's minimum return of cost of equity. During the year, the largest portion of capital was allocated to Mass and Foundation Cluster and Personal Finance and Wealth Management. The capital was deployed to support new business and growth in the in-force book.

DIVIDEND POLICY

The dividend policy targets an ordinary dividend cover of 1.50x to 2.00x AHE over the financial year and an interim dividend of 40% of current year's interim AHE. When determining the appropriateness of a dividend, we consider the underlying cash generated from operations, fungibility of earnings, targeted liquidity and solvency levels as well as the Group's strategy. In light of our strong liquidity levels and well capitalised balance sheet, the Board declared a final dividend of 51 cents per share.

GROUP FINANCIAL PERFORMANCE CONTINUED

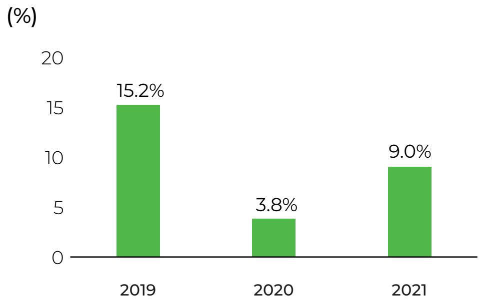
RETURN ON NET ASSET VALUE (RONAV)

RoNAV increased by 520 bps to 9.0% mainly due to the significant improvement in AHE, and partially due to lower average adjusted IFRS equity, as a result of the distribution of 12.2% of the Group's stake in Nedbank in November 2021.

RoNAV of 10.4% in South Africa increased by 620 bps, reflecting growth in AHE attributable to South Africa of R5,202 million, up from R2,389 million in the prior year. This was driven by strong RFO growth, higher shareholder investment returns and increased associate earnings from Nedbank. Average adjusted IFRS equity decreased by 11% to R50.2 billion due to the impact of the distribution of the Group's stake in Nedbank on closing Adjusted IFRS equity. The decrease in closing Adjusted IFRS equity was partially offset by higher profits from the South African businesses and dividends received from Residual plc.

Following the exclusion from AHE of the distributed stake of Nedbank effective 30 June 2021, for the purposes of the RoNAV calculation, the equity attributable to the distributed stake is recognised for the same proportion of the year that earnings were recognised in AHE.

RoNAV in Rest of Africa improved by 100 bps to 2.1%. AHE in Rest of Africa increased from R95 million in the prior year to R200 million due to higher shareholder investment returns and lower shareholder tax and finance costs. This was partially offset by RFO losses that were largely driven by poor claims experience in the Life and Savings business. Average Adjusted IFRS equity increased by 8% to R9.6 billion mainly due to capital injections and favourable foreign currency movements in Malawi and East Africa.

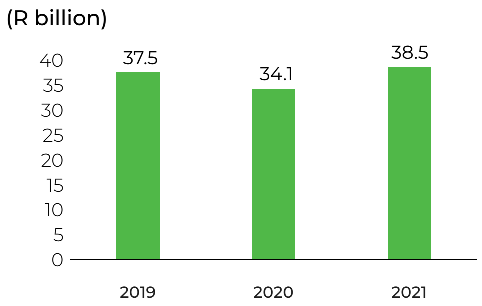


INVESTED SHAREHOLDER ASSETS

The total invested shareholder assets of R38.5 billion increased by 13% from R34.1 billion at the end of 2020.

Excluding Nedbank, the asset base in South Africa marginally decreased to R23.7 billion from R25.9 billion. The inclusion of Nedbank as part of invested assets increased the invested shareholder asset base to R29.6 billion. A portion of the remaining unhedged stake in Nedbank has been sold with the intention of fully exiting the unhedged position in 2022. During the period, short-term interest-bearing assets marginally declined to fund dividend payments and the pandemic related claims recognised by the Group.

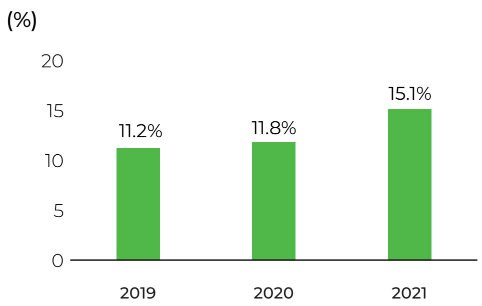
In Rest of Africa, invested shareholder assets of R8.9 billion increased by 9% from R8.2 billion at the end of 2020. The growth was driven by higher investment returns and an increase in interest bearing assets. Within Rest of Africa, the countries have adopted a low-risk investment strategy, in line with the Group's strategic asset allocation framework, resulting in a higher allocation to fixed income assets. This allocation is expected to alter the investment return profile in future reporting periods.

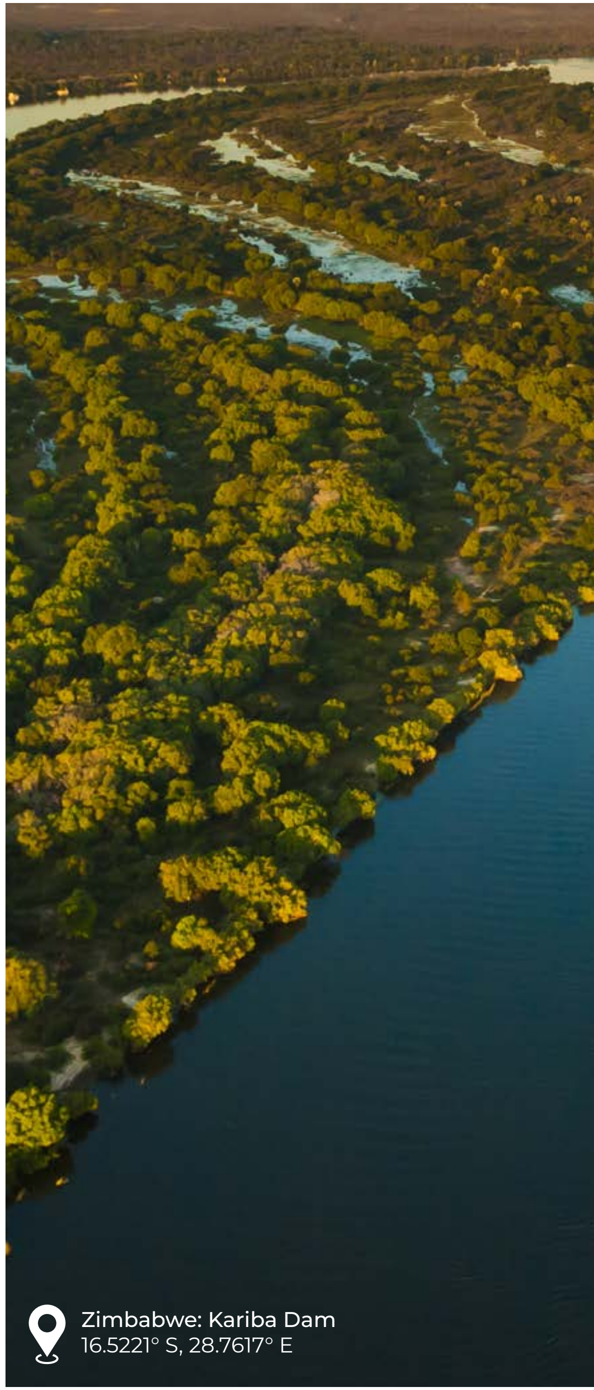


GEARING

The gearing ratio of the Group is calculated with reference to closing adjusted IFRS equity. The gearing ratio increased by 330 bps to 15.1%, due to higher IFRS value of debt, following the issuance of R1.5 billion of floating rate subordinated debt instruments by OMLACSA in September 2021. Lower Adjusted IFRS equity, mainly due to the distribution of the Group's stake in Nedbank further contributed to a higher ratio.

Interest cover of 15.4 times increased by 77%, reflecting the improvement in AHE before tax, non-controlling interest and finance costs.

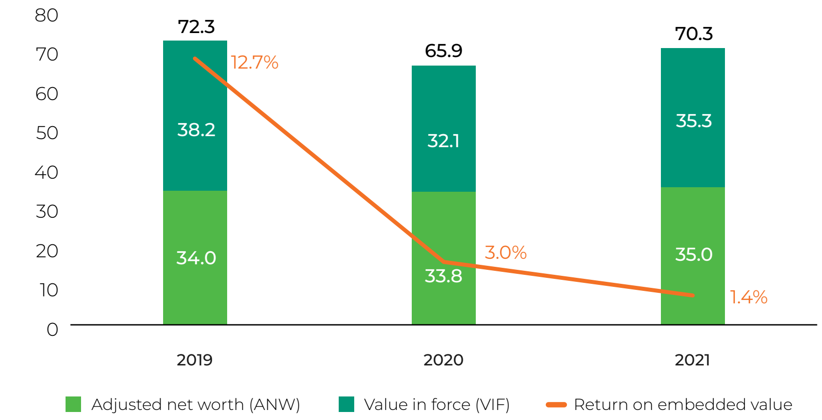




GROUP FINANCIAL PERFORMANCE CONTINUED

EMBEDDED VALUE

(R billion)



The return on embedded value decreased to 1.4% largely due to the impact of excess mortality claims and lower short term interest rates which reduced the Operating EV earnings by 58% to R903 million. This was partly offset by the strong recovery in value of new business and lower negative assumption and model changes compared to the prior year. The strong recovery in the value of new business was primarily due to higher sales volumes and a shift towards a more profitable mix of new business within Rest of Africa.

Embedded value increased by 7% mostly due to positive economic variances. Gains in the equity markets led to both higher expected future asset-based fee income on investment products, as well as higher than expected shareholder investment returns.

Experience variances deteriorated from the prior year, with worse than anticipated mortality experience being partly offset by improved persistency experience. Experience assumption changes were less negative than the prior year. This is largely related to the additional short-term provisions raised to cover expected worsening of mortality experience for future waves of the pandemic being lower than those required in the prior year.

GROUP EQUITY VALUE

The 6% decrease in Group Equity Value (GEV) compared to December 2020 predominantly reflects the impact of the unbundling of 12.2% of our stake in Nedbank to shareholders in November 2021, which was partially offset by growth in value for both covered and non-covered businesses.

Covered business is included in GEV at embedded value. The non-covered businesses are valued based on a series of directors' valuations for each material legal entity. In the current year, there were reallocations of net asset value between lines of business within the equity attributable to operating segments in order to better align with how the business is managed.

Asset Management GEV increased by 61% largely due to reallocation of net asset value between lines of business and higher valuations of Old Mutual Investments and Old Mutual Wealth, largely reflecting increased sustainable future earnings. Banking and Lending GEV improved by 20%, primarily due to a higher valuation of Old Mutual Finance, reflecting improved forecast profits. Property and Casualty GEV increased by 5%. This was driven by the positive valuation of UAP Old Mutual in Rest of Africa driven by higher profit forecasts, and an improvement in the valuation of Old Mutual Insure due to higher peer multiples.

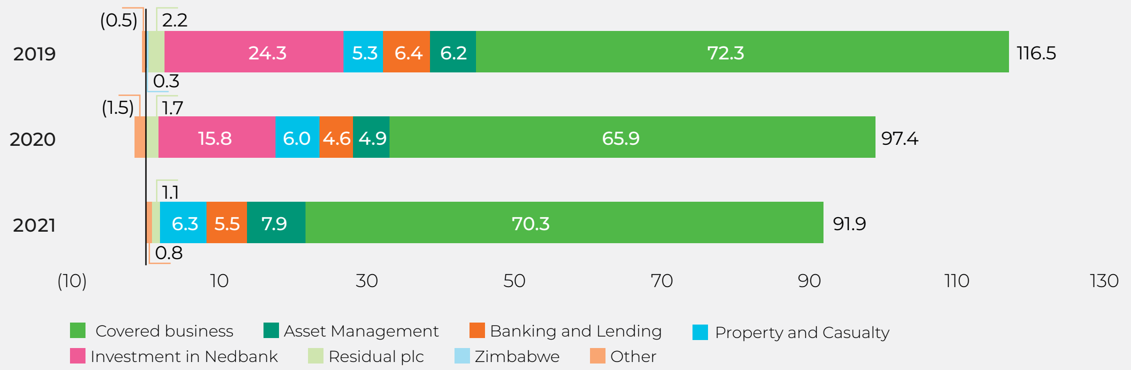
Other includes the value of holding companies (including cash), the present value of central costs and our joint venture in China at fair value. The significant increase in the GEV of Other was mostly due to reallocation of net asset value between the lines of business to better align with how the business is managed.

The investment in Nedbank in December 2020 reflects the Group's 19.4% stake in Nedbank at fair value. Following the unbundling of 12.2% of the stake in Nedbank, the retained stake is no longer classified as an associated undertaking and is included in the GEV related to covered business at fair value.

In line with the continued winding down of the remaining operations of Residual plc, the value at 31 December 2021 decreased by 35%. This is mainly due to the dividends paid to the OML holding company.

Due to the continued impact of hyperinflation on the Zimbabwean economy and in particular the unrealised nature of the listed investment return supporting the IFRS net asset value for this business, the value of Zimbabwe is reduced to zero in GEV.

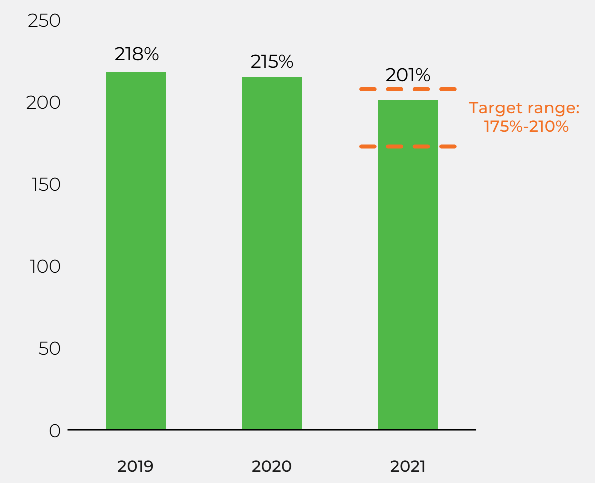
(R billion)



GROUP FINANCIAL PERFORMANCE
CONTINUED

SOLVENCY

OMLACSA solvency ratio (%)



Group solvency ratio (%)

1 *FY 2020 has been re-presented to account for the use of the accounting consolidation method*

The solvency ratio for OMLACSA decreased to 201% from 215% in December 2020, mainly due to an increase in the solvency capital requirement (SCR).

SCR increased due to higher lapse risk driven by growth in the Old Mutual Protect product and strong market performance on smoothed bonus products. Higher equity risk from a higher prescribed equity shock and increased equity exposure contributed to increased SCR. The higher equity risk was partially offset by the hedge implemented on the remaining Nedbank stake held in OMLACSA. The marginal increase in eligible own funds was mainly due to significant positive returns on investment products and shareholder assets as well as profitable new business sales. In September 2021, OMLACSA issued R1.5 billion of subordinated debt which counts as Tier 2 capital. The increase in eligible own funds was largely offset by poor mortality experience and additional COVID-19 provisions raised in Personal Finance, as well as an allowance for a higher foreseeable dividend.

The Group Solvency ratio decreased to 184% from 199% in December 2020. The overall reduction in the solvency ratio was mainly due to a 9% higher prescribed equity shock which increased SCR on non-regulated entities, and the decrease in own eligible funds for non-regulated entities largely due to the Nedbank unbundling. A decrease in the OMLACSA solvency ratio as well as a decrease in the solvency ratios for certain Rest of Africa insurers (including Zimbabwe) further contributed to the reduction in the Group Solvency ratio.

The Group regularly models the impact of an extreme, but plausible sequence of events leading to a "Perfect Storm" economic scenario (1-in-200 year event) on our solvency capital and liquidity positions and these stress tests have shown that we remain sufficiently capitalised with appropriate liquidity. As at 31 December 2021, OMLACSA and Old Mutual Limited were financially sound on the Prudential Standards basis and are both expected to remain financially sound for the foreseeable future.

South Africa: Golden Gate Highlands National Park 28.5167° S, 28.6167° E

GROUP FINANCIAL PERFORMANCE CONTINUED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

Rm	2021	2020
Investment property	**38,672**	33,606
Investments in associated undertakings and joint ventures	**908**	17,450
Investments and securities	**899,388**	772,037
Reinsurers share of policyholder liabilities	**13,372**	15,610
Cash and cash equivalents	**32,931**	33,560
Other assets[1]	**68,583**	68,419
Total assets	**1,053,854**	940,682
Life insurance contract liabilities	**155,349**	145,536
Investment contract liabilities with discretionary participating features	**245,483**	203,117
Investment contract liabilities	**393,787**	334,311
Property and Casualty liabilities	**11,206**	14,455
Third-party interests in consolidated funds	**77,308**	73,020
Borrowed funds	**17,506**	17,335
Other liabilities[1]	**87,914**	83,585
Total liabilities	**988,553**	871,359
Net assets	**65,301**	69,323
Equity attributable to equity holders of the parent	**62,174**	66,995
Non-controlling interests: ordinary shares	**3,127**	2,328
Total equity	**65,301**	69,323

NET ASSETS

Total liabilities increased by 14%, primarily due to an increase in long-term policyholder liabilities[2]. These liabilities increased mainly as a result of positive market performance and the weakening of the rand against the US dollar which resulted in an increase in unit linked investment contracts and investment contract liabilities with discretionary participating features.

The increase in liabilities was partially offset by an increase in total assets, driven by an increase investments and securities and investment properties. These increases were partially offset by a decrease in investments in associated undertakings and joint ventures due primarily to the unbundling (and subsequent reclassification of the retained stake) of Nedbank.

EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

Equity attributable to equity holders of the parent decreased by 7%, largely as a result of the payment of R13.3 billion of dividends. This was partially offset by the IFRS profit recognised for the period, compared to IFRS losses in the prior period and gains on property revaluations.

1 *For presentation purposes, certain assets and liabilities lines not separately listed have been grouped into other assets and liabilities respectively*
2 *Long-term policyholder liabilities include life insurance contract liabilities, investment contract liabilities and investment contract liabilities with discretionary participating features and investment*
3 *For presentation purposes, certain expense lines have been grouped into the other expenses line*

CONDENSED CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2021

Rm	2021	2020
Net earned premiums	**72,551**	72,462
Investment return (non-banking)	**157,047**	56,940
Banking interest and similar income	**4,347**	4,734
Banking trading, investment and similar income	**433**	341
Fee and commission income, and income from service activities	**11,827**	10,409
Other income	**1,609**	1,647
Total revenue and other income	**247,814**	146,533
Net claims and benefits incurred	**(131,566)**	(81,981)
Change in investment contract liabilities	**(54,947)**	(24,003)
Fee and commission expenses, and other acquisition costs	**(10,506)**	(9,803)
Change in third party interests in consolidated funds	**(11,874)**	3,479
Other expenses[3]	**(26,861)**	(29,460)
Total expenses	**(235,754)**	(141,768)
Share of gains of associated undertakings and joint ventures after tax	**1,385**	592
Reversal of impairment/(impairment) of investments in associated undertakings	**18**	(8,629)
Loss on disposal of subsidiaries	**(36)**	–
Profit/(loss) before tax	**13,427**	(3,272)
Income tax expense	**(5,964)**	(2,076)
Profit/(loss) after tax for the financial year	**7,463**	(5,348)

TOTAL REVENUE

Total revenue increased by 69% to R248 billion, largely due to an increase in investment returns. Investment returns increased by 176% from the prior period, primarily due to a strong recovery in local and international equity markets as many economies began to recover from the effects of the COVID-19 pandemic.

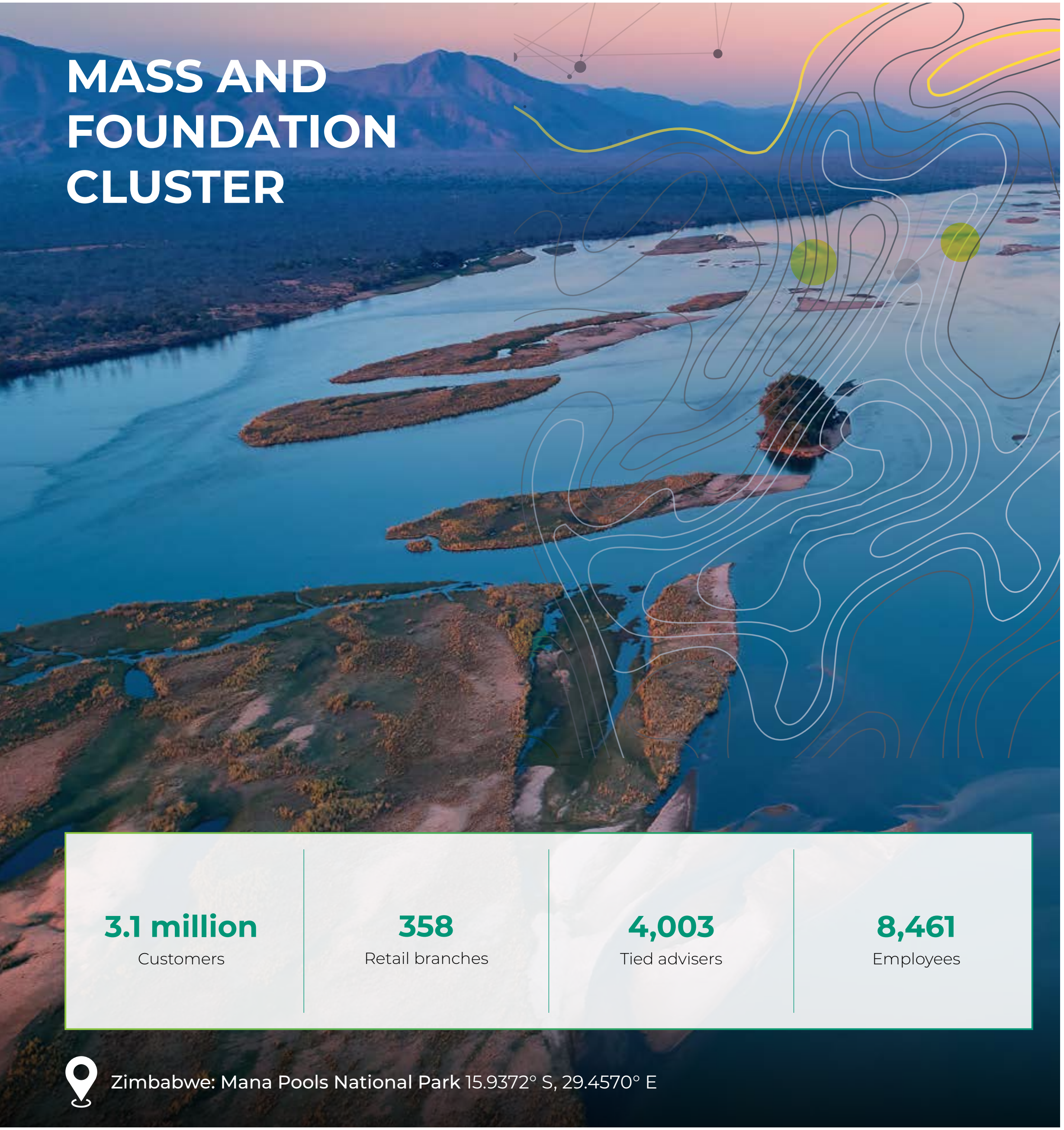
TOTAL EXPENSES

Total expenses increased by 66% to R236 billion, largely due to an increase in net claims and benefits incurred, change in investment contract liabilities and change in third-party interests in consolidated funds. Net claims and benefits incurred increased due to an increase in COVID-19 related claims and an increase in life insurance contract liabilities mainly driven by the higher market returns compared to the prior year. This was partially offset by lower business interruption reserves recognised in the current year compared to the prior year. Change in investment contract liabilities expense and change in third-party interest in consolidated funds were significantly higher than the prior year mainly as a result of higher investment returns earned, which was largely driven by the improved market performance.

REVERSAL OF IMPAIRMENT/(IMPAIRMENT) OF INVESTMENTS IN ASSOCIATED UNDERTAKINGS

In the prior year, we recognised an impairment in respect of our stake in Nedbank. Current year includes the reversal of impairments on the total Nedbank stake prior to the reclassification of the distributed stake as an asset held for sale and distribution, and movements in the retained stake value prior to reclassification to investments and securities.

SEGMENT FINANCIAL PERFORMANCE



MASS AND FOUNDATION CLUSTER

3.1 million	358	4,003	8,461
Customers	Retail branches	Tied advisers	Employees

Zimbabwe: Mana Pools National Park 15.9372° S, 29.4570° E

Mass and Foundation Cluster is a retail segment that offers a wide range of simple financial services products to customers.

Mass and Foundation Cluster provides risk, transactional, lending, savings, and funeral services solutions to the foundation and mass market customer segments. The Group defines foundation and mass markets as individuals earning R1,000 to R8,000 and R8,000 to R30,000 per month, respectively. The segment's distribution networks include tied advisers, with a growing contribution from franchise, brokers, digital and direct channels.

KEY DIFFERENTIATORS:

- Large distribution network
- Longstanding relationship with stakeholders
- Positive brand affinity
- Established financial education programmes
- Old Mutual Rewards programme

STRATEGIC FOCUS AREAS TO DRIVE VALUE CREATION

1. Efficient use of new and existing distribution channels to acquire new customers
2. Manage persistency by leveraging data to create personalised customer experience
3. Manage credit experience
4. Expense management through cost optimisation across distribution channels
5. Optimise mix of business to improve margins

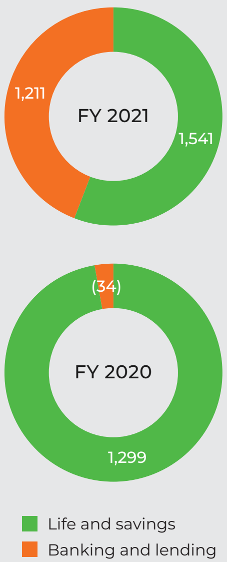
SEGMENT FINANCIAL PERFORMANCE CONTINUED

OPERATING CONTEXT

The slow economic recovery continued to put financial pressure on our customers, resulting in an increase in lapses and surrenders and increased customer preference for low-cost non-intermediated solutions. There is an increased level of competitor activity, placing an increased risk on our share of the market.

PERFORMANCE SNAPSHOT

RFO by line of business (R million)



FINANCIAL PERFORMANCE SUMMARY

Gross flows decreased by 3% to R12.9 billion largely due to the decline in the life in-force book. NCCF of R5.0 billion decreased by 23% largely due to the significant increase in funeral claims in the first half of the year, coupled with lower gross flows. Life APE sales increased by 32% to R3,475 million, driven by a good recovery in risk sales as a result of the improved productivity in our adviser sales force and strong growth in our alternative and foundation market channels. VNB margin increased by 570 bps to 6.2% due to a significant increase in issued risk sales volumes and efficient acquisition cost management.

Loans and advances declined by 8% to R14,795 million as a result of reduced footfall in the branches and the continued prudent management of the lending book over the last two years, which included tighter credit criteria to mitigate the potential impact of job losses and economic difficulties as a result of the pandemic. Net lending margin increased by 960 bps to 18.0%, reflecting the material once-off release of provisions from a net reduction in book size, supported by strong underlying credit experience.

RFO of R2,752 million increased largely due to the material turnaround in the credit losses for the Banking and Lending business. In addition, prior year included the impact of significant net pandemic and expected credit loss provisions. We have utilised R1,105 million of the mortality provisions in place for excess claims incurred during 2021. We increased the remaining provision to R353 million to allow for additional excess deaths expected over the remainder of the pandemic. Persistency experience improved relative to prior year following the strengthening of our persistency provisions, but remained under pressure as a result of the slower economic recovery and the unrest in July 2021. The impact of the strengthening of our persistency and mortality provisions over the year was largely offset by the release of the remaining discretionary margins held for the risk product investment strategy.

2021 KEY ACTIVITIES

Maintained our focus on a holistic product offering that is key to delivering on our integrated financial services strategy:

- Our non-advice channels[1] have shown good progress in terms of expanding our sales footprint and mix, lowering our dependency on tied intermediaries.
- Formed strategic alliances with funeral service providers to integrate vertically into the funeral value chain and launch a new low-cost funeral product.
- Continued to build our alternative channels footprint, with 10 super franchises onboarded.
- Continued to prudently manage our lending book through tighter credit criteria while growing the book by focusing on segments within our risk appetite.

Remained committed to delivering improved customer and adviser experience:

- Continued to optimise our distribution force.
- Enhanced our digital servicing channels, enabling customers to upload supporting documents and submit funeral claims and disinvestment requests.
- Continued to verify deaths directly via the Department of Home Affairs, reducing the claims processing times.
- Launched an e-PDF in our franchise channel to enable the channel to shift to a paperless environment.

Engaged over 50,000 individuals through the On the Money (OTM) financial education initiative created to drive sustainable financial management habits. Some of these engagements were face to face, with COVID-19 safety protocols and requirements sufficiently adhered to.

1 *Non-advice channels include digital, call centre and worksites*

KEY: OLD MUTUAL CARES | ALWAYS PRESENT FIRST | SOLUTIONS THAT LEAD

VALUE CREATION

CUSTOMERS

- ▶ **R14.8 billion** loans and advances, enabling our customers to finance their goals
- ▶ **R7.2 billion** paid in claims and benefits
- ▲ Improved customer experience due to variety of servicing products, with **18% of total claims received** through digital channels
- ▲ **84% of funeral claims paid out** within 4 hours, an improvement from 80% in 2020, reflecting our commitment to better customer servicing

INTERMEDIARIES

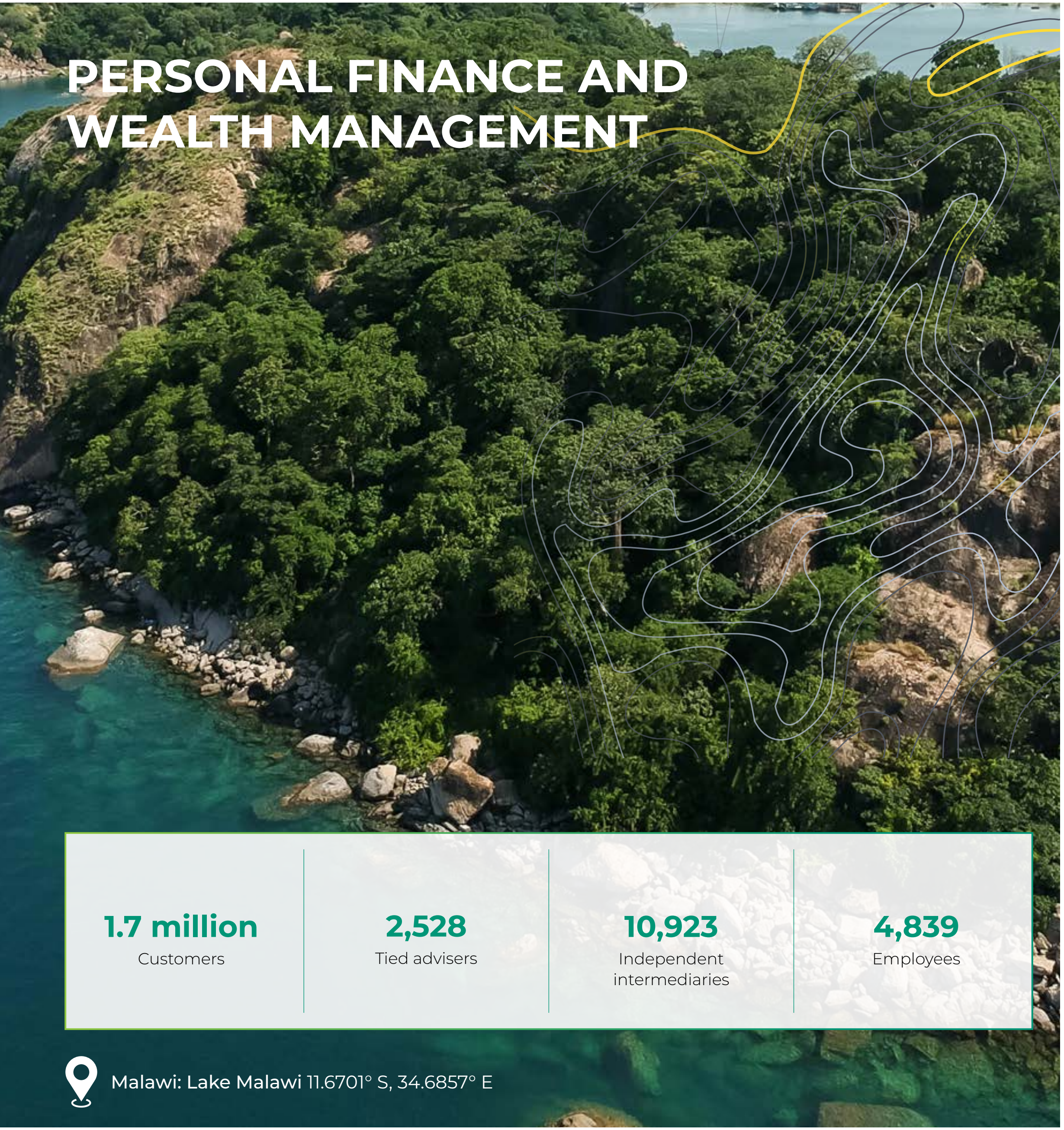
- ▲ **R33 million invested** in intermediaries training and development
- ▼ There was a decrease in overall tied adviser force, largely due to branch closures

KEY: ▲ Value created | ▶ Value preserved | ▼ Value eroded

TRADE OFFS

Our responsible lending approach to the heavily indebted mass market has led to a better credit experience and better quality sales. However, this has resulted in a decline in the loan book.

SEGMENT FINANCIAL PERFORMANCE CONTINUED



PERSONAL FINANCE AND WEALTH MANAGEMENT

1.7 million	2,528	10,923	4,839
Customers	Tied advisers	Independent intermediaries	Employees

Malawi: Lake Malawi 11.6701° S, 34.6857° E

Personal Finance and Wealth Management is a retail segment that offers a wide range of holistic financial advice and long term risk, savings, income and investment solutions.

Personal Finance targets the middle income market, which the Group defines as individuals earning R30,000 to R100,000 per month. Products are distributed through tied advisers, brokers, agency franchise and direct channels (incl. digital, iWYZE and tele advisers). Wealth Management is an advice led, vertically integrated retail investment business that offers wealth management and investment solutions to high net worth individuals. The business' distribution channels include tied advisers, independent financial advisers (IFA) and direct channels.

KEY DIFFERENTIATORS:

- Established financial management channels including 22seven, Moneyversity
- Integrated Wealth Planning
- Old Mutual Rewards programme
- Strong distribution network, with a large intermediary base
- Comprehensive customer and adviser propositions

STRATEGIC FOCUS AREAS TO DRIVE VALUE CREATION

1. **Retain and acquire new customers in Personal Finance through:**
   - Digitised and adviser-enabled customer experiences
   - Improving our adviser base and productivity levels
2. **In Wealth Management, grow our share of the IFA market and extend our lead in the offshore space by:**
   - Improving customer and planner experience
   - Integrating customer and adviser solutions and tools
   - Building sustainable distribution businesses
3. **Rectifying our mix of new business to improve margins**
4. **Optimising our expense base through efficient cost management**

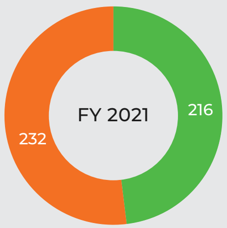
SEGMENT FINANCIAL PERFORMANCE CONTINUED

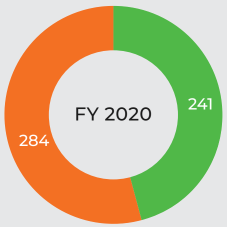
OPERATING CONTEXT

Our customer base remained financially constrained as the economic environment was characterised by high unemployment levels, lower than inflation average salary increases and increasing petrol and food prices. In Wealth Management, new and existing customers continued to diversify their investments offshore, mainly due to policy uncertainty and the weak state of the economy. These uncertainties also drove a shift in customer preferences, with most customers looking for guarantees on their invested capital.

PERFORMANCE SNAPSHOT

RFO by line of business (R million)





Life and savings
Asset Management

FINANCIAL PERFORMANCE SUMMARY

Gross flows increased by 15% to R81.2 billion due to strong flows across Wealth Management's local and offshore platforms, and strong growth in single premium savings and annuity flows in Personal Finance. NCCF improved by R1.6 billion to negative R1.3 billion due to strong inflows. This was largely offset by higher mortality claims related to high excess deaths levels during waves 2 and 3 of the pandemic in Personal Finance and higher disinvestments in Wealth Management.

Life APE sales increased by 21% to R4,061 million due to the recovery in single and recurring premium sales in Personal Finance, and strong living annuity and endowment sales in Wealth Management. VNB margin reduced by 30 bps to 0.9% largely due to an increase in initial expenses and distribution cost allocation to life products, and a shift in mix towards lower margin products in Personal Finance.

Personal Finance recorded an RFO loss of R127 million, down from a profit of R160 million in 2020, largely due to the net pandemic impact of R2,954 million. Mortality losses from excess deaths of R3,818 million were partly offset by a R2,668 million provision release. We increased our pandemic provisions to R1,761 million, partially offset by R646 million in management actions implemented in response to COVID-19. RFO excluding COVID-19 impacts was in line with prior year due to stronger markets, better morbidity experience, and continued expense management. Wealth Management RFO improved by 58% largely due to improved operational efficiencies, higher asset levels and revenues driven by improved NCCF levels and market recovery.

2021 KEY ACTIVITIES

Driving digital enablement and digitalisation to improve customer and intermediaries' experience:

- Successfully migrated the Old Mutual Unit Trust business from legacy platform to the Old Mutual Wealth platform, which will enable our advisers and customers to access our products through a single point of contact
- Continued to drive customer digital engagement, enabling our customers to submit their claims and withdrawals via WhatsApp, USSD, and public web
- Implemented digital signatures to give customers more control over servicing activities and to simplify the approval processes
- Enhanced planners' tracking tools by adding real-time tracking updates and refining status descriptions. This will help to reduce follow-up e-mails and phone calls from planners to customers
- Improved the adviser sales processes through upgrades and integration of adviser sales and servicing platforms, reducing processing and administrative activities
- Implemented the Account Verification Service Realtime which eliminates the requirement for customers to provide bank statements when transacting with our businesses, improving customer experience

Launching new products and enhancing existing products in line with our customer needs and expectations:

- Completed a structured loan proof of concept that allows customers to borrow against their Private Client Securities investment portfolios
- Launched an income solution for qualified investors backed by renewable energy projects.
- Revised our fixed bond products with improved guaranteed returns for customers, which was especially important during a period when clients were looking for security
- Continued to embed Old Mutual Protect, resulting in an increase in active advisers on the platform and applications issued

Continued to drive growth in Old Mutual Rewards members, resulting in 91,000 new rewards members, a significant increase from 54,000 in 2020

KEY: REWARDING DIGITAL ENGAGEMENT | ALWAYS PRESENT FIRST | SOLUTIONS THAT LEAD

VALUE CREATION

CUSTOMERS

- ▶ **R8.6 billion** paid in mortality claims
- ▶ Continued to offer offshore investment alternatives, enabling our customers to diversify their portfolios, which is gaining relevance due to uncertainty around local economic growth
- ▶ Strong investment performance, with the Old Mutual Multi Managers' performance **ranked first over 1, 2, 5 and 10 years investment horizons**

INTERMEDIARIES

- ▶ **R7.1 million** invested in intermediaries training and development.

KEY: ▲ Value created | ▶ Value preserved | ▼ Value eroded

TRADE OFFS

In Wealth Management, we had to postpone a large portion of our product development and expansion objectives in order to focus on the Old Mutual Unit Trust business IT migration. The migration was imperative in order to modernise the IT platform and decrease the risks associated with an aging platform. The delay could impact our competitiveness, as it could give our competitors an edge in terms of product development.

SEGMENT FINANCIAL PERFORMANCE CONTINUED

OLD MUTUAL INVESTMENTS

50% and 44%	339	655
of our funds were above benchmark for 3-year and 5-year investment period, respectively	Institutional customers	Employees

Uganda: Lake Bunyonyi 1.2953° S, 29.9133° E

Old Mutual Investments is one of South Africa's leading investment managers, offering investment solutions to institutional and retail customers.

The segment operates as three businesses, namely:

- **Asset management business,** which includes the following businesses:
  - Old Mutual Investment Group: Listed equity and multi-assets investments
  - Futuregrowth asset management: Fixed income and credit investments
  - Marriott asset management: Income solutions investments
- **Old Mutual Alternatives business:** Unlisted assets investments
- **Old Mutual Specialised Finance:** Shareholder credit and asset liability management

KEY DIFFERENTIATORS:

Largest fixed income manager	Offer passive with indexation investments	Largest infrastructure/ renewables Investment manager in Africa	Market leading with regards to the integration of ESG in our investment decisions

STRATEGIC FOCUS AREAS TO DRIVE VALUE CREATION

1. Deliver consistent top quartile investment performance
2. Drive transformation efforts within the businesses, including majority black ownership
3. Grow market share in both the retail and institutional markets
4. Focus on key revenue and growth initiatives
5. Stabilise and invest in our operating platforms

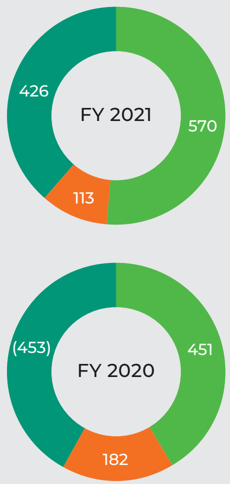
SEGMENT FINANCIAL PERFORMANCE CONTINUED

OPERATING CONTEXT

The rebound in global economic growth, with high gains in local and global equity markets positively impacted our business, resulting in the overall improvement in our asset-based fees. The local operating environment remained uncertain mainly due to COVID-19, civil unrest experienced in July and low business sentiment.

PERFORMANCE SNAPSHOT

RFO by business unit (R million)



- Asset Management
- Alternatives
- Specialised Finance

FINANCIAL PERFORMANCE SUMMARY

Gross flows increased by 9% to R49.5 billion due to new mandates secured in our Liability Driven Investment (LDI) and Indexation capabilities, and strong inflows recognised in Futuregrowth. Strong inflows drove the significant growth in NCCF to R4.9 billion. The combination of strong NCCF and equity market gains resulted in a 15% increase in Assets under Management to R809.1 billion.

Annuity revenue was 14% ahead of 2020 driven by higher average asset levels and the yield enhancement on assets impacted by negative mark to market movements in the prior year. These gains were partly offset by lower fees on foreign assets given the relative strengthening of the rand in 2021. Non-annuity revenue was positive as significant COVID-19 related mark to market losses recognised in the prior year did not repeat.

RFO increased to R1,109 million from R180 million in the prior year due to the non-recurrence of mark to market losses recognised in Specialised Finance in the prior year, coupled with improved annuity revenue. RFO, excluding direct COVID-19 impacts, increased by 3% from the prior year, largely due to higher annuity revenue partially offset by increased expenses.

2021 KEY ACTIVITIES

Focusing on key revenue and growth initiatives, and creating positive customer journeys:

- Enhanced our ESG software and tools integration into our investment processes to further embed our ESG philosophy and principles into our investment outcomes
- Focused on process automation, leveraging artificial intelligence and machine learning to improve efficiencies and drive investment outcomes
- Joined the Net Zero Asset Owner Alliance and Net Zero Asset Manager Initiative as part of our commitment to reducing emissions in our investment portfolios
- The Specialised Finance business successfully originated R4.2 billion of deal volume, comprising R2.5 billion of unlisted deals and R1.7 billion of listed transactions. The Alternatives business raised R10 billion committed capital (approximately 50% is from third-party clients). These transactions are expected to have a positive impact on our annuity and non-annuity revenue in the future.

Focusing on product innovation, in line with customer needs and expectations:

- Launched a Hybrid Equity capability in the Alternatives business during the first half of the year, which has already raised R1 billion of capital. As the fund and team grows, we expect increased third-party capital commitment.
- In partnership with Augment Infrastructure Partners, the Alternatives business launched a fund that focuses on emerging market infrastructure projects. $175 million of capital has already been committed
- To improve customer experiences and business efficiencies, Marriott closed two legacy products

Driving transformation across our businesses:

- In February 2022, we concluded the sale of 21.2% of our stake in Futuregrowth Asset Management to African Women Chartered Accountants Investments Holdings. This is in line with our goal to become majority black-owned business
- Remained committed to developing black brokers in our asset management business, with 45% of trades allocated to black brokers

KEY: OLD MUTUAL CARES | ALWAYS PRESENT FIRST | SOLUTIONS THAT LEAD

VALUE CREATION

CUSTOMERS

- ▲ The domestic equity (Investors' Fund) was **7% ahead of the Capped SWIX benchmark** in 2021 and top quartile and the multi asset portfolios all reported **top quartile performance for the year**
- ▲ Marriott implemented a fee reduction strategy for its Core Income Fund, improving the competitiveness of the fund

KEY: ▲ Value created | ▶ Value preserved | ▼ Value eroded

TRADE OFFS

In Marriott, we deferred the launch of our digital direct distribution platform to 2022 as the business focused on regulatory system enhancements and operational platform improvements. The regulatory modifications were prioritised to guarantee that the company's product offering remained compliant.

SEGMENT FINANCIAL PERFORMANCE CONTINUED

OLD MUTUAL CORPORATE

1.6 million	1,182	315
Members	Independent intermediaries	Employees

Namibia: Sossusvlei 24.7274° S, 15.3424° E

Old Mutual Corporate is one of the leading players in the traditional employee benefits industry and provides pre and post retirement investments, administration, consulting services, group risk and specialised solutions.

The segment's distribution network includes a direct sales team, employee benefits specialist intermediaries, Old Mutual retail channels, consultants, direct and digital channels.

KEY DIFFERENTIATORS:

- Integrated employee related propositions and services
- Capital strength which is valued by large corporate customers
- Expertise in management and governance of umbrella funds
- Strong brand and track record

STRATEGIC FOCUS AREAS TO DRIVE VALUE CREATION

1. Strengthen and grow core and large enterprise
2. Accelerate execution of the SME proposition
3. Build business agility through improved business responsiveness and operational efficiency

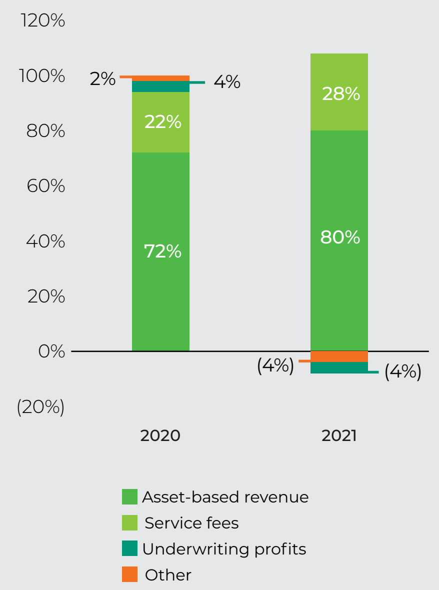
SEGMENT FINANCIAL PERFORMANCE CONTINUED

OPERATING CONTEXT

Despite the slow economic recovery and impact of wave 2 and 3 of COVID-19, there was an increase in market activity, with our quote levels returning to a healthy position over the year. Increased competitor activity continue to impact our business, with a small proportion of group risk business moving between insurers.

PERFORMANCE SNAPSHOT

Sources of revenue



FINANCIAL PERFORMANCE SUMMARY

Gross flows decreased by 1% to R34.0 billion mainly due to lower pre-retirement single premiums. NCCF deteriorated to a negative R12.9 billion due to lower inflows and a few large client terminations and higher benefit outflows resulting from excess death claims from COVID-19 waves 2 and 3.

Life APE sales declined by 8% to R2,416 million as a result of lower umbrella and group risk sales; with the prior period including a number of large deals. This was partly offset by higher annuity sales that included one large deal. It was encouraging to see 17% growth in sales of smoothed bonus products on our retail platforms. Despite lower new business volumes, VNB margin increased by 10 bps to 1.0% due to a more favourable product mix.

RFO recovered substantially from R87 million in 2020 to R727 million in 2021. The prior year included larger net negative basis changes compared to 2021, mostly related to the strengthening of COVID-19 provisions. Total COVID-19 provisions across all our product portfolios at December 2021 amounted to R372 million. RFO, excluding the direct impacts of COVID-19, increased by 13% to R1,518 million due to higher asset-based revenue driven by improved market levels and prudent expense management.

2021 KEY ACTIVITIES

Enhancing our core propositions for improved customer experience:

- Merged multiple servicing functions, including the email function and the death claims and S14 transfers processes, into the corporate administration and servicing platforms to drive synergies and reduce inefficiencies. This has generated better cycle times on disinvestments
- Expanded and enhanced our mobile service channel, enabling members to use WhatsApp to get access to their annual benefit statements, real time account statements, claim payment letters and tax certificates. Additionally, members can access our solutions via the public web, Old Mutual app, email, USSD and call centres
- Re-launched a customised solution for asset consultants, providing smoothing on portfolios managed by external asset manager
- Migrated our administration platform to the cloud, ensuring that our operations are more future-fit with improved servicing levels delivered to customers

Prioritising our SME offering

- Continued to develop the SMEgo, our digital lending platform, and had engagement with a number of potential strategic partners
- Facilitated the funding of various SMEs through SMEgo, with R5.6 million granted by funders during 2021
- SME Staff Cover, a direct offering to employees of households and small businesses, was halted in pilot due to market conditions that did not support the proposition

Continued to integrate RemChannel, our remuneration benchmarking business, into our operations, with the segment already realising benefits from this business

KEY: ALWAYS PRESENT FIRST | SOLUTIONS THAT LEAD

VALUE CREATION

CUSTOMERS

- ▶ **R9.8 billion paid** in mortality and morbidity claims
- ▶ Enhancement to our engagement platforms generated an increase in digital adoption, with almost a **40% increase** over the year
- ▲ Implemented an **admin fee reduction** on our SuperFund Easy product, improving our customers value for money
- ▶ **Supported the recovery of 16 SMEs** from the impact of the July civil unrests through our SME riot relief initiative
- ▶ **Offered** financial education sessions through our digital learning platform **to more than 113,000 members**

INTERMEDIARIES

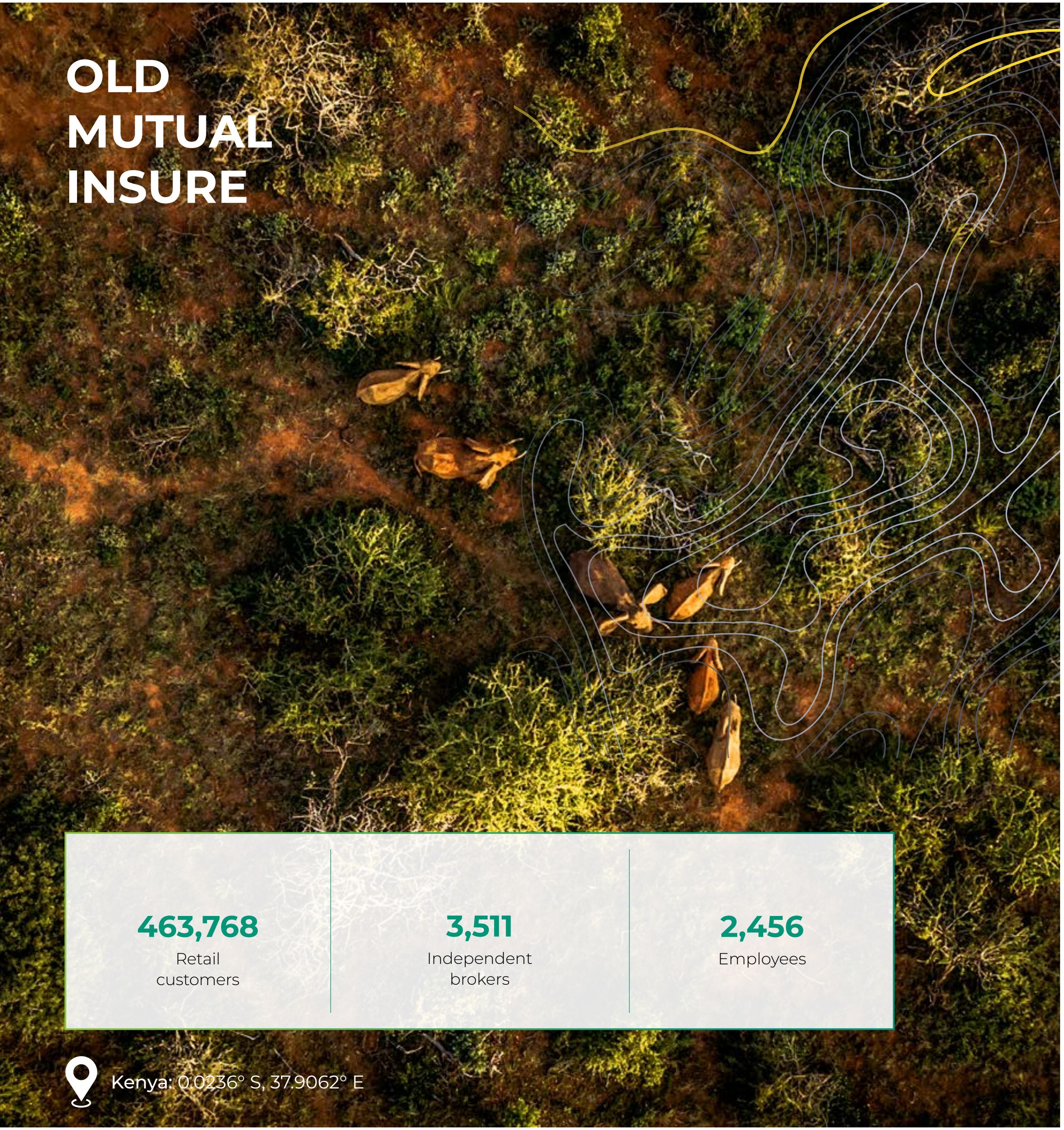
- ▶ **R783,250** invested in intermediaries' training and development
- ▶ Conducted a series of **intermediary workshops**, with a focus on enhancing our intermediaries' knowledge of our digital servicing capabilities
- ▶ Conducted a series of webinars covering topical, industry and COVID-19 related issues

KEY: ▲ Value created | ▶ Value preserved | ▼ Value eroded

TRADE OFFS

The migration of our product administration platform to the cloud was essential to realising improved processing levels and turnaround times. However, due to the complexity of the project, we had to rely on our existing expert resources, resulting in various product and servicing initiatives being deferred to 2022.

SEGMENT FINANCIAL PERFORMANCE CONTINUED



OLD MUTUAL INSURE

463,768	3,511	2,456
Retail customers	Independent brokers	Employees

Kenya: 0.0236° S, 37.9062° E

Old Mutual Insure provides short-term insurance services to personal, commercial and corporate customers.

The segment delivers its products through tied advisers, independent brokers, direct and digital channels and operates as 5 distinct businesses:

- Personal lines (includes iWYZE)
- Commercial lines
- Speciality
- Risk finance (cell captive)
- Credit Guarantee Insurance Corporation (CGIC)

KEY DIFFERENTIATORS:

- Strong brand and track record
- Customised insurance solutions

STRATEGIC FOCUS AREAS TO DRIVE VALUE CREATION

1. Diversify our distribution channels and products to grow revenue
2. Leverage data and technology to drive efficiency, pricing and risk selection
3. Enhance customer engagement models
4. Optimising reinsurance structures

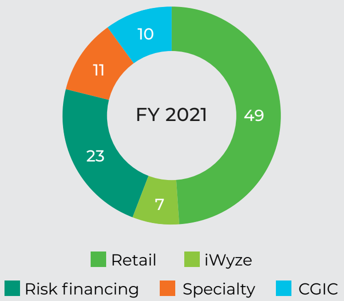
SEGMENT FINANCIAL PERFORMANCE CONTINUED

OPERATING CONTEXT

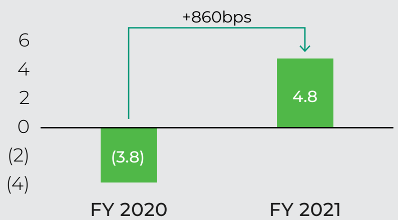
The relaxation of lockdown restrictions resulted in a gradual increase in economic activity. This, in turn, had a positive impact on our business due to lower business interruption reserves and claims. The increase in economic activity also led to an increase in motor vehicle usage, giving rise to an increase in claims in our personal division.

PERFORMANCE SNAPSHOT

Gross Written Premium Contribution by division (%)



Net underwritting margin (%)



FINANCIAL PERFORMANCE SUMMARY

Gross written premiums increased by 8% to R15,927 million largely due to strong premium growth across most divisions. Net underwriting results significantly improved from a loss of R357 million in 2020 to a profit of R449 million, mainly as a result of the non-repeat of significant COVID-19 related business interruptions and rescue reserves recognised in the prior year, coupled with a positive claims experience in CGIC. This resulted in the net underwriting margin improving from a negative 3.8% to a positive 4.8%.

The business recognised an RFO profit due to underwriting profits compared to losses in the prior year, and a marginal increase in investment returns on insurance funds, attributable to the economic recovery and the rally in equity markets. This was partly offset by the increase in other expenses as a result of strategic initiatives implemented during 2021.

2021 KEY ACTIVITIES

Driving improved intermediary and customer experience through:

- Enhanced our face-to-face distribution model
- Embedded the virtual distribution model in our retail division
- Automated our minor accidents claims process, enabling customers to provide photographic evidence of the damage instead of physically visiting assessors
- Deployed a chatbot, supported by AI-based image recognition, which enables customers to add items to their policy via WhatsApp.
- Enabled brokers to choose a preferred repairer from an approved autobody repairer list for motor claims instead of being allocated one

Growing the business through partnerships, acquisitions and new product innovations

- In February 2022, we finalised the acquisition of a 51% stake in ONE Financial Services, a South African short-term insurance service provider. This acquisition position us well for the future, expanding our growth potential
- Continued focus on customer-led solutions resulted in the launch of CommaInsure and Stackit, our user-based-on-demand offering which allow customers to insure specific items that they value
- Partnered with SwiftVee to provide an industry first digital solution for the South African Agricultural market
- Launched the glass replacement "straight through processing" solution, which allows customers to complete a windscreen replacement claim with no input from a sales consultant

Maintaining our commitment to positive transformation efforts

- Maintained our level 1 B-BBEE status
- Focused on effective engagements with suppliers, maintaining a diverse supply chain, and continuously having a positive impact on communities

KEY: OLD MUTUAL CARES | ALWAYS PRESENT FIRST | SOLUTIONS THAT LEAD

VALUE CREATION

CUSTOMERS

- **R5.0 billion** paid in claims
- Ongoing support for SMEs through cash giving competitions and easily accessible resources and business tools

INTERMEDIARIES

- **R228,878** invested in intermediaries development and training
- Enhanced automation and digitization in claims, underwriting and services

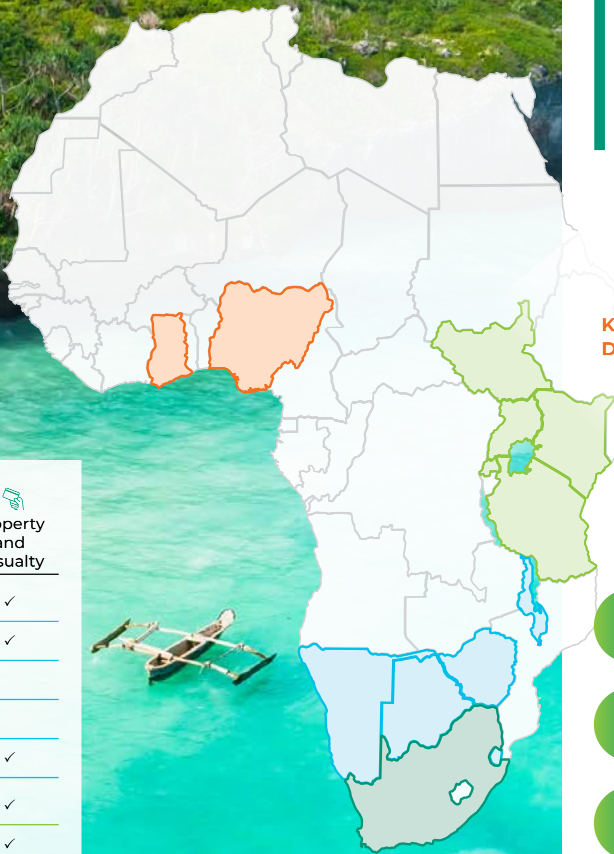
KEY: ▲ Value created | ▶ Value preserved | ▼ Value eroded

TRADE OFFS

We made significant progress in implementing our cost improvement programme during the year, resulting in savings of over R180 million, however, these savings were partially offset by the ongoing investments in technology as we continue to focus on improving our customers' digital journeys.

SEGMENT FINANCIAL PERFORMANCE CONTINUED

REST OF AFRICA



		Life and Savings	Asset Management	Banking and Lending	Property and Casualty
Namibia		✓	✓	✓	✓
Botswana		✓			✓
eSwatini		✓	✓		
Malawi		✓	✓		
Zimbabwe		✓	✓	✓	✓
South Sudan		✓	✓		✓
Kenya		✓	✓	✓	✓
Uganda		✓	✓		✓
Rwanda					✓
Tanzania					✓
Ghana		✓	✓		
Nigeria		✓			✓

Tanzania: Zanzibar 6.1357° S, 39.3621° E

Rest of Africa offers Life and Savings, Property and Casualty (including medical insurance), Asset Management and Banking services to retail and corporate customers.

The segment has a wide distribution network, including independent agents, digital channels, and bancassurance.

KEY DIFFERENTIATORS:

- Strong bancassurance partnerships
- Leading Life and Savings offering across Southern Africa
- Established brand presence in Zimbabwe and Namibia with more than 100 years presence

STRATEGIC FOCUS AREAS TO DRIVE VALUE CREATION

1. Create a multi-channel distribution, integrated financial services
2. Fix and turnaround our businesses
3. Build leading brand, solutions and franchises to gain market share
4. Scale and optimise long term sustainable return on capital

5.7 million	4,672	2,595	7,119
Customers	Independent intermediaries	Tied advisers	Employees

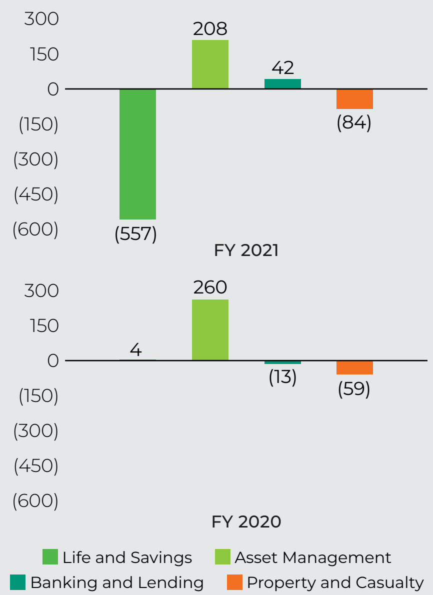
SEGMENT FINANCIAL PERFORMANCE CONTINUED

OPERATING CONTEXT

Our segment experienced worse COVID-19 impacts compared to 2020, with the third wave of COVID-19 resulting in an increase in infection rates and deaths across most countries. This negatively affected our businesses, resulting in poor mortality experience in the Life businesses, and higher medical claims in the Property and Casualty businesses. Customers have grown increasingly price sensitive in the short-term insurance space, with some reducing cover and in some instances, cancelling cover.

PERFORMANCE SNAPSHOT

RFO by line of business (R million)



FINANCIAL PERFORMANCE SUMMARY

Please note that the financial performance summary commentary excludes the performance of our business in Zimbabwe. This is in line with the Group decision to exclude Zimbabwe from our key performance indicators due to the existing hyperinflationary conditions in the country. All other non-financial data points include Zimbabwe data points.

Gross flows decreased by 24% to R19,888 million. In Southern Africa, gross flows decreased mainly due to the non-repeat of significant institutional inflows recognised in 2020 in Namibia and eSwatini. The decrease in gross flows in East Africa was largely due to the non-repeat of the significant corporate inflows recognised in 2020 in Kenya. This was partially offset by an increase in gross flows in West Africa, driven by strong new business sales in Nigeria and higher corporate inflows in Ghana.

Gross written premiums (GWP) increased by 5% to R4,055 million. In Southern Africa, on a constant currency basis, GWP increased due to higher sales driven by increased economic activity in Botswana. In East Africa, strong new business acquisitions and higher retention rates across most markets resulted in an increase in GWP. Higher renewal rates of existing schemes, strong new business sales, and improved broker relationships contributed to higher GWP in West Africa.

Loans and advances decreased by 4% to R4,112 million due to a slowdown in disbursements driven by stricter lending criteria implemented to counteract the deteriorating credit quality in East Africa, and continued financial pressure experienced by customers in Namibia.

RFO decreased to a loss of R391 million from a profit of R192 million in 2020. Southern Africa recorded an RFO loss of R16 million down from a R722 million profit in 2020 primarily due to a R947 million net pandemic impact on the Life and Savings business. East Africa's RFO loss improved by 68% to a loss of R104 million, largely due to the non-recurrence of significant write-offs recognised in 2020 as a result of the balance sheet substantiation project. West Africa's RFO loss worsened by 16% to R89 million largely due to poor claims experience in the Property and Casualty business, and higher mortality in the Life and Savings business.

2021 KEY ACTIVITIES

Driving digital enablement and digitalisation to improve customer and intermediaries' experience:

- Introduced the Agent App in Nigeria, enabling agents to engage customers whilst they are in-field with a shorter turnaround of closing the business
- Enhanced our self-servicing capability, enabling our Zimbabwean customers to submit queries, quotes and claims via WhatsApp
- Enhanced our banking business' digital servicing, by enabling our customers and agents to access our solutions via the USSD platform, digital mobile app, and agency banking app

Focusing on product innovation that drive positive customer experience:

- In Botswana, we launched a credit life product, Old Mutual DigiLife, on WhatsApp. This will improve customer's experience, with ease of access to our products
- In Ghana, we launched an "Obra Pa Retirement Salary" solution, a With-Profit-Annuity solution aimed at private pension schemes
- Launched the CoreGrowth product in Namibia. This product offers competitive returns and capital preservation
- In Nigeria, we launched a short-term savings solution that offers risk protection with a savings solution

Fixing our businesses

- Completed the roll out of the control environment improvement programme in Kenya
- Expanded the control improvement programme to the rest of East Africa region, remediating the existing inadequate controls across all the countries in the region

KEY: ALWAYS PRESENT FIRST | SOLUTIONS THAT LEAD

VALUE CREATION

CUSTOMERS

- ▶ **R6.8 billion** paid in claims and benefits
- ▲ Improved customer access to our solutions, with **48 new retail branches** opened across our regions
- ▲ Reached **over 950,000 individuals** through our financial education initiatives

INTERMEDIARIES

- ▲ **R3.2 million** invested in intermediaries training and development
- ▶ In Namibia, all retail tied advisers accredited to sell Old Mutual Protect

KEY: ▲ Value created | ▶ Value preserved | ▼ Value eroded

TRADE OFFS

As part of our deliberate focus on responsible lending, we have significantly tightened our credit criteria in response to the increasing levels in customer indebtedness driven by the challenging economic environment. This is necessary to improve the credit quality of our book, however, this has resulted in a slowdown in our loan book, negatively impacting both interest and non-interest revenue growth in the short term.

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