OLDMUTUAL

INTEGRATED REPORT 2022

For the year ended 31 December 2022

DO GREAT THINGS EVERY DAY

About our report

Our reporting suite

Our Integrated Report is supplemented by a suite of online publications and information. These reports can be accessed on our corporate website. This Integrated Report, when read in conjunction with the rest of the reporting suite, provides information targeted at meeting our diverse stakeholders' needs.

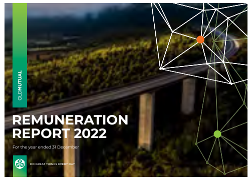
https://www.oldmutual.com/investor-relations/reporting-centre/reports

Integrated Report

Provides a succinct and balanced view of our value creation story. Our report shares our strategic journey to becoming our customers' first choice to sustain, grow and protect their prosperity. This report is primarily aimed at the providers of capital but will be of interest to all our stakeholders wishing to understand our unique value creation story.

Corporate Governance Report

Provides an overview of Old Mutual's approach to corporate governance. The report focuses on how we do business in accordance with sound governance practices, which are informed by the highest ethical standards, integrity, transparency and accountability. The report will be of interest to investors, regulators, and analysts.



Remuneration Report

Reflects how our rewards purposefully align performance outcomes with shareholder interests, while balancing our need to be an attractive employer. The report will be of interest to investors, employees, regulators, and analysts.

Sustainability Report

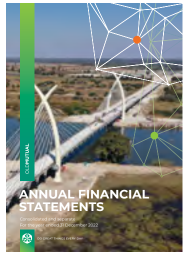
Is designed to reflect our sustainability journey, sharing insights into our understanding of, and approach to, managing the most significant environmental, social and governance issues and opportunities we face and will be of interest to a wide range of stakeholders.

Climate Report

Contains information relating to the Group's climate-related activities, policies, governance, strategy, and related disclosures. The information provided will help readers assess Old Mutual's progress in our climate adaptation journey. This report is of interest to our broader stakeholders.

Tax Transparency Report

Concisely outlines our tax philosophy, communicates how the tax strategy is interconnected to the Group strategy and demonstrates our commitment to being a responsible taxpayer. This report is of interest to regulators, investors, and analysts.



Annual Financial Statements

Contains information relating to the Group's financial position and performance which is useful in assessing the strength and risks associated with the Group. The consolidated and separate financial statements were audited in terms of the Companies Act, 71 of 2008 (as amended) (Companies Act). The report will be of interest to investors, analysts, regulators and other stakeholders.

Enquiries

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Communications

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Application of the King IV principles statements

The application of the King Report on Corporate Governance™ for South Africa, 2016 (King IV)[1] 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, 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.

Our design centres around the theme of **Africa Connected**. With a rich history, diverse cultures and latent possibilities – Africa is not only where we are, it is where we want to be. Our reporting suite design echoes this belief, highlighting the potential and power of a continent connected to bridge the gaps between people, and the power of networks to create, execute and deliver value to our stakeholders.

Throughout our reports, you will find succinct "did you know" stories that provide insight into how we are working to make a meaningful contribution towards our stakeholders and the continent we call home.

All images in our reporting suite were taken in the countries in which we operate.

Cover image: V&A Waterfront, Cape Town, South Africa – Coordinates 33.9066° S, 18.4193° E

1 Copyright and trademarks are owned by the Institute of Directors in South Africa, NPC and all its rights are reserved

About our report continued

Approval

The Board acknowledges its responsibility for ensuring the integrity of this Integrated Report and confirms that the report is presented in accordance with the Integrated Reporting Framework. The Board has considered the operating context, strategy, and value creation model. This report addresses all issues that are material to or that could have a material effect on Old Mutual Limited's (Old Mutual or the Group) ability to create value.

In the Board's opinion, this report fairly presents the integrated performance of the Group. The Board confirms that the Group complies with the provisions of the South African Companies Act relating to its incorporation and is operating in conformity with its Memorandum of Incorporation. The Board approved this report for release on 14 April 2023.

List of Board members:

Independent Non-executive

Trevor Manuel (Chairman)
Prof Brian Armstrong
Albert Essien
Olufunke Ighodaro
Itumeleng Kgaboesele
Jaco Langner
John Lister
Dr Sizeka Magwentshu-Rensburg
James Mwangi
Nomkhita Nqweni
Stewart van Graan

Non-executive

Thoko Mokgosi-Mwantembe

Executive

Iain Williamson (Chief Executive Officer)
Casper Troskie (Chief Financial Officer)

Reporting frameworks

- Integrated Reporting Framework (2021)
- King IV
- Johannesburg Stock Exchange (JSE) Listings Requirements for debt and equity issuers
- Companies Act
- Insurance Act, 18 of 2017
- Certain financial information included in this report was extracted from the audited consolidated annual financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRS)

Materiality

We apply the principle of materiality in assessing which information to include in our Integrated Report. This report focuses on the issues, opportunities and challenges that could materially impact Old Mutual and our ability to consistently deliver value to our stakeholders in a sustainable manner.

Reporting scope and boundary

This report covers the activities of the Group for the period 1 January 2022 to 31 December 2022. It provides an overview of:

- Governance (pages 12 to 23)
- Operating context (pages 24 to 30)
- Risk and opportunity management (pages 31 to 39)
- Strategy and value creation (pages 40 to 49)
- Business model (pages 46 to 47)
- Stakeholders' value creation (pages 43 to 45)
- Performance (pages 50 to 92)

Our financial reporting boundary aligns with our financial statements boundary and includes our operating subsidiaries, joint ventures, and key associates. Due to hyperinflation 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. All data is at 31 December 2022 unless otherwise specified.

Assurance

Combined reviews by management and internal audit were 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 2022, on which an unmodified audit opinion has been expressed by the Group's joint independent external auditors, Ernst & Young and Deloitte & Touche. Our Group internal audit provided limited assurance for non-financial information disclosures.

Forward-looking statements

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", "could", "may", "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 Group's and its affiliates' control. These include economic and business conditions, and market-related risks i.e., equity fluctuations, interest rates, inflation, and deflation. These circumstances could arise from the impact of competition, legislation, and the policies and actions of regulatory authorities, and the timing and impact of any uncertain industry changes.

Any forward-looking information contained in this report was not reviewed and reported on by Old Mutual Limited's external auditors. The Old Mutual Limited Group and its affiliates 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 solicitation of an offer to buy securities.

Strategic pillars

- Old Mutual cares
- Always present first
- Rewarding digital engagement
- Engaged employees
- Solutions that lead

Our stakeholders

- Customers
- Communities
- Employees
- Intermediaries
- Investors
- Regulators

Six capitals

- FC Financial
- MC Manufactured
- SC Social and relationship
- HC Human
- IC Intellectual
- NC Natural

Risk

- Top risks

Navigation

- More information available online
- Information within this document
- Other reports within the reporting suite

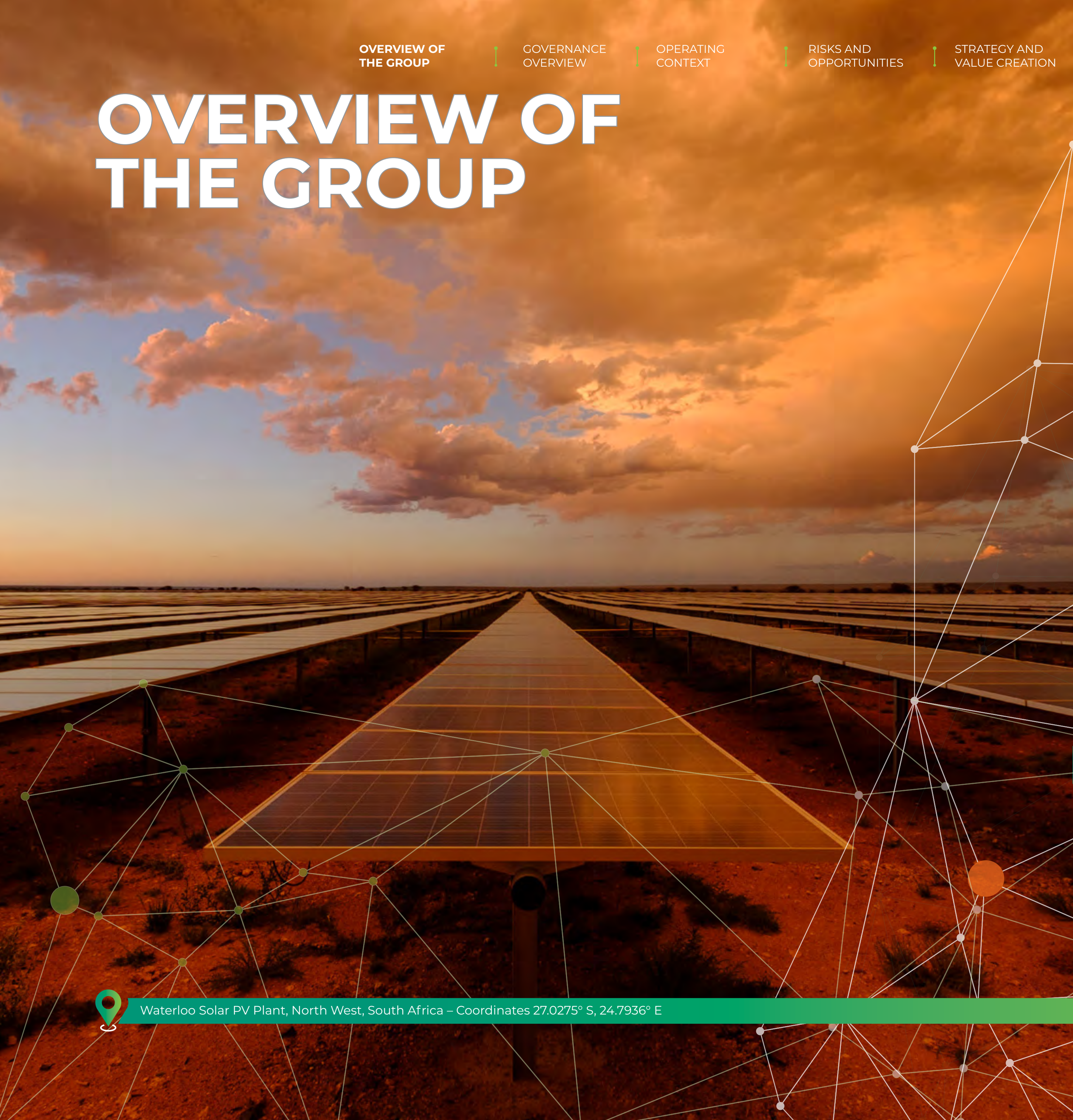
CONTENTS

Feedback:

Your feedback is important to us, and we welcome your input to enhance the quality of our reporting. We have implemented changes to improve the presentation in this report. We are continually improving and refining our non-financial data collation processes and definitions used when reporting. This may result in a re-presentation of prior year data for increased comparability. This will enhance the completeness and accuracy of the reporting of our non-financial data over time.

Mutual Place, Johannesburg, South Africa – Coordinates 26.1068° S, 28.0580° E

OVERVIEW OF THE GROUP



Waterloo Solar PV Plant, North West, South Africa – Coordinates 27.0275° S, 24.7936° E

Approximately **84 000** homes powered

180 000 MWh of clean energy generated each year

DID YOU KNOW

South Africa is power-constrained, with load shedding affecting the whole country. **Waterloo Solar** is one of South Africa's largest solar projects at 75 MW. The project generates enough renewable energy annually to power 84 000 medium-sized South African households. The project's economic development programmes benefit local communities in the Naledi local municipal area.

The Old Mutual African Infrastructure Investment Managers' IDEAS Fund invests in Waterloo and is one of South Africa's largest domestic infrastructure equity funds, investing in economic, social and renewable energy infrastructure.

2022 reflections

Financial

99% **R8.7 billion**
Results from operations
(2021: R4.4 billion)

210 bps **11.1%**
Return on net asset value
(2021: 9%)

10% **R12.5 billion**
Life APE sales
(2021: R11.4 billion)

76c Total dividend per share
(2021: 76c)

600 bps **190%**
Group solvency ratio
(2021: 184%)

Responsible investment and environment

Old Mutual Investment Group named **Best ESG Responsible Investor Africa** by Capital Finance International for the second time in a row

AAA
MSCI ESG Rating on the Old Mutual ESG Equity Fund

R146 billion
of funds under management invested in the **green economy**[1]

Active stewardship
968 245
resolutions voted on
(voted against 10%)

(23%)
reduction in total operational **carbon emissions since 2019**

Social

R2.1 billion
Value of **Bula Tsela**, our transformation transaction to **increase our black ownership by 4%**

88%
funeral claims paid in 4 hours (2021: 84%)

Level 1 B-BBEE certification since 2019

1.8 million
Old Mutual Rewards customers
(2021: 1.3 million)

R290 million
committed to SMEs
(2021: R260 million)

42% senior management positions **held by women** (2021: 40%)

61% senior management positions **held by black employees** (2021: 58%)

Governance

42% of **Board members are black South Africans**
(2021: 50%)

29% of **Board members** are **female**
(2021: 31%)

NO material **fines issued by regulators in 2022**

(16%) **reduction** in recorded financial crime incidents

1 *A low-carbon, resource-efficient and socially inclusive economic growth path for improved human wellbeing and social equity while reducing environmental risks. It is an alternative concept to typical industrial economic growth, focusing on increasing gross domestic product (GDP) above other goals*

Overview of our business

OPERATING IN 14 COUNTRIES

South Africa	Southern Africa	East Africa	West Africa	Asia
South Africa	Namibia Botswana eSwatini Malawi Zimbabwe	South Sudan Kenya Uganda Rwanda Tanzania	Ghana Nigeria	China
Tied advisers **11 218**	Tied advisers **938**	Tied advisers **1 747**	Tied advisers **439**	Tied advisers **32**
Employees **24 902**	Employees **3 000**	Employees **3 011**	Employees **616**	Employees **337**
Customers **6.4 million**	Customers **2.5 million**	Customers **1.7 million**	Customers **1.1 million**	Customers **0.2 million**

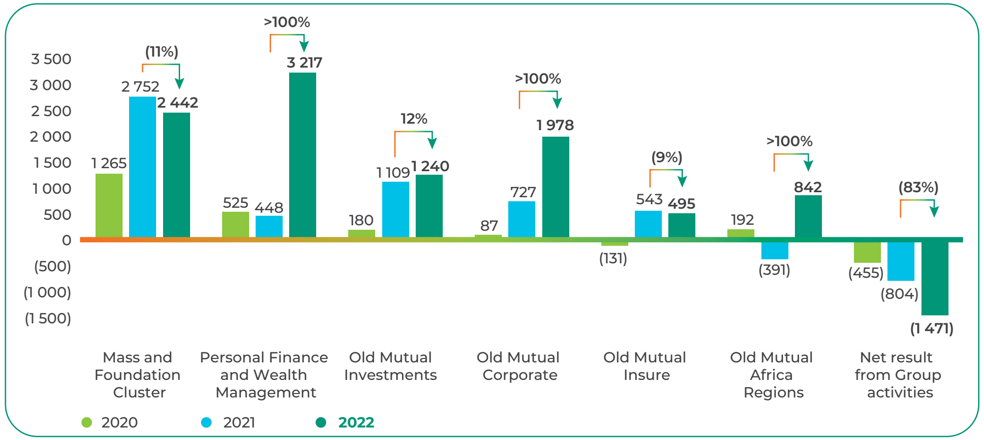
In China, we provide life insurance and investment solutions to high-net-worth retail customers through a 50:50 joint venture with China Energy Capital Holdings, a subsidiary of China Energy (a State Owned Enterprise).

Old Mutual is a premium African financial services Group that offers a broad spectrum of financial solutions to retail and corporate customers across key market segments in 14 countries.

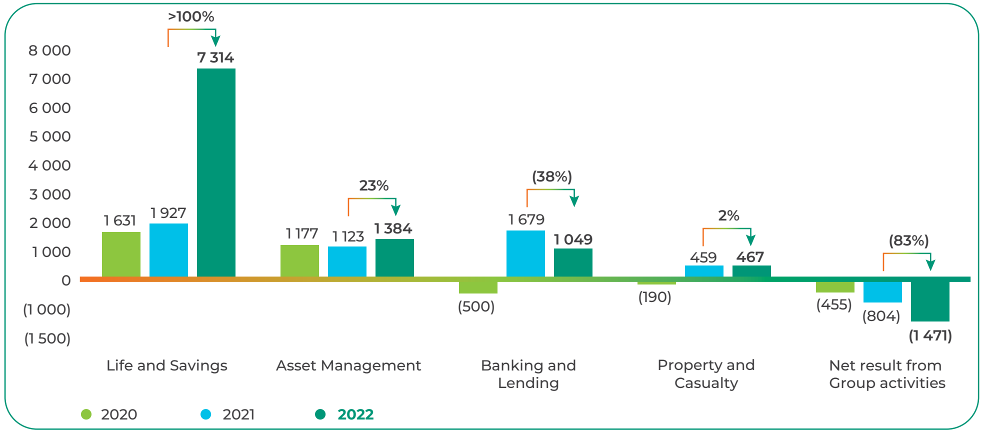
Old Mutual's primary operations are in South Africa and other African regions, and we have a niche business in China. We have structured our operating segments to deliver our products and services to our customers according to their needs.

Total results from operations R8 743 million (2021: R4 384 million; 2020: R1 663 million)

Segmental results from operations (Rm)

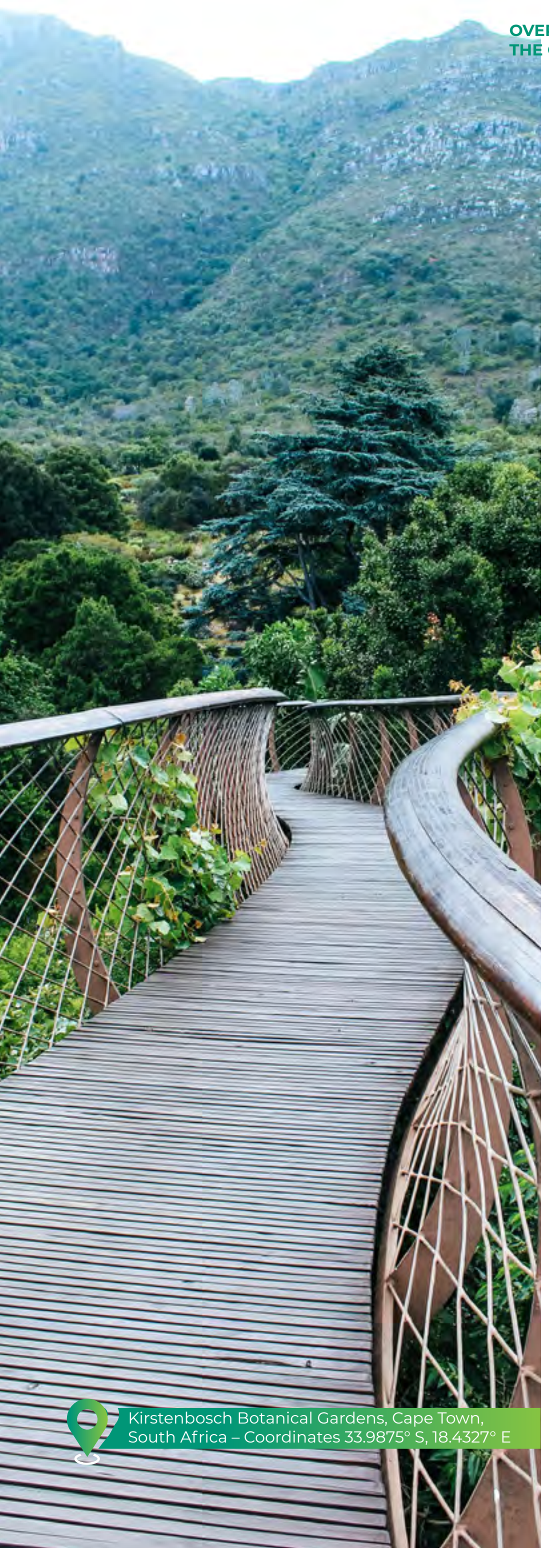


Line of business results from operations (Rm)



Listed on five stock exchanges:

South Africa | Namibia | Malawi | Zimbabwe | United Kingdom


Kirstenbosch Botanical Gardens, Cape Town, South Africa – Coordinates 33.9875° S, 18.4327° E

An established history for over 177 years

For 177 years, we have invested funds in a way that enables our stakeholders to thrive. As we look back to the early years of our business, we reflect on key achievements while Africa was undergoing significant changes. We present our milestones in today's context, while understanding that South Africa, Zimbabwe, Namibia and Kenya, among others, were not yet countries when we were founded, but rather colonies or protectorates of the United Kingdom.

Refer online for details of our history

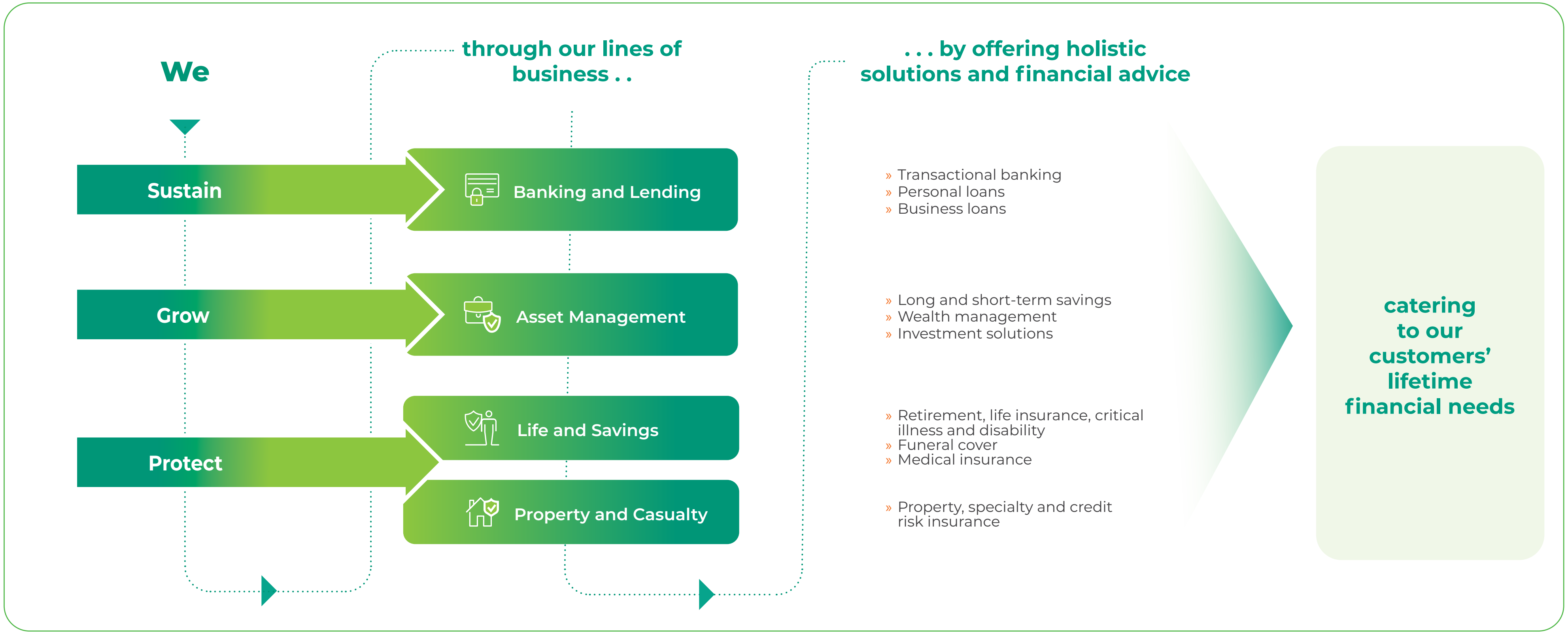
A track record of delivery

- **1845** – Our Group was established in Cape Town as South Africa's first mutual life insurance company
- **1895** – Started expanding in Africa with an office opened in Zimbabwe, followed by Namibia in 1920 and Kenya in 1930
- **1954** – 1 million policies sold and opened offices in Malawi
- **1971-1982** – Annual income increased from R100 million to R1 billion
- **1998** – Opened our first call centre of 40 people in Mutualpark, Pinelands
- **1999** – Demutualised and listed on the London Stock Exchange
- **2005** – Signed our first B-BBEE deal
- **2013** – Expanded into West Africa with offices in Nigeria and Ghana
- **2014-2015** – Acquired majority in UAP and Faulu Bank in East Africa
- **2018** – Anchored in Africa by listing on the JSE and launched South Africa's first ESG index unit trusts
- **2020-2021** – Celebrated 175 years and completed the Nedbank unbundling in 2021
- **2022** – Concluded second B-BBEE deal: **Bula Tsela**

The core of who we are

Why we exist Our purpose is to champion mutually positive futures every day

We want to be our customers' first choice to sustain, grow and protect their prosperity. This is our victory condition, which is anchored in our purpose. This means that we aim to be their preferred partner for financial wellness and help them achieve their lifetime financial goals. We do this through the full breadth of solutions.



We deliver our solutions through our distribution channels

We deliver our solutions through a comprehensive range of channels to ensure our customers and advisers can interact with us in a way that is most convenient for them. We use a combination of face-to-face and digital channels, giving our customers more choice as we move towards delivering consistent omni-channel experiences. Our direct digital channels include our web portal, mobile apps and cell phone channels, such as WhatsApp and USSD.

39 238 Tied and independent intermediaries (2021: 35 468[1])	**1.2 million** Active digital users (2021: 1.1 million)	**826** Retail branches (2021: 871)	**48 731** Worksites (2021: 47 226)

1 Prior period re-presented

Segments

Our operating segments are structured to deliver our products and services according to the needs of our customers.

Mass and Foundation Cluster

Simple financial services offerings

Target markets
Retail customers in the low-income and lower-middle-income markets

Lines of business
Life and Savings; Property and Casualty

Types of offerings
» Risk and lending
» Transactional banking
» Savings

Key distribution channels
» Tied advisers, sales agents and financial consultants
» Third-party channels
» Call centre and digital channels

Refer to pages 74 to 76 for the Mass and Foundation Cluster's performance in 2022

Personal Finance and Wealth Management

Holistic financial advice and long-term financial solutions

Target markets
Retail customers in the middle- and high-income markets and high-net-worth individuals

Lines of business
Life and Savings; Asset Management

Types of offerings
» Long and short-term risk, savings, lending, income and investment solutions
» Wealth management

Key distribution channels
» Tied and independent financial advisers
» Direct and digital channels

Refer to pages 77 to 79 for the Personal Finance and Wealth Management's performance in 2022

Old Mutual Investments

Asset management and investment solutions

Target markets
Institutional and retail customers, as well as multi-managers

Lines of business
Asset Management; Property and Casualty

Types of offerings
» Listed equity and multi-assets investments
» Fixed income and credit investments
» Income solutions investments
» Unlisted assets investments
» Shareholder credit and asset liability management

Key distribution channels
» Our investment solutions are accessible to the other segments, linked investment service providers and multi-managers

Refer to pages 80 to 82 for Old Mutual Investments' performance in 2022

Old Mutual Corporate

Traditional employee benefits, including group assurance, investments and advisory solutions

Target markets
Small, medium and large employers, retirement funds and other benefit funds, as well as their members and employees

Lines of business
Life and Savings

Types of offerings
» Retirement investments and administration
» Group risk
» Reward benchmarking and advisory services
» SME funding and support

Key distribution channels
» Intermediaries
» Consultants
» Direct and digital channels

Refer to pages 83 to 85 for Old Mutual Corporate's performance in 2022

Old Mutual Insure

Short-term insurance solutions

Target markets
Retail, commercial and corporate customers

Lines of business
Banking and Lending

Types of offerings
» Property, personal, commercial, and credit risk
» Agricultural, engineering, marine and travel insurance

Key distribution channels
» Tied advisers
» Independent brokers
» Direct and digital channels

Refer to pages 86 to 88 for Old Mutual Insure's performance in 2022

Old Mutual Africa Regions

Insurance, banking and asset management services across different African markets

Target markets
Corporates, SMEs and retail customers

Lines of business
Life and Savings; Asset Management; Property and Casualty; Banking and Lending

Types of offerings
» Medical, short term insurance, long term insurance, asset management, savings
» Transactional and corporate banking and lending

Key distribution channels
» Brokers and advisers
» Partnerships
» Direct and digital channels

Refer to pages 89 to 92 for Old Mutual Africa Regions' performance in 2022

Supported by our enabling functions

- Group strategy and human capital
- Group finance
- Group marketing, public affairs and sustainability
- Group risk, compliance and actuarial
- Group governance
- Capabilities cluster and customer solutions

KEY: Life and Savings | Asset Management | Banking and Lending | Property and Casualty

Our stakeholders

At Old Mutual, we champion mutually positive futures for our stakeholders and our business. Accordingly, we act ethically and with intent to ensure our core business activities create sustainable value for the Group while also benefiting and prioritising our shareholders, customers and employees and addressing the needs of broader stakeholders and the environment.

For more information on our sustainability approach to all our stakeholders, refer to our Sustainability Report

Refer to our stakeholder management and value creation on pages 42 to 45 and our value creation business model on pages 46 to 47

Customers

Our customers are the lifeblood of our business and we aim to be their first choice. Our customer base ranges from low-income to high-net-worth individuals, as well as SMEs, large corporates and institutions.

11.9 million customers

Intermediaries

Our intermediaries serve as a crucial link between us and our customers. Intermediaries establish relationships with new customers and provide appropriate advice based on their needs.

Our physical distribution network includes:

Tied advisers	Independent financial advisers	Independent brokers
Franchise advisers	Corporate consultants	Sales agents

Employees

We have a skilled and diverse workforce. Our people are our greatest competitive advantage, and we continue to prioritise their welfare. We rely on our highly motivated and engaged employees to put our customers first with every interaction.

We have **31 866** employees

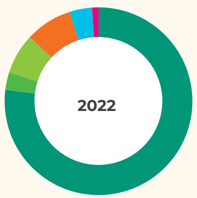
Employee retention: **87%**

Senior management: **women: 42%** **black: 61%**[1]

Investors

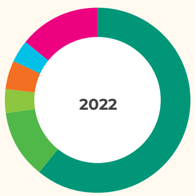
We rely on our investors for financial capital to ensure our operations can compete in their chosen markets and drive sustainable growth.

Who invests in us



Institutions	77%
Individuals	3%
Employees	7%
Brokers	8%
Corporates	4%
Other	1%

Where our investors are from[2]



South Africa	61%
North America	12%
United Kingdom	4%
Europe (excl UK)	5%
Asia	4%
Rest of the world	14%

Communities

We recognise the interdependence between our business and the communities we serve. Therefore, to uplift our communities, we shift our focus beyond our operations to contributing to socio-economic development in a way that is impactful and sustainable.

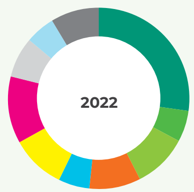
Our communities include:

Citizens of the countries in which we operate	Non-profit organisations	Partners and suppliers

Regulators

Our business operates in a highly regulated environment, and our regulators play a key role in overseeing the financial soundness of our business, the strength of our governance processes and the treatment of our customers. We are regulated by various laws and regulatory bodies in each country of operation.

Total number of regulators



Non-banking financial services	48
Banking financial services	10
Revenue services	17
Financial crime	16
Competition	10
Labour and transformation	17
Company and Listings Requirements	21
Foreign exchange	13
Data and privacy	9
Other	15
Total	176

1 *This percentage relates to South African employees*
2 *The investor locations disclosed are based on the Share Register as at 25 November 2022*

Our values, culture and ethics

We believe an ethical culture is critical to doing business responsibly. Our values are key to building this work environment, and we ensure that we lead with integrity and respect to drive employee, customer and investor confidence in our business.

Our values

We foster a culture where our employees and leaders are aligned with our values. Because of this, our values guide our interactions with each other, our customers, communities and other stakeholders.

1. Champion the **customer**
2. The power of **diversity** and **inclusion**
3. Agile **innovation** that makes a difference
4. Always act with **integrity**
5. **Respect** for each other and the communities we serve
6. **Trust and accountability**

Our culture

We believe that our culture is key to our ability to deliver on our strategic ambitions. We have been on our culture transformation journey since 2016, and have made significant strides in redefining our purpose and values.

While our Board is responsible for setting and steering the Group's culture, our leaders and employees – supported by organisational structures and processes – bring our culture to life by reinforcing our desired behaviour.

Old Mutual's organisational culture is built on four cornerstones:

1. Driving **inclusive leadership** to create an environment in which our employees can thrive
2. Building **high-performing, autonomous teams** aligned with the Group's purpose and strategy
3. Fostering **psychological safety** and a non-threatening work environment for our employees, where they feel comfortable to voice their ideas and opinions
4. Supporting our teams by **removing the hassles** that negatively impact delivery and engagement

Our organisational culture and behaviours are continuously reinforced through communication and engagement, performance management, organisational structures, training and incentives, which help employees understand what drives decisions and behaviours from their leaders.

We distribute the Pulse Culture and Engagement Survey every second year to obtain feedback and monitor the effectiveness and embeddedness of our culture journey. The survey provides insight into challenges that need to be resolved to execute and deliver on our culture. We focus on the employee engagement and psychological safety dimensions of our culture model as these are the foundational elements that build high performing teams and organisations.

Read more about our culture in our Sustainability Report

Our ethics

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

Our code of ethics, the Maadili charter, (Maadili meaning ethics in Swahili), 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 Group Conflicts of Interest Policy.

The Maadili charter applies to all Board members and employees and is reviewed regularly and revised accordingly to ensure a progressive ethical culture.

Governance of ethics

The Board

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

The Executive committee

As delegated by the Board, management is responsible for implementing and executing the Maadili charter and supporting policies and the effective monitoring, control and assurance of the charter.

Ethics governance structures

Old Mutual's internal and external ethics governance mechanisms include a whistleblower hotline, e-mail 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.

Read more about how ethics is governed from page 4 in our Corporate Governance Report

GOVERNANCE OVERVIEW

5 400 local farmers supported and empowered

900 permanent employees

DID YOU KNOW

Jacoma Estates is the first fully irrigated macadamia farm and the largest exporter of bird's eye chilli and paprika in Malawi. With a strong commitment to climate change resilience, Jacoma also provides local communities with access to irrigation.

Through its investment in Jacoma Estates, Old Mutual Investment Group (Malawi) demonstrates its commitment to responsible investment. Beyond the significant employment opportunities for the economy, Jacoma also works closely with outgrowers in the community, providing quality seed, training and market access to the smallholder farmers.

Blantyre, Malawi – Coordinates 24.7259° S, 31.2109° E

Message from the Chairman

Trevor Manuel
Chairman

In 2022, we responded admirably to challenging operating conditions, returning to pre-COVID-19 levels of growth and regaining market share. Old Mutual will continue to differentiate its offering through a more integrated and human-focused approach to financial services, further enhancing customer and adviser experience.

2022 proved to be both a challenging and rewarding year for the Group and our stakeholders. We returned to growth despite a difficult economic environment characterised by rising inflation and interest rates, as well as fiscal pressures from increased debt repayments. The easing of COVID-19 pandemic pressures was offset by an increase in weather-related catastrophe events, while the ongoing geopolitical crisis in Europe heightened market uncertainties.

Our business improved productivity and delivered pleasing shareholder returns, but what has made me most proud is the strong way we showed up for our customers in what was a particularly challenging year for them. We reviewed and strengthened our long-term strategy through specific focus areas to ensure that we become our customers' first choice to sustain, grow and protect their prosperity.

Congratulations to Iain, the executive team and our Old Mutual colleagues across the Group for their successful execution of our strategy and for delivering on the promises made to our investors and customers. It is pleasing to see the efforts of the team at growing and protecting our core retail businesses, which are mainly based in South Africa, while unlocking new growth opportunities across the rest of the African continent.

This positive performance by the business occurred despite the negative impact of loadshedding on our daily operations in South Africa, especially at branch level. I express the view that solutions can be found for other similar challenges by appropriate and timeous government action. The country is entitled to a speedy resolution to the epidemic of crime and corruption. Similarly, there needs to be a swift response to the infrastructure requirements, both in respect of new builds and, perhaps more importantly, infrastructure maintenance.

There can be no doubt that South Africa's rampant corruption, unchecked crime and alarming descent into lawlessness has been exacerbated by a lack of strong leadership and political will. I believe it is an appropriate time to make the call for administrative clarity on how the many governance crises that currently beset South Africa will best be addressed.

Given the importance of the South African market to the Group and the significant customer, shareholder and employee base we serve, we remain fully committed to working with government to improve on the conditions for doing business in the country.

This covers regulatory certainty, response times for regulators and administrators and the general applications and consistency of rules. This is an ongoing challenge that requires an openness of approach and reasonable access for our officers.

Our employees continued to adapt well to the ever-changing macroenvironment, including the new ways of working. Ensuring employees continued to receive holistic support remained a priority for the Board. With our full backing, the business continued to invest in leadership development, attracting and retaining critical skills and inspiring a culture of high performance.

The team is also to be commended on driving sustainable outcomes both for the Group and society. We continue to make good progress against our commitments to drive transformation in line with both policy and societal expectations. In 2022, we concluded two major transformation transactions in South Africa – "Bula Tsela" and "Futuregrowth" - both of which represent practical ways of broadening the ownership base of our business in line with national transformation imperatives.

Read more about these Broad-Based Black Economic Empowerment Transactions in our Sustainability Report

Across the business, very clear commitments have been made to appropriately address climate change, in line with the requirements of a just energy transition. The Group's responsible investment philosophy and active stewardship programmes are preparing us for a greater role in the green economy over time.

The impacts of the climate crisis are particularly pronounced in the developing world. Extreme weather events escalated across the continent in 2022, resulting in droughts, floods and the displacement of thousands of people. Old Mutual responded with speed and empathy, working with local partners to provide humanitarian relief to the communities worst affected by these disasters.

It is now clearer than ever that bold, urgent and collective action is necessary to limit global warming. I am encouraged by the initiatives addressing this risk across the Group.

Read more about these efforts in our Sustainability Report

Read more about these efforts in our Climate Report

Managing diverse risks remained a priority for the Board in 2022. While the Board is confident that we are taking appropriate steps, we remain vigilant and continue to closely monitor the Group's preparedness for any eventuality.

I am particularly pleased that the strategic engagements undertaken in 2022 resulted in all our resolutions being passed at our May Annual General Meeting, including the approval of the Group's Remuneration Policy. This represents the culmination of four years' worth of work and an incredible amount of collaboration throughout the business.

Going forward, I believe we will continue building on the momentum gained in 2022 by differentiating our offering with a more integrated and human-focused approach to financial services.

We expect the operating environment to remain uncertain, once again testing our business's resilience and values. The headwinds are formidable. The efforts of South Africa's business sector to build an economy and society that is more inclusive, just and stable continue to be considerably undermined by the country's crumbling infrastructure, our recent grey listing and the public sector's woeful lack of urgency and commitment.

With civil society holding big business to a higher standard than ever before, we need to elevate the status of ethics and corporate governance within our own organisation, while also safeguarding the financial probity and wellbeing of the wider society we operate in.

As we resolutely enter what we hope will be a bold new era of recovery, I am confident Old Mutual has what it takes to help address South Africa's ills, while making the most of the opportunities for job creation and growth that positive change will present.

It is my fervent wish that our company credo of championing mutually positive futures every day for all our stakeholders will strongly motivate us to hold each other accountable as we set about fixing our broken beloved country.

Lastly, I would like to thank Nosipho Molope and Marshall Rapiya, who resigned from the Board in 2022, for their many years of service and contribution to building a strong Old Mutual. We wish them all the very best.

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

Trevor Manuel
Chairman of the Board

Extract from the Corporate Governance Report page 6

Our Board

Independent Non-executive

Trevor Manuel (66)[1]

Chairman

NDip, EMP (Stanford)

Appointed: 2016

Tenure[2]: 7 years

Expertise brought to the Board:
Finance and audit, information technology, leadership, listed corporates, responsible business, risk management, strategy

Committee membership: Corporate Governance and Nominations, Responsible Business

Other listed directorships: 0

Prof Brian Armstrong (61)[1]

BSc (Eng), MSc (Eng), PhD (University College London)

Appointed: 2020

Tenure[2]: 2 years

Expertise brought to the Board:
Digital ethics, digital transformation, information technology, remuneration and performance management, responsible business, risk management, sales and distribution, strategy

Committee membership: Related Party Transaction, Responsible Business, Technology and Platforms

Other listed directorships: 0

Albert Essien (67)[1]

BA (Hons), EDP (INSEAD)

Appointed: 2015

Tenure[2]: 7 years

Expertise brought to the Board:
Finance and audit, listed corporates, remuneration and performance management, risk management, strategy

Committee membership: Responsible Business, Risk

Other listed directorships: 0

Olufunke Ighodaro (59)[1]

BSc (Hons), FCA(ICAEW), CA(SA)

Appointed: 2020

Tenure[2]: 2 years

Expertise brought to the Board:
Finance and audit, information technology, listed corporates, remuneration and performance management, risk management, strategy

Committee membership: Actuarial, Audit, Corporate Governance and Nominations, Risk

Other listed directorships: 2

Itumeleng Kgaboesele (51)[1]

BCom, PDip (Acc), Dip (FMI), CA(SA)

Appointed: 2016

Tenure[2]: 6 years

Expertise brought to the Board:
Finance and audit, remuneration and performance management, risk management, strategy

Committee membership: Actuarial, Audit, Corporate Governance and Nominations, Remuneration

Other listed directorships: 0

Jaco Langner (49)[1]

BCom, FASSA, FFA

Appointed: 2021

Tenure[2]: 1 year

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

Other listed directorships: 0

John Lister (64)[1]

BSc (Stats), FIA

Appointed: 2017

Tenure[2]: 5 years

Expertise brought to the Board:
Actuarial, finance and audit, information technology, listed corporates, responsible business, risk management, strategy

Committee membership: Actuarial, Audit, Corporate Governance and Nominations, Risk

Other listed directorships: 0

Dr Sizeka Magwentshu-Rensburg (63)[1]

Lead Independent Director

BA, MBA (Webster), DPhil

Appointed: 2017

Tenure[2]: 5 years

Expertise brought to the Board:
Finance and audit, information technology, responsible business, risk management, strategy

Committee membership: Corporate Governance and Nominations, Remuneration, Responsible Business

Other listed directorships: 0

1 *Age as at 31 December 2022*
2 *Tenure considers the 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, as at 31 December 2023*

South Africa Ghana United Kingdom Nigeria

Extract from the Corporate Governance Report page 7

Our Board continued

James Mwangi (45)[1]

BA (Econ)

Appointed: 2017

Tenure[2]: 5 years

Expertise brought to the Board:
Information technology, remuneration and performance management, responsible business, strategy

Committee membership: Corporate Governance and Nominations, Related Party Transaction, Responsible Business, Technology and Platforms

Other listed directorships: 0

Nomkhita Nqweni (48)[1]

BSc, PDip (Inv Mgt), LDP, AMP

Appointed: 2021

Tenure[2]: 1 year

Expertise brought to the Board:
Finance and audit, listed corporates, remuneration and performance management, responsible business, strategy

Committee membership: Actuarial, Audit, Responsible Business

Other listed directorships: 1

Stewart van Graan (67)[1]

BCom (Hons), PMD

Appointed: 2017

Tenure[2]: 5 years

Expertise brought to the Board:
Information technology, listed corporates, responsible business, sales and distribution, strategy

Committee membership: Corporate Governance and Nominations, Related Party Transaction, Risk, Technology and Platforms

Other listed directorships: 2

94% scheduled Board meeting attendance

Non-executive

Thoko Mokgosi-Mwantembe (61)[1]

BSc, MSc, SEP (Harvard), MCRP (Institute Management Development of Switzerland)

Appointed: 2017

Tenure[2]: 5 years

Expertise brought to the Board:
Information technology, listed corporates, remuneration and performance management, responsible business, sales and distribution, strategy

Committee membership: Remuneration, Technology and Platforms

Other listed directorships: 3

Executive

Casper Troskie (59)[1]

Chief Financial Officer

BCom (Hons), PGDA, CA(SA)

Appointed: 2018

Tenure[2]: 4 years

Expertise brought to the Board:
Actuarial, finance and audit, listed corporates, remuneration and performance management, risk management, strategy

Other listed directorships: 0

Iain Williamson (52)[1]

Chief Executive Officer

BBusSc (ActSci), GMP (Harvard), FASSA

Appointed: 2019

Tenure[2]: 3 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 and Platforms

Other listed directorships: 0

Average age **58** years

1 *Age as at 31 December 2022*
2 *Tenure considers the 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, as at 31 December 2023*

11 (79%) Independent Non-executives
1 (7%) Non-executives
2 (14%) Executives

South Africa | Ghana | United Kingdom | Nigeria

Extract from the Corporate Governance Report page 14

Board composition, tenure and skills

What is the composition and tenure of the Board?

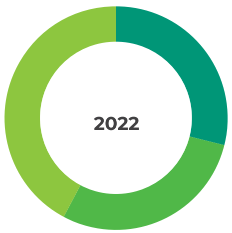
Our Board consists of 14 members with the necessary qualifications, collective skills and expertise required to guide and steer our large and complex Group.

The maximum tenure in the Group is three terms of three years and the retirement age for directors is set at 70 years, both subject to the discretion of the Corporate Governance and Nominations committee. The committee considers, in advance of the Annual General Meeting, the directors required to rotate, in accordance with the rotation schedule.

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

In terms of the Johannesburg Stock Exchange Listings Requirements, the Board must set transformation targets in a Board Appointment Policy. Our performance against these targets and other key data points about the Board, are set out below:

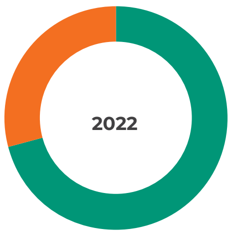
Demographics



	2022	2021
Non-South African	**29%**	25%
White South African	**29%**	25%
Black South African	**42%**	50%

Target **50%**
NOT ACHIEVED ✗

Gender diversity



	2022	2021
Male	**71%**	69%
Female	**29%**	31%

Target **30%**
NOT ACHIEVED ✗

The achievement of these targets will inform future Board appointments.

How is directors' independence assessed?

Directors' independence is assessed annually from the perspective of a reasonable and informed third party. The assessment is based on, among other things, 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 2022 independence assessment did not result in changes to any directors' designations.

What changes were made to the Board and committee composition during the year?

Board member	Date	Nature of change	Impact on committee membership
Nosipho Molope	27 May 2022	Resigned as an independent Non-executive Director	Resigned from the Actuarial sub-committee Resigned from the Audit committee Resigned from the Risk committee
Marshall Rapiya	31 July 2022	Retired as a Non-executive Director	Retired from the Responsible Business committee Retired from the Risk committee

Cape Town, South Africa – Coordinates 34.1187° S, 18.4593° E

Extract from the Corporate Governance Report page 15

Board composition, tenure and skills continued

What knowledge, skills and experience does the Board have?

In 2018, at the time of Old Mutual's 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 and Nominations committee reviews the skills matrix of the Board and its committees quarterly. Identifying skills gaps helps the Board to make decisions on future Board appointments and informs training requirements. Directors' level of institutional knowledge is 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 effective functioning, and supports robust oversight by Board members with the requisite practical experience.

Number of Board members with recognised executive industry expertise in a particular field

Strategy	14	Strong strategic and risk management expertise required to successfully govern and steer the Group to ensure shared value outcome
Risk management	10	
Finance and audit	10	Key experience required for effective governance, oversight and tracking of performance of a financial services organisation
Actuarial	4	Important 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	4	Key strategic driver for a financial services organisation
Responsible business	8	Essential expertise required to effectively govern and guide the Group in future proofing the business
Listed corporates	8	Important expertise required to effectively govern a Group listed on five stock exchanges

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

How often do directors rotate and retire from the Board?

In terms of our Memorandum of Incorporation, all directors are subject to retirement by rotation and re-election by our investors at least once every three years.

Newly appointed directors may hold office only until the next Annual General Meeting, at which point they retire and become available for re-election by our investors on the recommendation of the Board. At the Annual General Meeting on 27 May 2022, five of the six directors who were up for re-election were elected after making themselves available for election in line with our Board Charter. Ms Nosipho Molope did not make herself available for re-election, having served on the Old Mutual Group Boards for three consecutive terms of three years.

When identifying directors with the longest term in office since their last election, we consider their date of appointment as a Non-executive Director of Old Mutual Emerging Markets and/or Old Mutual plc, whichever is earlier.

The time served on either the Old Mutual Emerging Markets or Old Mutual plc Board is added to the time served on the Old Mutual Limited Board in considering rotation decisions.

How does the Board ensure that effective succession plans are in place for directors and executives?

The Corporate Governance and Nominations committee is responsible for succession planning for the Board and key executives.

During 2022 the Board commenced engagements to expand its medium-term succession plans. Of particular focus was the succession plans for the eight directors who are due to step off the Board over the next three years.

Johannesburg, South Africa – Coordinates 26.1936° S, 28.0496° E

Extract from the Corporate Governance Report page 8

Board focus areas for 2022

Strategy

- In 2022 the Board and management continued to enhance the Group's long-term strategy, with focus on the detailed execution steps required for delivery of our victory condition to be our customers' 'first choice to sustain, grow and protect their prosperity'
- The primary outcomes of this strategy have been identified, including providing our customers with an integrated financial services offering. These outcomes are linked to specific Board-approved value drivers for investors, as detailed in the Integrated Report
- We continued to monitor the steps to embed the Group's medium and long-term strategy during the year, taking into consideration the prevalent consumer, socio-economic, business and competitor trends
- The strategic allocation of capital was monitored, with a focus on organic and inorganic opportunities

Transactional capability

- The Board supported the establishment of a transactional capability in the Group as part of the core strategy. This will improve customer interaction and cross-selling opportunities, as well as provide a more cost effective source of funding through retail deposits
- The investment profile was approved as well as the expenditures for the build of a transactional capability
- An ad hoc sub-committee was created with Albert Essien (Chairperson) Prof Brian Armstrong, Dr Sizeka Magwentshu-Rensburg, Trevor Manuel and Nomkhita Nqweni as members, to oversee the initiative. The sub-committee considered the licence application, customer value proposition and integration of the transactional capability. It also ensured that the latest technology was deployed allowing for an effective operating model and improved servicing
- The cloud-based technology stack was approved through the Technology and Platforms committee
- The Corporate Governance and Nominations committee reviewed future governance structures of the transactional capability
- The Board also reviewed the section 13 submission to the Prudential Authority and the transactional capability announcement strategy

Old Mutual B-BBEE transaction (Bula Tsela)

- Old Mutual prioritises transforming the economy and creating opportunities to empower and uplift ordinary South Africans
- The Group had agreed at listing, via a framework agreement with the now Department of Trade, Industry and Competition, to achieve a 25% broad-based black economic empowerment ownership by 2021, and best in class by 2023 (30% at the time of listing)
- The Board and its committees provided oversight of each step of the process from the design to the implementation of Bula Tsela, ensuring all relevant stakeholders were considered and the elements of the transaction were clearly communicated
- It was ensured that:
  - The transaction enhances competitiveness, aligns with the Group's responsible business principles and shared-value approach and is broad-based
  - Employees are enabled to share in the success of Old Mutual, community development is supported, and it includes black South Africans from lower-income backgrounds
  - The benefits of the transaction must outweigh and outlive the costs

Risk management

- The Board monitored macroeconomic, socio-economic, environmental, external and emerging risks, including the emergence of disruptors. This informed the Board's considerations of the execution steps required to achieve our strategy, as well as any enhancements required to these steps
- Sovereign risk was considered with downside scenarios explored. It was noted that financial soundness and liquidity positions remain resilient under stress conditions for Old Mutual Life Assurance Company (South Africa) Limited and Old Mutual Limited
- The risks associated with the Bula Tsela transaction were reviewed and it was ensured that these were mitigated
- The Risk committee, in targeted sessions, also specifically considered:
  - Business resilience given the unstable electricity supply in South Africa
  - The Group's readiness to respond should these risks materialise

Customers and product

- The Board monitored the Group's initiatives to ensure customers were supported to make informed financial decisions. It also provided oversight to ensure that the Group offers innovative, value for money, integrated financial service product solutions, particularly in the context of the constrained macroeconomic environment and rising interest rates and inflation
- The Group's customer strategy was interrogated in a targeted session, considering the targets, shifts and initiatives required for it to be successfully executed over the medium term
- Significant time was spent considering the Group's efforts to deliver a consistent, high-value customer experience focused on simple solutions. It was noted that products are being proactively improved, based on customer feedback
- Through the Responsible Business committee and the Old Mutual Life Assurance Company (South Africa) Committee for Customer Affairs, the Board ensured that the Group's Market Conduct Framework, which supports the fair treatment of customers, was operating effectively throughout the business

Culture and human capital

- The Board continued to oversee the Group's cultural transformation to a high-performance culture
- The outcomes of recent culture surveys were considered, and it was noted that the culture themes and interventions of the past two years are having a positive impact
- We monitored the Group's efforts aimed at identifying, recruiting and retaining critical skills
- We continued to monitor the Group's succession planning methodology
- We oversaw the implementation of a hybrid working environment with our employees
- Reviewed the Empowerment and Transformation Policy
- Provided oversight over the Diversity and Inclusion strategy and related initiatives, noting positive traction in the execution thereof
- Reviewed the ethics management of the Group, noting it operated effectively as designed

Digital journey

- The Board monitored the progress and effectiveness of the information and technology strategies and initiatives across the Group, focusing on customer, adviser and employee experience and digitalisation
- Through the Technology and Platforms committee, we spent significant time considering and monitoring the execution and progress of the Group's technology modernisation strategy. The strategy includes the migration to the Amazon Web Services cloud and the modernisation of the solutions supporting finance processes. The latter project focuses on the simplification and rationalisation of financial data to improve the efficiency of financial reporting processes and enable the implementation of IFRS 17
- We also considered information and technology risks and monitored the refinement of our business resilience plans

Extract from the Corporate Governance Report page 9

Board future focus areas

Strategy

- Continue to monitor the steps implemented to embed the Group's medium and long-term strategy, with a specific focus on delivering an integrated financial services offering
- Monitor the impact of competitors and disruptors on the industry and the Group's response thereto
- Support management in the refinement of the Group's strategy for the Africa Regions
- Support management in appropriate strategic allocation of capital, focusing on organic and inorganic opportunities, which support innovation and competitive positioning
- Continue to consider our shareholders' return on capital profile

Transactional capability

- Monitor the completion of the application under section 16 of the Banks Act for the registration of the transactional capability
- Monitor expenditure and progress to complete the build of the transactional capability
- Provide oversight over the transactional capability's customer value proposition, the differentiation of the offering and the integration of it into the Group's wider product offering

Old Mutual B-BBEE economic transaction (Bula Tsela)

- Track and monitor the rollout of the transaction across the Group, in particular the operationalisation of the Retail Scheme, which includes ensuring appropriate governance structures over all elements of the transaction
- Ensure that the transaction remains in compliance with all relevant broad-based black economic empowerment regulations and guidelines set out by the South African Government
- Monitor community and stakeholder engagement, ensuring that valid concerns or issues related to the transaction are timeously addressed
- Ensure ongoing clear and transparent communication with the various stakeholders of the transaction

Risk management

- Monitor the execution of key Group strategic programmes
- Review and monitor the stability and security of the technology strategy, information security and operational processes to enable business success and continuity
- Monitor retail credit, life and general insurance risks to ensure that they are optimally managed
- Continue to monitor the impacts and actions required to proactively address climate and environmental, social and governance risks
- Oversee the Group's response to the complex socioeconomic landscape and muted economic growth on the continent and interrupted electricity supply in South Africa

Customers and product

- Continue to oversee the Group's efforts to enhance our customer-centric approach to become our customers' first choice, including the various capabilities being built to enhance the customer experience, particularly customer service
- Monitor the cross-sell initiatives being rolled out across the Group
- Consider and monitor the impact of the constrained macroeconomic environment on our customers
- Monitor the compliance of our products and services with all relevant laws and regulations, including those related to consumer protection and data privacy
- Continue to provide oversight over the programme responsible for market conduct throughout the Group

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, in particular the succession plans for the eight directors who are due to step off the Board over the next three years
- Track the impact of the hybrid working model on the Group's culture and employee wellbeing

Digital journey

- Ensure that the Group remains at the forefront of innovation and digitalisation, which will ensure that our products and services are competitive and meet the changing needs of customers. This includes the use of digital channels and data analytics to better understand customer needs and tailor products and services accordingly
- Monitor the progress and effectiveness of the various information and technology strategies and initiatives across the Group, including the reskilling of employees
- Ensure the Group's cyber security risk is managed within tolerance levels

Storms River Bridge, Western Cape, South Africa – Coordinates 33.9668° S, 23.6464° E

Message from the Chief Executive Officer

Iain Williamson

Chief Executive Officer

In 2022, we continued to shift our focus towards amplifying growth to responsibly build the most valuable business in our industry. This has enabled us to create a positive and sustainable impact for our stakeholders while delivering on our victory condition of becoming our customers' first choice to sustain, grow and protect their prosperity.

Responsible value creation

The operating environment in 2022 was challenging for the Group and our stakeholders given the tough economic conditions. We demonstrated resilience as we continued to navigate a challenging environment. We created value for our stakeholders through the various strategic initiatives and management actions implemented during the year.

Earlier in 2022, we became the first South African insurer to join the Net Zero Asset Owner Alliance. Old Mutual Investments also joined the Net Zero Asset Manager Alliance, demonstrating our commitment to achieving carbon neutrality across our investment portfolios by 2050 or sooner. Our efforts are not going unnoticed; Old Mutual Investment Group was awarded Best Sustainable African Investment Manager at the European Global Banking and Finance Awards.

We also announced the launch of our landmark B-BBEE deal, Bula Tsela. The deal positioned us as the first insurer to offer shares directly to the black South African public and the first in the country to create an opportunity for lower-income earners via our Retail Scheme. The deal structure aims to support meaningful socio-economic transformation and financial inclusion for our communities and employees. The market response considerably exceeded our expectations, with the offer being over-subscribed. More than 38 000 black South African individuals, small businesses, and groups such as trusts and stokvels qualified to participate in the retail portion of the scheme. The Bula Tsela deal was shortlisted for the 2022 Exxaro DealMakers BEE Deal of the Year Award.

We have made good progress on our listed equity stewardship capability, providing institutional investors a single, consolidated approach to active ownership that aligns with fiduciary requirements. We have R146 billion of our funds under management invested in the green economy with our investment teams having voted on over 960 000 resolutions that supported positive ESG outcomes.

We remain committed to addressing the biggest systemic risks which climate change poses to the world's emerging economies, including the countries in which we operate. We have recently become one of 56 African companies to be signatories of the Africa Business Leaders Coalition Climate Statement. This statement calls for the international community to support Africa in the fight against climate change.

We are deeply committed to supporting our customers, employees and communities through difficult times by being a certain friend in uncertain times. Our humanitarian and disaster support initiatives totalled R53 million in 2022 and a further R30 million facility for the KwaZulu-Natal rebuild and restoration project to provide permanent homes for victims of the devastating floods. Old Mutual was awarded the Ubuntu Economic Diplomacy Award (Africa) at the 2022 South Africa Ubuntu Awards by the South African Department of International Relations and Cooperation. This award recognises a business that has contributed to South Africa's reputation as an ideal business destination, created jobs, facilitated trade and attracted investment.

On 1 March 2022, our employees across the continent returned to work based on our hybrid working model. The benefits of increased face-to-face collaboration had a positive impact on productivity.

As a company that continually strives to be a progressive and nurturing employer of choice, we strive to adapt to changing times and incorporating new ways of thinking and working into our workplace. We have implemented a revised Parental Leave Policy to demonstrate our commitment to fostering a culture of care. The progressive Parental Leave Policy is just one of the ways we are embracing our transformational journey of diversity and inclusion. The revised policy acknowledges how traditional family units have evolved and, in response, details how we have redefined the roles and terms of parenting and raising a family, adjusting the benefits accordingly to become broader and more inclusive.

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

Refer to our Sustainability Report more information on our sustainability journey

Reflecting on our performance

I am very pleased with our robust operating performance with strong sales and earnings. The Group delivered a solid set of financial results in 2022 despite the difficult macroeconomic environment and market volatility. The pressure on our operating earnings caused by the COVID-19 pandemic has lifted as the ongoing impact of the pandemic becomes muted. Our good sales performance was achieved on the back of successful execution of our strategy as we continued to enhance our customer and adviser experience.

Sales maintained momentum throughout the year in our retail segments. We made progress in regaining market share in the Mass and Foundation Cluster and Personal Finance during the year, as evidenced by external market surveys.

Life APE sales increased by 10% mainly due to strong risk and credit life sales in the Mass and Foundation Cluster coupled with higher corporate and retail sales in Namibia. Our China business also delivered strong savings sales from the broker channels. This was partially offset by lower pre-retirement and annuity sales in Old Mutual Corporate.

The value of new business grew by 16% due to strong sales growth in Mass and Foundation Cluster as well as a change in mix towards higher-margin business in Mass and Foundation Cluster and Old Mutual Corporate. This was partially offset by the reduction in Personal Finance value of new business arising from challenges faced with sales volumes and business mix. We have, however, seen an improvement in the second half of the year due to management actions implemented to improve the business mix to higher-margin risk business. The value of new business margin of 2.2% remains within our medium-term target range of 2% to 3%.

Gross flows declined by 9% due to the prior year including large transactions in Old Mutual Investments and Old Mutual Corporate, which did not repeat in the current year. Lower annuity sales and a decrease in demand for offshore investments in Personal Finance and Wealth Management also contributed to the decline in gross flows. This was partially offset by strong flows in Old Mutual Africa Regions and growth in the sales of savings products in China.

Message from the Chief Executive Officer continued

The Group reported negative net client cash flow for the year. This was primarily due to the decline in gross flows combined with large disinvestments and terminations in Wealth Management and Old Mutual Investments respectively. We are confident that the overall health of our pipeline will support improvements in net client cash flow. Our funds under management of R1.2 trillion declined by 4% due to weaker market performance in South Africa and globally.

Results from operations increased to R8.7 billion, primarily driven by improved profits on the back of strong sales and core operational performance across the Group. Our life profits benefited from a refinement in hedging methodology, enabling a material release of excess discretionary margins, as well as lower mortality in the current year as the effects of COVID-19 eased. All remaining COVID-19 provisions were released but the impact was mostly offset by the strengthening of our mortality basis to allow for endemic COVID-19 claims and worsened persistency as the challenging economic conditions continue to impact our retail customers.

The Group return on net asset value improved to 11.1% due to strong growth in earnings and a lower average adjusted IFRS equity base, resulting from the unbundling of 12.2% of the Group's stake in Nedbank in 2021, thus delivering on our promise to simplify the Group's capital structure and provide a substantial return of capital to our shareholders. We remain committed to returning capital to our shareholders, with R59.3 billion returned through special distributions since 2018.

The Group solvency ratio remains robust at 190%, within our target range of 170% to 200%. Old Mutual Life Assurance Company (South Africa) Limited (OMLACSA) solvency ratio was at 214%, above the target range of 175% to 210%.

Our Dividend Policy targets an ordinary dividend cover range of 1.5x to 2x adjusted headline earnings. The Old Mutual Limited Board declared a final dividend of 51 cents per share, taking the full dividend for the year to 76 cents. Adjusting for the impact of Nedbank in 2021, dividend growth was up 13% from the prior year.

We have further earmarked between R1 billion and R1.5 billion for return to shareholders as a share buyback and we have initiated approval processes with the Board and Prudential Authority.

We have largely delivered on our medium-term targets which were set for 2023. Our results from operations target for 2023 was to deliver the 2019 results plus 5% to 10%. We have met this target on a comparable basis to 2019, excluding the cost of our transactional capability and NEXT176. This was achieved on the back of decisive and focused management actions through this recovery phase resulting in our sales and gross flows recovering to pre-COVID-19 levels. We have also exceeded our cost efficiencies target and remain within the ranges set for value of new business margin and Group solvency. Return on net asset value continues to recover and is approaching our cost of equity. Old Mutual Insure's net underwriting margin is below our target range owing to the severe catastrophe events experienced during 2022.

Read more on pages 61 to 92 which provide context to the Group and segmental financial performance

Reflecting on our strategy

The continued momentum in our value creation reinforces the appropriateness of our strategic choices. These choices are anchored in our victory condition of becoming our customers' first choice while responsibly delivering long-term value for all our stakeholders. In 2022, we continued to shift our focus towards amplifying growth while we deliver on our victory condition. To amplify growth, we made steady progress over the year across our focus areas, namely growing and protecting the core and unlocking new growth engines as we work towards responsibly building the most valuable business in our industry.

Growing and protecting the core

Growth across our core (Southern African) businesses is underpinned by significant investments towards the digitalisation of our information technology infrastructure. These investments are central to transforming the customer and adviser experience, providing them with market-leading solutions and positioning us as their financial services partner of choice.

The year was also notable for several strategic partnerships and acquisitions, which helped expand our capabilities and physical reach across our South African businesses. These include the acquisition of equity stakes in Preference Capital, Versma Administrators, Primak Brokerage, Generic Insurance Company Limited and ONE Financial Services. With these deals now being concluded, we are shifting our focus to integration and realising synergistic benefits with our partners.

We are also pleased to announce that we will acquire a strategic equity stake in the Two Mountains Group which is a licensed micro-insurer that distributes and underwrites funeral policies and provides burial services. The Two Mountains brand is well known and respected and will continue to operate under its own brand. This transaction will allow us to deliver a more holistic value proposition to customers and to grow our distribution reach within the communities we serve. The transaction is still subject to regulatory approvals customarily associated with such transactions.

Unlocking new growth engines

We are making good progress across our portfolio of new growth engines. While these currently represent a small part of our business, our investments in these initiatives are critical to ensuring sustainable growth over the long term. Most notably, we received regulatory approval to proceed with our application for a banking licence in South Africa. We are in the process of lodging a section 16 application in terms of the Banks Act. This represents a natural extension of our victory condition by enhancing our transactional capability to better sustain our customers' financial prosperity.

Read more on pages 50 to 60 on our performance against our strategy

Refer to segment performance on 73 to 92 for detail on strategic activities delivered by segments during the year.

Outlook

The macroeconomic environment in our markets is expected to remain challenging, which will continue to exacerbate financial pressure on our customers.

As a business firmly committed to helping South Africa and its citizens achieve their dreams and secure their financial futures, we are extremely concerned about the impact load shedding is having on lives and livelihoods. We will continue to support all moves to find and build alternative energy solutions that ensure long-term energy sustainability, while addressing the urgent needs of climate change.

On 24 February 2023, South Africa was grey listed by the Financial Action Task Force. Addressing crime and corruption, with a deliberate focus on rebuilding government institutions as well as appropriately tackling the issues of money-laundering, proliferation, and terrorist financing is essential to restoring South Africa's credibility and driving its recovery.

We continue to evaluate the impact of IFRS 17 and refine the new financial reporting processes, systems and controls that will underpin our IFRS 17 results. While IFRS 17 will not change the underlying fundamentals of our insurance business, our cash generation or our capital strength, it will significantly change how we report on our insurance business. We remain on track to report under IFRS 17 for the first time for the half year ended 30 June 2023 and restated comparative information for 2022 will be provided. We are through our recovery phase and have largely delivered on our medium-term targets one year ahead of schedule. Our next set of results will be prepared on an IFRS 17 basis and we will communicate the revised medium-term targets in due course.

We have demonstrated our ability to deliver on our strategy and our focus for 2023 will be to continue growing and protecting our core business, including focused management actions to address the economic and resultant persistency challenges. We seek to gain further market share in our retail businesses and unlock our new growth engines. We will continue to focus on driving shared value and sustainable growth for our customers, employees and the communities in which we operate.

I would like to thank the Chairman and the Board for the unwavering support provided throughout 2022. 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 my colleagues, thank you for the resilience and demonstrating the ability to deliver on the commitments made to our investors and customers.

Iain Williamson

Chief Executive Officer of Old Mutual Limited

Our Executive committee

Extract from the Corporate Governance Report page 23

Iain Williamson (52)[1]

Chief Executive Officer

BBusSc (ActSci), GMP (Harvard), FASSA

Service years[1]: 29 years

Appointed to Executive committee: 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 Chief Executive Officer, Chief Financial Officer and Chief Operating Officer of Old Mutual Emerging Markets.

Casper Troskie (59)[1]

Chief Financial Officer

BCom (Hons), PGDA, CA(SA)

Service years[1]: 4 years

Appointed to Executive committee: March 2018

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

Celiwe Ross (43)[1]

Director: Group Human Capital and Group Strategy

BSc (MinEng), MBA (University of Cape Town)

Service years[1]: 5 years

Appointed to Executive committee: 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 (51)[1]

Managing Director: Mass and Foundation Cluster

BProc, BA, LLM, MBA (University of Cape Town), AMP, EDP (University of Stellenbosch Business School)

Service years[1]: 13 years

Appointed to Executive committee: June 2017

Experience: Former General Manager of Sales and Distribution for the Mass and Foundation Cluster. Prior to joining the Group, practised as an attorney for over 10 years and worked as a Judicial Officer for more than five years.

Clement Chinaka (52)[1]

Managing Director: Old Mutual Africa Regions

BSc (CompSci and Stats), AMP, FASSA, FFA

Service years[1]: 31 years

Appointed to Executive committee: January 2017

Experience: Served in various roles at Old Mutual including Chief Actuary and General Manager of Actuarial and 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 (44)[1]

Managing Director: Old Mutual Insure

BCom (Hons), MBA (Harvard)

Service years[1]: 4 years

Appointed to Executive committee: November 2018

Experience: Former Managing Director of Pep Africa and former independent Non-executive Director of Afrocentric Group board. Experienced retail executive management consulting and strategy.

Kerrin Land (49)[1]

Managing Director: Personal Finance and Wealth Management

BSc (Stats and Econ), ALC, FASSA

Service years[1]: 27 years

Appointed to Executive committee: February 2020

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

Khaya Gobodo (44)[1]

Managing Director: Old Mutual Investments

BCom, MSc (InvMan), CFA

Service years[1]: 5 years

Appointed to Executive committee: 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.

1 *Age and service years as at 31 December 2022*

Our Executive committee continued

Extract from the Corporate Governance Report page 24

Maserame Mouyeme (56)[1]

Director: Group Marketing, Public Affairs and Sustainability

BSocSc, PGDip (Human Resources Management), MBA (University of West London), ELP (Harvard)

Service years[1]: 2 years

Appointed to Executive committee: February 2020

Experience: 25 years of experience in the fast-moving consumer goods 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 (43)[1]

Managing Director: Old Mutual Corporate

BBusSc (ActSci), FASSA

Service years[1]: 20 years

Appointed to Executive committee: November 2019

Experience: Served in various roles across Old Mutual including at Personal Finance and Old Mutual Investment Group. Former Chief Financial Officer of the Mass and Foundation Cluster.

Richard Treagus (57)[1]

Chief Risk Officer

BBusSc (ActSci), FASSA, FIA

Service years[1]: 34 years

Appointed to Executive committee: 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 (46)[1]

Chief Operating Officer

BCom (Econ and Law), MAP (Wits)

Service years[1]: 1 year

Appointed to Executive committee: November 2021

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 Executive committee composition during the year

Executive committee member:

Raymond Berelowitz

Date:

29 September 2022

Stepped down as Executive committee member

Kaaimans River Bridge, Western Cape, South Africa – Coordinates 33.9801° S, 22.5491° E

1 *Age and service years as at 31 December 2022*

OPERATING CONTEXT

R47 million
spent on funding education

108
graduates to date

DID YOU KNOW

Imfundo means education in Nguni, an appropriate name for a trust that provides academic bursaries to grow the pool of qualified individuals in the asset management industry. The **Imfundo Trust** was created in 2011 by Old Mutual Investment Group and its affiliates, Futuregrowth and Marriott, as part of our commitment to the country's transformation.

The trust supports Old Mutual's economic transformation strategy and helps address South Africa's shortage of black investment professionals, with preference given to black women and individuals from peri-urban areas.

APK Kingsway Campus, University of Johannesburg, South Africa – Coordinates 26.18202° S, 27.9991° E

Macroeconomic environment

To ensure the Group's longevity, we monitor our external environment and consider this context in our annual strategy development processes to ensure we remain agile while executing our long-term strategy. We continue to adapt to our changing environment to ensure Old Mutual's relevance into the future.

While 2021 was marked by significant post-COVID-19 growth, 2022 was characterised by the after effects of the rebound, including supply chain constraints, significant price increases and the ongoing impact of the war in Ukraine. These factors resulted in the strongest interest rate upcycle in many decades to fight the rise in inflation, causing global growth to slow from 6.2% in 2021, to 3.4% in 2022.

The economies of countries in our African region continued to record positive year-on-year GDP growth, albeit subdued.

General currency depreciation and inflationary pressures across most markets, driven by higher energy and food prices, continued to threaten economic recovery following the pandemic. Despite this, the overall COVID-19 recovery was much better than expected, which supported the return to profitability of our Life businesses in Namibia, eSwatini, Kenya and Uganda. In most countries, COVID-19 infections drastically reduced and the majority of restrictions were relaxed across all markets.

In Kenya, Malawi and Ghana, the fiscal pressures resulting from increased debt repayments forced governments to turn to the International Monetary Fund for support. Furthermore, in Malawi, acute dollar shortages led to fuel shortages and challenges in meeting dollar-denominated obligations.

These economic conditions led to reduced customer spending due to lower disposable income and poverty levels, which have limited the affordability of insurance and savings products.

In South Africa, inflation averaged 6.9% in 2022, up from 4.5% in the prior year, supported by increased fuel and food prices. The South African Reserve Bank raised the policy rate by a cumulative 325 basis points during 2022 to combat rising inflation. This, together with a relative slow recovery in employment post COVID-19 and the lingering impacts of the 2021 civil unrest, negatively impacted real income growth.

This downward pressure on disposable income growth, combined with depressed confidence made it difficult for customers to maintain or increase their contributions to protection, savings and investment products. Our corporate customers' growth and liquidity levels were also negatively impacted.

Related risks

1. Sovereign risk
2. Growth risk
8. Business resilience risk

Value creation opportunities through our strategy

» Responding to competitive advantages that exist for businesses that are better enabled to deal with extreme and/or unusual operating conditions seamlessly

» Reducing the running expenses in the business through efficiency initiatives

Short term concerns are centred around the potential negative impact of continued load shedding. In rebuilding the economy, the inclusion of the private sector and shift in the energy policy should result in a lower impact than generally feared.

The economic growth rate and public debt of South Africa is in a better economic position than it was four years ago. Expected economic growth sits at an average of 2.5% a year over the medium term, compared with only about 1% between 2015 and 2019 annually.

Looking ahead, economic activity in 2023 continues to be hampered by significant interest rate increases as central banks attempt to combat rising inflation caused by Russia's war in Ukraine. Severe COVID-19 lockdowns in China dampened growth in 2022, with the recent reopening paving the way for a faster than expected recovery. The International Monetary Fund World Economic Outlook for April 2023 forecasts global economic growth of 2.8% for 2023. In the first quarter of 2023, the South Africa Reserve Bank increased the repo rate by a cumulative 75 basis points to control inflation. The International Monetary Fund's World Economic Outlook for April 2023 has forecast growth in Sub-Saharan Africa at 3.6% for 2023.

Lagos, Nigeria – Coordinates 6.4570° N, 3.3708° E

Industry trends

Our long-term relevance depends on how adaptable we are to change. As part of the ongoing monitoring of our environment, we identify the most material and enduring trends that are shaping our operating landscape.

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. Consequently, these trends should not be viewed in isolation as they have the ability to disrupt the broader industry. The trends described below are materially unchanged from last year. They represent the most material and enduring trends impacting our business.

Digitalisation

Rapid advancements in digital technology, further aided by the COVID-19 pandemic, are causing significant disruption across the financial services industry. The democratisation of technology means more people are able to interact and consume through digital channels, as devices and the cost of data become more affordable. Customer expectations of their service providers are increasingly shaped by their interactions in adjacent industries, for example, the retail sector. As a result, expectations of financial services providers are high and include elements such as customised or personalised solutions and 24/7 always-on service. Digital technologies are being deployed across the value chain to improve the customer experience and support the delivery of personalised solutions, drive improved operating efficiencies and create opportunities for new revenue streams.

Digital technologies	Applications in the financial services industry
Internet of things; Blockchain; Data platforms; Wearable devices; Artificial intelligence; Software robotics	Blockchain technology can ease the administrative burden on customers by replacing the manual process of filing claims with an automated system built on a blockchain ledger.
	Unique data collected at a granular, customer level through wearable devices and the internet of things allows for product development and pricing which is personalised to each individual's circumstance.
	Artificial intelligence and robotics can be used to create robo-advisers. Robo-advisers aim to offer an intuitive and intelligent interaction for customers who prefer self-directed channels, with little human interaction. They have the added benefits of being accessible 24/7 and at a lower cost than traditional, intermediated channels.

Despite this increased pace of digital advancement, the nature of our insurance, investment and wealth management products still requires face-to-face engagement to share the necessary financial advice required across many segments of the market. The human element still plays a critical role in building trust in financial solutions whose benefits are only realised over the longer term. The role of digital technology in this context is therefore more nuanced. It plays a bigger role in enabling an improved customer and intermediary experience through the application of these technologies across various points in customer and intermediary journeys.

Related risks

- 2 Growth risk
- 3 Strategic risk
- 6 Technology and information security risk

Value creation opportunities through our strategy

» Invest in our adviser experience to digitalise core user journeys
» Develop flexible and personalised solutions for customers, such as usage-based insurance
» Expand the range of digital sales and servicing channels for customers

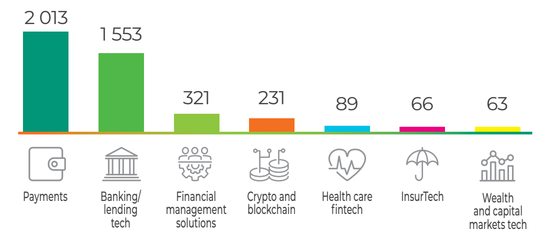
Non-traditional market entrants and the rise of platform-based ecosystems

Industry convergence, which sees companies enter into previously unrelated industries, continues to gain momentum. This translates to increased competition as we see the likes of non-traditional competitors, such as retailers and mobile network operators, expand their offerings into financial services. The democratisation of digital technologies has also played a role in the rise of fintechs, insurtechs and platform-based ecosystems. These companies often focus on a single, disaggregated point of the value chain, be it distribution, fraud detection, pricing or offering a single financial services solution.

In South Africa, most financial services providers have integrated some type of fintech into their offerings through their digital channels or have established standalone business units focusing on technology-related innovations. In other areas, we see traditional and established insurers partnering with fintechs and insurtechs by providing underwriting expertise. Fintech offerings are increasingly being included in the armory of more established insurers, especially in the Property and Casualty arena.

Platform-based ecosystems differ from traditional, linear business models because value is derived from creating and facilitating connections across a range of market participants. Embedded finance is a growing feature which is closely linked to ecosystem business models, where financial services are seamlessly integrated into technology-based platforms. This presents both an opportunity and a risk; it provides financial services players an opportunity to participate in these platforms. However, the platform owners may reduce the role of intermediaries in financial services incumbents.

Financing volume by sector since 2017 ($m)



Source: FinTech in Africa, FT Partners Fintech Industry Research (2023)

Related risks

- 2 Growth risk

Value creation opportunities through our strategy

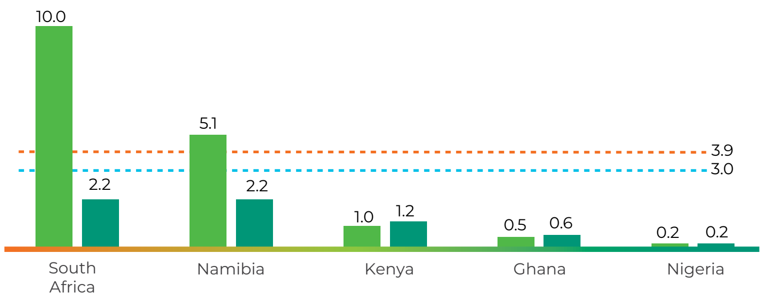
» Extend our participation across the financial services value chains
» Participate in platform-based ecosystems (e.g. SMEgo and NEXT176)

Industry trends continued

Financial inclusion across Africa

Financial inclusion is an important factor in driving economic growth. Improvements in financial inclusion also translate to broader societal benefits such as reduced poverty and inequality levels and more resilient communities. 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.

2021 insurance penetration (premiums as a % of gross domestic product)



Source: Swiss Re Institute sigma No. 04/22

Insurance penetration across the Africa region remains considerably underdeveloped, relative to South Africa and developed markets. The core drivers of increased penetration are consumer affordability and financial literacy. While household disposable incomes are expected to gradually increase over the long term, African consumers in particular remain prone to exogenous shocks and live close to the poverty line. From a financial literacy perspective, insurance products are also typically more complex and intangible compared to banking products, which constrains product uptake across the retail consumer market. This is more evident across sub-Saharan Africa, where trust, understanding and awareness remain considerable barriers, particularly for life insurance products that are long term in nature. As a result, most of Africa's insurance relates to short-term insurance.

While these themes are supportive of micro-insurance as a growth opportunity across the continent, profits from this class of business are unlikely to emerge in the short to medium term. Investments made in micro-insurance should be considered over a longer timeframe and as a market development initiative.

Related risks

2 Growth risk

10 Market conduct risk

Value creation opportunities through our strategy

- Focus on financial education as part of socio-economic upliftment and long-term market development
- Invest in our East and West Africa operations
- Support formal financial inclusion through the development of affordable and accessible financial solutions

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 corporates is evolving with the recognition that the private sector can make a greater collective impact through public-private partnerships. Within the private sector itself, the role of external commercial partners to drive growth and support strategic delivery has gained importance in recent years.

Public-private partnerships

Governments across Africa are increasingly turning to public-private partnerships as a means of sustainably uplifting communities and delivering meaningful socio-economic impact. This is driven by their capital budgets facing constraints as a result of weak economic growth and competing development priorities. A cumulative $63 billion was invested in public-private partnerships across sub-Saharan Africa from 2010 to 2022, with almost $42 billion of this allocated to investments in the electricity sector (World Bank).

Strategic partnerships in the private sector

Strategic partnerships in the private sector seek to deliver specific business outcomes to the mutual benefit of both parties. Partnerships are generally entered into to access new distribution channels or different capability sets. Strategic partnerships also feature high on the corporate innovation agenda, in the form of partnering and investing in start-ups that have specialised digital capabilities. Overall, strategic partnerships enable a sustained level of innovation, speed of execution and capital-efficient value creation through access to multiple ecosystems and diverse customer bases.

Related risks

2 Growth risk

Value creation opportunities through our strategy

- Deploy new digital capabilities and solutions at pace through technology or insurtech partnerships
- Partnerships with tertiary institutions to support the development of future required skills
- Accelerate economic growth and development through public-private partnerships

Industry trends continued

The new world of work

While COVID-19 was the initial trigger to disrupt traditional models of working, organisations continue to adapt their responses to workforce and workplace changes in what is now called 'the new normal'. Although social distancing requirements were the primary accelerator of the adoption of hybrid working models, employees are now re-evaluating their roles and contributions in the workplace, in conjunction with overall work-life balance. The pandemic demonstrated that remote work is possible with minimal disruption to productivity, thanks to the availability of broad-based internet and video communication tools, such as Zoom and Microsoft Teams. Employees recognise the value of flexible working options, including remote working, but still seek a human touch and sense of connection. Individuals are also increasingly seeking meaningful employment that aligns to their personal values and purpose.

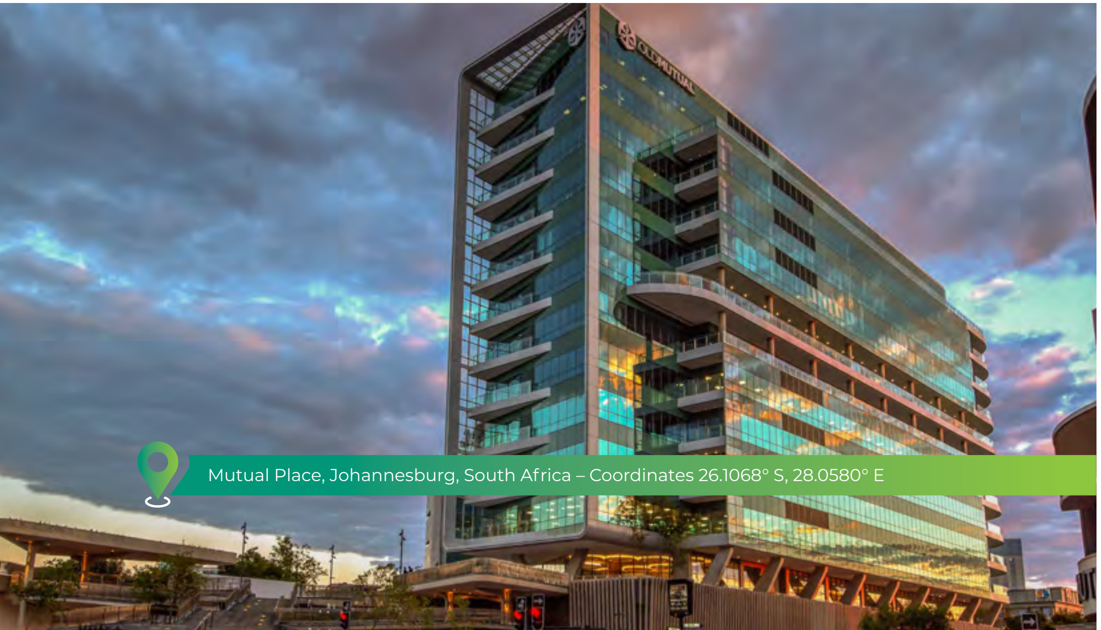
73%
of employees want flexible remote work options

67%
of employees want more in-person work and collaboration post-pandemic

Source: Microsoft Work Trend Index

Related risks
- 2 Growth risk
- 3 Strategic risk
- 9 People risk

Value creation opportunities through our strategy
- » Optimise the hybrid working model
- » Continue the culture transformation journey, which we are adapting to cater for this changing context


Mutual Place, Johannesburg, South Africa – Coordinates 26.1068° S, 28.0580° E

Skills shortages and the war for talent

The confluence of digitalisation, industry convergence and the new world of work is placing acute pressure on skills availability and retention in the broader marketplace. Companies across industries and geographic borders are competing for the same skills in a limited pool of experienced candidates. The impact of the resultant supply-demand dynamic is three-fold. Firstly, the cost of talent acquisition is increasing as a result of the heightened demand and competition. Secondly, the time to fill a vacancy is lengthy as recruiters struggle to source and match the available skills to vacancies. Lastly, retaining existing talent is becoming more challenging given the worldwide demand and remote working possibilities for experienced employees.

In addition to the heightened demand for strong technical skills, such as data and technology-related skills, the pandemic also brought into sharp focus the importance of soft skills. Particularly in a hybrid working environment, skills such as resilience, adaptability, self-awareness, empathy and influencing are growing in importance.

Employers are having to continuously adapt their recruitment and retention strategies to ensure they remain competitive and are able to successfully execute on their business strategies. This includes sourcing 'talent on demand' through a gig-based workforce that allows experienced professionals the ability to work on short-term contracts.

Related risks
- 2 Growth risk
- 3 Strategic risk
- 9 People risk

Value creation opportunities through our strategy
- » Reskill where possible, through internal job rotations and project-based work to develop new skills in the existing workforce
- » Partner with tertiary institutions to develop an early pipeline of required skills across our businesses

Industry trends continued

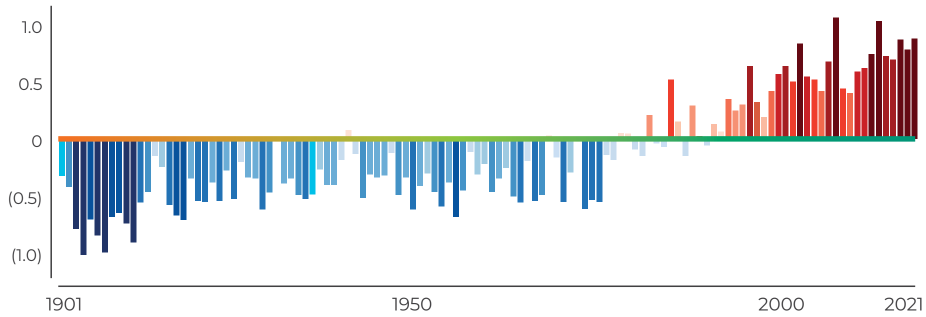
Climate change

The United Nation's Intergovernmental Panel on Climate Change's latest climate assessments (fifth and sixth reports) highlight the impact of global warming, including global increases in surface and ocean temperatures, global glacier reduction and high concentrations of greenhouse gases. The current global warming trajectory, with current policies in place, is predicted to reach 2.8°C by 2100[1]. To avert extreme climate change, the Intergovernmental Panel on Climate Change stresses the global temperature increase must not exceed 1.5°C by 2100[2]. Africa has been identified as one of the regions of the world most susceptible to the impacts of climate change, despite contributing only 3.8% of global emissions. Temperatures in Africa are expected to rise by 2°C to 5°C during this century. Although isolated events cannot be attributed to climate change, extreme weather events are on the rise.

1. **Water:** temperature increases lead to droughts, flooding and other evaporative losses
2. **Agriculture:** lower yields of important foods, damage due to rainfall changes and drought, changes to the ecology of plant pathogens
3. **Health:** heat stress, outbreak of transmittable diseases, increased fatalities and injuries

Temperature change in Africa[3]

Relative to average for 1971 – 2000 °C



International agreements, such as the Paris Agreement, act as a global catalyst for climate change action through the commitments made by nations to collectively reducing greenhouse gas emissions. The Paris Agreement aims to restrict global warming to below 2°C, ideally 1.5°C by 2100. In 2022, the COP27 summit focused on climate adaptation and mitigation in developing nations. Countries at the summit adopted a final agreement that establishes a fund for loss and damage to help developing countries bear the immediate costs of climate-fuelled events such as storms and floods.

1 *https://www.unep.org/resources/emissions-gap-report-2022*
2 *https://www.ipcc.ch/sr15/*
3 *https://apps.automeris.io/wpd/*

One of the long-term outcomes of climate change and its effect on financial services providers will be the migration of people. It is expected that there will be an influx of people migrating from countries severely impacted by climate change to less impacted countries. While there will be an increased level of social and economic pressure in this scenario, there is also an expectation that many economically active individuals with capital resources will form part of the 'climate migrants'. Financial services providers will need to find new ways to serve these migrants but can also use this opportunity to grow their customer base in terms of asset cash flows. The ability of insurers to effectively pool and price for risk events will also be impacted, given the shifts in people and weather patterns. The frequency and severity of claims could also increase due to the combined impact of these factors.

Related risks

- 2 Growth risk
- 4 Life insurance risk
- 5 Non-life insurance risk
- 7 Climate risk
- 8 Business resilience risk

Value creation opportunities through our strategy

- » Demonstrate industry leadership through climate activism
- » Further embed ESG principles into our investment philosophy
- » Progress our commitments through the Net Zero Asset Owner Alliance and Net Zero Asset Managers Initiative

For more information on how we are addressing and responding to climate change, refer to our Climate Report

The Metrowind Van Stadens Wind Farm, Nelson Mandela Bay, South Africa – Coordinates 33.8939° S, 25.1981° E

Regulatory changes

At Old Mutual, we support all changes to regulatory and reporting standards that promote financial stability or inclusion, encourage uniform market practices and ensure customers are treated fairly. While this could potentially impact the cost of doing business and our non-compliance risk, we mitigate this by strengthening our compliance capabilities and the systems and processes we have in place.

Reporting

IFRS 17

IFRS 17, a new international accounting standard for insurance contracts, effective for reporting periods starting from 1 January 2023, replaces IFRS 4. The new standard offers a comprehensive and consistent approach to accounting for insurance contracts – thereby removing inconsistencies, enabling greater transparency, and allowing investors and analysts to meaningfully compare insurers. While IFRS 17 will not change the underlying fundamentals of our insurance business, our cash generation or our capital strength, it will significantly change how we report on our insurance business. IFRS 17 impacts all segments that issue term and life insurance, life annuities, disability insurance and Property and Casualty insurance and investment contracts with discretionary participation features. During 2022, we focused on completing the development of our actuarial models, calculation engines, results repositories and finance system updates to ensure successful adoption across the Group. We also prepared the opening balance sheet for IFRS 17, required as at 1 January 2022. We remain on track to report under IFRS 17 for the first time at our 2023 interim results.

Refer to our 2022 Annual Financial Statements for more information on the financial impact of IFRS 17 adoption

International Reporting Standards Foundation

The consolidation of the Value Reporting Foundation, home to the Integrated Reporting Framework and Sustainability Accounting Standards Board Standards, into the International Financial Reporting Standards (IFRS) Foundation was announced in 2022. The IFRS Foundation has two standard-setting boards, the International Accounting Standards Board (IASB), which will set the accounting standards and the newly created International Sustainability Standards Board (ISSB). The objective is to create a global baseline of sustainability-disclosure, which will be connected to financial statements. The ISSB expects to issue an IFRS Sustainability Disclosure Standard around the end of Q2 2023. The requirements of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures are expected to be effective for periods beginning on or after 1 January 2024.

Anti-money laundering

There are several emerging regulations relating to anti-money laundering and the combating of financing of terrorism out for comment and in draft.

» In South Africa, we are well positioned to comply with any amendments to the anti-money laundering legislative framework currently being finalised.
» South Africa was grey listed in 2023 – which means the country is identified to have strategic deficiencies in its policies to counter money laundering, terrorist financing and proliferation financing by the Financial Action Task Force. This will have a significant impact on capital inflows into the country and our international business operations. We are working closely with our international asset and investment managers to understand the potential impact of a grey listing on our clients and our operations.
» Kenya and Namibia's evaluation reports were published towards the end of 2022. The findings for Namibian were similar to South Africa's. Tanzania was added to the Financial Action Task Force grey list in October 2022.

Retirement fund reform

National Treasury's retirement industry reforms, first released in mid-2022, include a proposed two-pot retirement system to encourage South Africans to preserve their retirement savings. The changes, which include partial compulsory preservation, will have far-reaching effects on South Africans, as well as fund administrators.

» A material risk posed by the proposed amendments is that early access to retirement funds may result in fund outflows and could be a liquidity risk for fund administrators. Operationally, processes and systems will require substantial changes to accommodate the new requirements.
» While the effective date was moved from 1 March 2023 to 1 March 2024, the timelines for the industry to align operational processes and systems remain tight.

In addition to the above, several conduct-related standards are in the process of being finalised, including amendments to Regulation 28 of the Pension Funds Act, 24 of 1956.

Privacy and data protection

» We are serious about protecting customers' personal information and the Group is finalising the governance and oversight controls and measures to manage compliance with the fully implemented Protection of Personal Information Act, 4 of 2013.
» There is a growing trend of privacy legislation being developed across our African regions. Ghana, Nigeria, Kenya, Uganda, Rwanda and Zimbabwe have in-force data protection legislation. In Botswana and eSwatini, data protection legislation have been enacted with transitional periods, while draft legislation was published in Namibia and Malawi.
» We continue to work with in-country compliance officers to ensure we implement privacy management processes that are aligned with local requirements and the Group's standards.

Tax legislation changes

We have highlighted the material changes to tax legislation in the countries in which we operate.

South Africa

» The South African National Treasury reduced the corporate income tax rate from 28% to 27% and has also, in considering the implementation of IFRS 17, provided for six and three-year transitional adjustment to day one impact of adopting the new accounting treatment for long-term and short-term insurers respectively.

Southern Africa

» In Zimbabwe management fees expenditure from local related parties in excess of the allowable deductions will be deemed a dividend subject to resident shareholder tax of 15%
» In Namibia, thin capitalisation measures disallow the deduction of interest or realised currency losses on the portion of debt exceeding the 3:1 debt-equity ratio.

East Africa

» In South Sudan insurance companies were previously exempt from paying tax, however, from 18 July 2022 tax was levied at 10% and with effect from November 2022, this tax has been increased to 30%
» Capital gains tax rate increased from 5% to 15% in Kenya, while from 1 January 2023, the Finance Act introduced a new transfer pricing documentation regime and expanded the scope of transactions with unrelated non-residents
» Deductions of interest on debt in excess of a 7:3 debt:equity ratio will be disallowed in Tanzania as part of thin capitalisation measure

For more information on our approach to tax, refer to our Tax Transparency Report

Related risks

2 Growth risk
3 Strategic risk
10 Market conduct risk

Value creation opportunities through our strategy

» We are actively participating in industry and National Treasury working groups and forums regarding the retirement fund reform.

RISKS AND OPPORTUNITIES

98%
repayment rate

Over
33 000
women enrolled

DID YOU KNOW

Since its inception, the Old Mutual Masisizane Fund, in partnership with the **Phakamani Foundation**, has been steadily scaling up its successful micro-enterprise lending programme, addressing poverty and chronic unemployment in rural South Africa.

Phakamani offers micro-business loans, training and support to the underprivileged women entrepreneurs of South Africa. First time loans range between R700 and R1 700, increasing to R15 000 once a good track record has been established. The repaid funds are used to fund the next group of women in the same communities, ensuring that the funds invested bring lasting impact to the entrepreneurs, their families and communities.

White River, South Africa – Coordinates 25.3341° S, 30.9996° E

Our approach to risks and opportunities

The Board, through the Risk committee, oversees the Group's risk management activities. 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

Old Mutual's strategy is informed by the Group's risk strategy (appetite) and the Group Financial Management Framework, thereby establishing an integrated link between our business operations, risks and strategy. The Group Financial Management Framework defines how the Group allocates and manages capital and liquidity, including performance hurdles and growth targets to enhance shareholder value.

Our risk strategy follows a top-down approach. It guides risk-taking activities and ensures that we sustainably deliver on our strategic objectives. The guiding risk principles that underpin our risk strategy are:

- We optimise returns on a risk-adjusted basis
- We focus on risks that align with our business strategy, areas of competitive advantage and evolving skills
- Our tolerance for uncertainty is informed by the maturity and growth aspirations of our businesses
- We use risk mitigation techniques to manage risk exposures
- We recognise the value of diversification and the challenges of risk interconnectedness to avoid excessive risk concentration and ensure sustainability
- We protect our reputation by maintaining trust with all our stakeholders

Our risk strategy process

Determining our risk preference for each risk category

The risk classification model forms the basis of our risk management system. We have a documented risk preference for key types.

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. We use stress and scenario testing to evaluate the earnings and balance sheet resilience in relation to our business plans and risk-taking activities.

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. These are calibrated to allow us to manage an extreme downside scenario with sufficient resources to avoid regulatory intervention.

Allocating capital

Under the Group Financial Management Framework, we allocate capital and funding to segments within our risk appetite parameters.

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

Updating our risk strategy

We review our risk strategy annually and the Board approves any changes.

In 2022 we added specific risk appetite statements for business resilience and third-party risks. We also increased our earnings at risk limits to recognise the unbundling of Nedbank and an increase in credit risk resulting from improved measurement of the underlying risk.

Tema, Greater Accra, Ghana – Coordinates 5.6367° N, 0.0175° E

Risk management process

An effective risk management system supports the sustainability and growth of our business and the ability to create long-term value for all our stakeholders. Our risk management process is designed to continuously monitor the internal and external environment for the purpose of identifying any conditions or changes that may require us to mitigate the related risks. This ensures that we remain within our risk appetite, achieve our business plans and realise our strategic objectives.

The Group Financial Management Framework brings together capital and liquidity management principles with the business planning process, for the purpose of maximising shareholder value in the context of the Group's risk strategy and resultant risk appetite. In doing so, the Group aims to balance competing stakeholder interests, including:

» **Shareholders:** who have expectations of earnings growth, revenue growth, operating margin, cash generation, dividend growth and return on capital
» **Regulators, debt holders and policyholders:** who have expectations related to strong solvency and liquidity

Business and risk strategy alignment is the process of ensuring that the risks assumed in our business plans reflect our risk preferences, considering the interconnectedness of risks and points of leverage within our risk mitigation activities.

Risk identification is focused on the identification of the key obstacles that can prevent us from achieving our business strategy and objectives. We categorise all our risks using our risk classification model to ensure consistent classification of risks and enable aggregation of similar risks across the Group to understand their full impact.

Risk measurement and response is focused on quantifying risks by considering the likelihood and impact of the risk and deciding on mitigating actions. Risks are quantified in three dimensions:

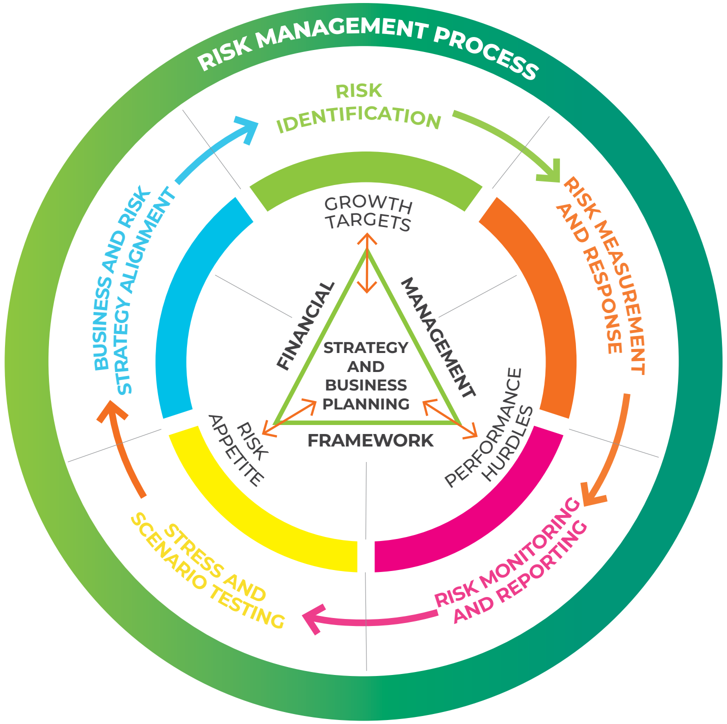
» **Inherent:** considering the likelihood of occurrence and impact (financial and non-financial) that the risk may have on the business, without considering any mitigating factors
» **Residual:** considering the likelihood of occurrence and impact the risk may have on the business, after considering the control environment and any mitigating actions
» **Residual risk vs tolerance:** comparing the residual risk to the risk appetite and preferences that are stipulated by the risk strategy for that type of risk

Once quantified, we consider the rating of the risk, together with our appetite for that kind of risk to determine a risk response and implement mitigating actions as appropriate.

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. It 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 our balance sheet based on our business plans and the various risk-taking activities.



For details of the Risk committee's focus areas and how it addressed risks, refer to page 35 and 36 of our Corporate Governance Report

Risk management process continued

Combined assurance

Our combined assurance processes are well established. Our philosophy is to build and sustain an integrated and coordinated approach across all three lines of assurance at all levels in the organisation. Our key focus is on collaboration and sharing information while ensuring appropriate coverage and avoiding duplicate work.

The combined assurance plans provide the Board with an integrated view of all assurance activities related to the Group's key inherent risks. We identify focus areas for a specific year by considering the current control environment, assurance work completed in prior years and a risk assessment. Quarterly reporting against the plans provides an integrated view of the outcome of all assurance activities, resulting in improved confidence in the effectiveness of internal controls.

The risk function is responsible for developing and maintaining the Group Combined Assurance Framework. Independent assurance of the Group Combined Assurance Framework and process is provided on a periodic basis.

Our three lines of assurance

As a Group, we follow the three lines of assurance model, which defines clear accountabilities for the management of risk and the control environment.

Line 1 – management	Line 2 – internal assurance providers	Line 3 – independent assurance providers
» Management is responsible for implementing an effective system of internal control, risk identification and risk management daily across the business. This line also includes specialist and Group functions such as tax, legal, information security and quality assurance functions.	» Internal assurance providers are responsible for assuring the appropriateness and effectiveness of the risk management system, ensuring that policies and procedures are followed, and that reporting is accurate and complete. This line includes the risk, compliance, actuarial oversight and forensics functions.	» Independent assurance providers are responsible for independent assurance of the effectiveness of governance, line one and two functions and the system of internal control. This line includes internal and external audit functions.

Kampala, Uganda – Coordinates 0.3476° N, 32.5825° E

Top residual risks

Changes to the top residual risks

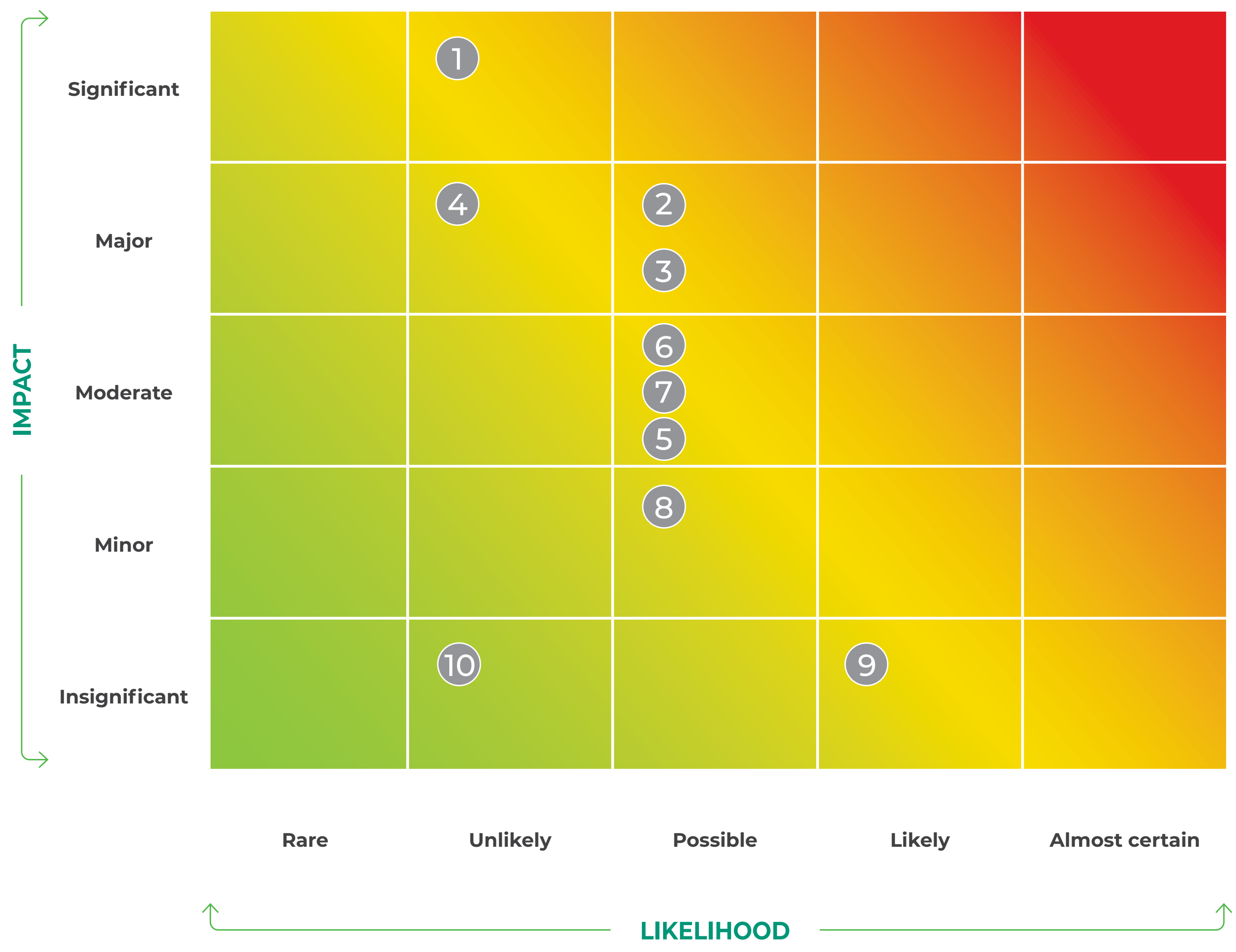
Top risks are identified based on their likelihood of materialising in a reasonably short timeframe, with a magnitude that materially impacts the Group. Our top risks are assessed and reviewed at least quarterly. Based on this assessment, we added non-life insurance and people risk to our top risks. Operational risk dropped off the top 10 rankings. Macroeconomic risk is covered in operating context.

Top residual risks

	Risk
1	Sovereign risk
2	Growth risk
3	Strategic execution risk
4	Life insurance risk
5	Non-life insurance risk
6	Technology and information security risk
7	Climate risk
8	Business resilience risk
9	People risk
10	Market conduct risk

Refer to Our operating context on pages 24 to 30 to understand the factors that influence our risk assessment and management process

The impact and likelihood of our top risks



Top residual risks continued

Sovereign risk

1

The risk that governments face challenges in stabilising and servicing the debt which they have issued.

Business perspective
We are directly exposed to sovereign risk through holdings of government bonds and State-owned Enterprise investments and indirectly via local banks through bank deposits and hedging strategies. We invest in long-dated sovereign and State Owned Enterprise debt instruments in our shareholder funds as well as to match the long-term nature of the liabilities to hedge guaranteed products. Although default risk is low, a restructure of sovereign debt is possible if the fiscal position worsens over the long term.

Impact
» A sovereign crisis could reduce our customers' investment returns and trigger value-for-money concerns in some portfolios
» Depending on the severity, our capital and liquidity levels may be impacted, limiting our ability to invest in growth opportunities
» In some of our Africa region businesses, a substantial portion of shareholder and policyholder funds are invested in sovereign debt or the local banking sector, which poses valuation risk to these assets should there be a sovereign default or debt restructure

Key actions
» Introducing portfolio sectoral tilts into our investment portfolios to manage portfolio risk and reduce sovereign risk exposure
» Reducing local bank exposure by increasing our exposure to offshore banks and other international counterparties
» Rightsizing our exposure to State Owned Entities
» Tailoring product range and investment strategies to mitigate this risk
» Engaging with industry groups on how to respond to the systemic risk posed by a sovereign debt crisis
» Developing a sovereign risk dashboard with forward-looking risk indicators to monitor the extent of sovereign risk exposure and enable proactive management decisions
» Implementing and embedding the investment credit risk framework in our Africa regions
» Setting appropriate credit risk appetite limits and early warning triggers to ensure actions can be taken timeously to correct unexpected performance deviations for institutional credit portfolios

Opportunities
» Identifying investment and lending opportunities in sectors which show growth potential, resilience or are counter-cyclical

Stakeholders

Customers Investors Regulators

Growth risk

2

The risk of being unable to achieve and maintain profitable growth and be a dominant player in our chosen markets.

Business perspective
Adverse economic conditions increase cost-of-living expenses and decrease customers' disposable income. Our corporate customers' growth and liquidity levels were also negatively impacted.

Non-traditional businesses and fintechs continue to move into the financial services space.

Impact
» Planned new business sales are not achieved in our life and non-life businesses, affecting annual premium equivalent and gross written premium, respectively
» Pipelines for asset flows and/or regular contributions do not materialise for our Old Mutual Corporate and Asset Management businesses
» Persistency in our retail life and non-life Insurance businesses worsens
» Expense to income ratios come under pressure as the book size becomes increasingly unable to support the fixed cost base

Key actions
» Introducing new products and services with more flexibility for customers and rewards benefits
» Scaling alternative distribution channels to drive direct business
» Prioritising data analytics to drive customer insights and improve customer experience – this will promote customer acquisition and create cross-selling and upselling opportunities to drive growth
» New growth engines in the form of our transactional capability are to be launched in 2024 as well as leveraging off partnerships in strategic growth markets
» Focusing on corporate business growth across Old Mutual Africa Regions

Opportunities
» Establishing a new capability to respond to opportunities created by rapidly changing market dynamics and deliver game-changing innovation to support sustainable, long-term growth
» Exploring inorganic growth opportunities and addressing market consolidation in key Africa Regions

Stakeholders

Customers Investors Intermediaries

Top residual risks continued

Strategic execution risk 3

The risk of failing to effectively deliver on our material programmes in a timely manner to achieve our strategic objectives.

Business perspective
There are several key change initiatives underway that will set us up as an organisation to achieve our strategy and business plan objectives.

Impact
- Delays in progressing change initiatives could result in additional run costs, opportunities not being fully capitalised on and benefits not being timeously realised
- Overlapping dependencies on key resources may lead to slippage and compression
- Sustained pressure on key individuals could also impact staff wellbeing and retention

Key actions
- Adopting a value chain-led delivery structure to support an agile delivery approach for strategic programmes
- Back-filling key roles to not impact business as usual delivery
- Ensuring the Old Mutual Prioritisation Board manages the full portfolio of change initiatives and capacity constraints
- Implementing retention processes in key programmes

Opportunities
- Driving strategic clarity based on delivering an integrated financial services experience for customers
- Improving resilience, efficiency and agility against a changing external environment enabled by migrating information technology estate to the cloud
- Delivering strategic mergers and acquisitions in the Africa region to drive scalability of businesses and support quality of earnings
- Maturing our capability to drive innovation and partnerships to support growth

Stakeholders
Customers | Employees | Investors

Life insurance risk 4

The risk that actual mortality and morbidity experience is worse than what we expected.

Business perspective
We provide insurance cover for a wide range of contingencies to our customers in the Life and Savings business. The mortality risk associated with providing this cover is aligned with our business strategy of offering life protection products.

Impact
- Mortality and morbidity losses reduce earnings where experience is worse than expected
- Where losses are expected to continue for the foreseeable future, they are capitalised in that year for the expected future losses, which multiplies the effect of a single-year loss

Key actions
- Undertaking experience investigations in areas of concern and adjusting pricing accordingly
- Re-evaluating the protection product strategy and future pandemics in product pricing

Opportunities
- Refining the granularity of our rating categories for pricing purposes
- Tilting business mix towards underwritten products in middle-income market
- Capturing cross-selling opportunities to increase customer needs met by writing disability, critical illness and other benefits in addition to death cover

Stakeholders
Customers | Investors

Non-life insurance risk 5

The risk of adverse impacts on our ability to write profitable Property and Casualty business.

Business perspective
Underwriting experience across our Property and Casualty businesses continues to be challenging, as are higher cancellations due to affordability concerns of customers. The higher inflation and shortages have increased the cost of parts, which has an impact on the cost of claims.

The reinsurance market has become increasingly difficult over the past few years, resulting in less capacity and higher premiums to transfer risk to a third party.

Impact
- Increased claims due to the increased frequency and severity of weather catastrophes
- Deterioration in the earnings of the Property and Casualty businesses due to losses and higher cancellations due to affordability concerns
- Slow or negative growth in the book size of our Property and Casualty businesses
- Increased retention of risk on the balance sheet of Property and Casualty businesses due to hardening reinsurance market, together with possible contraction in underwriting margins
- Inflation has increased the cost of claims

Key actions
- Exploring different reinsurance options across our entities that offer Property and Casualty products
- Revising pricing and planned premium increases in 2022 and 2023 on Property and Casualty products
- Launching a retail top-up product to ensure indemnity level is maintained
- Engaging with reinsurers and exploring capital-efficient solutions
- Deliver process efficiencies and reduction in claims management costs, particularly on motor books

Opportunities
- Leveraging insights derived from the Climate Change Task Force
- Partnering with other insurers, municipalities and third parties on climate change
- Exploring opportunities to develop new products
- Exploring partnerships with SMMEs linked to the insurance industry

Stakeholders
Customers | Investors

Top residual risks continued

6 Technology and information security risk

The risk posed by heritage information technology infrastructure on our ability to achieve targeted customer and adviser experience, operating efficiencies and responding to ongoing cyber threats. Ongoing cyber threats pose a challenge to business resilience and data security.

Business perspective

A complex and ageing information technology infrastructure poses a threat to our targeted customer and adviser experience, as well as operating efficiencies.

The evolving global threat landscape may result in Old Mutual being prone to intentional and unintentional cyber security attacks.

As we evolve our business model, it is critical we understand the risks introduced by third parties.

Impact

- System downtime may disrupt servicing and sales processes
- Customer and adviser experience may not meet expectations, ultimately impacting our growth ambitions
- Process efficiencies and run costs may be compromised
- Cyber security attacks could result in data, privacy or security breaches
- Data privacy or security breaches occurring via third parties
- Disruption of services due to temporary failure of critical third parties

Key actions

- Adopting a cohesive, Group-wide approach to information technology architecture, business resilience and information security
- Ongoing modernisation and simplification of application landscape, including completing our cloud migration
- Optimising and application refactoring for South Africa
- Delivering enhanced capabilities and digitalising our processes to satisfy the continuously changing demands of our customers and advisers, and increase efficiency for employees
- Extending the reach and take-up of the MyOldMutual and digital adviser experience platforms
- Implementing data mesh models
- Ensuring a centralised capability for oversight of third-party risk management
- Implementing a comprehensive security strategy to protect intellectual property, sensitive customer information and other business-critical information
- Adapting and enhancing cyber risk monitoring and protection to address changing threats, including automated security testing and data protection tools
- Implementing mandatory cyber risk training and awareness programmes, including phishing simulations

Opportunities

- Improving customer and adviser experience by introducing new technologies
- Improving operational efficiency and information security and reduced system downtime

Stakeholders

Customers, Investors, Intermediaries, Employees

7 Climate risk

The risk that global warming, extreme weather events and the transition to a low carbon economy will adversely impact economic growth, asset valuations and insurance profitability. These, in combination with increased costs of doing business could threaten the resilience and sustainability of our business.

Business perspective

Increased frequency and intensity of severe weather events can cause business disruption, and adversely impact claims experience and pricing of insurance products, particularly Property and Casualty business in the short term.

Policy shifts could lead to stranded assets and job losses from highly exposed industries, including fossil fuel investments.

Impact

- Property and Casualty claims are increasing due to the rise in frequency and intensity of extreme weather events
- Increased concentration risk by geography or sector due to physical climate risks or dependency on primary industries
- Severe weather events have caused business disruption
- Adverse non-life underwriting experience due to worsening claims from increased frequency and intensity of weather events
- Reduced capacity in reinsurance markets to transfer risk off our own balance sheet
- Increased price for securing reinsurance, which may have a knock-on effect on product pricing
- Stranded assets triggering asset devaluations in highly exposed industries, including fossil fuel investments
- The possibility of deterioration in mortality and morbidity, due to illness and food insecurity induced by extreme weather events

Key actions

- Understand Old Mutual's fossil fuel investment exposure, and influence action in investee companies on climate risk issues and developing a path to decarbonisation of our investment portfolios
- As a responsible business, we are working to ensure that we minimise the carbon footprint of our own operations
- Assessing the impact of climate-related risks and opportunities on our businesses, strategy, financial outcomes, and developing response plans
- Reviewing policy terms and conditions in conjunction with pricing to ensure these accurately reflect the risk exposures
- Expand our investment projects which develop clean or green prower solutions

Opportunities

- Exploring ways to develop market-leading products that will help our customers protect against climate risk and ensure we continue providing cover for our customers
- Managing our own carbon footprint as a business by improving our energy management and waste recycling processes and creating alternative water supplies for our buildings

Stakeholders

Customers, Employees, Investors, Communities, Regulators

Top residual risks continued

Business resilience risk 8

The risk of being able to minimise the impact of disruptions and maintain business operations at predefined levels due to internal and external causes.

Business perspective
Scenario planning assists us in assessing where we need to strengthen resilience to ensure smooth operations and a consistent customer experience despite challenges affecting operations.

Impact
- 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
- Human error in manual processes could result in financial losses
- Inefficient processes could also result in poor customer service or non-compliance with regulatory requirements
- Load shedding causes degradation of telecommunication services, including internet connectivity
- Cyber incidents can adversely impact operations

Key actions
- Strengthening our management and risk oversight of key third parties and service providers
- Ensuring uninterrupted service levels by bringing contact centre employees back to the office full-time as part of the hybrid working model
- Ensuring main campuses can support core processes during power disruptions, and supporting key roles with uninterrupted power supply devices
- Implementing plans to deal with sustained load shedding
- Established a Crisis committee, which is invoked if there is a major business resilience event
- Ensuring our business continuity strategies outline how to operate should civil unrest occur
- Focusing on business process documentation and automation to improve efficiencies and automate controls
- Implementing control improvement programmes in areas of our business with less mature control environments

Opportunities
- Responding to competitive advantages that exist for businesses that are better enabled to deal with extreme and/or unusual operating conditions seamlessly
- Reducing the running expenses in the business through efficiency improvements initiatives
- Decreasing loss events due to tight execution of automated processes

Stakeholders
Customers, Intermediaries, Employees, Investors, Regulators

People risk 9

This risk arises from not attracting, developing and retaining the skills necessary to implement our strategic objectives, and from insufficient action to reduce the risk of burnout among key employees.

Business perspective
Specialist skills are required to deliver our strategic objectives, and increased remote working opportunities mean we are competing to retain and attract talent on a global scale.

COVID-19 changed our ways of work and employee wellbeing and burnout have become an increasing concern.

Impact
- Retaining specialist skills is becoming more challenging, driven by the increase in global remote working opportunities – this is particularly of concern across the Africa regional businesses
- Deterioration in employee wellness could impact delivery and service, including the execution of large programmes critical to our strategy

Key actions
- Implementing a hybrid working model, with most staff working from home for part of the week
- Developing a Group wellbeing strategy, due for implementation in 2023
- Managing staff burnout risk by filling vacancies, effective prioritisation and capacity planning and anti-burnout strategies
- Revising remuneration value propositions in line with local environments where we operate

Opportunities
- Leveraging wider recruitment pools due to hybrid working for specialist skills
- Marketing employee value proposition effectively to attract new skills
- Offering retention bonuses for key staff
- Delivering strategic initiatives

Stakeholders
Employees, Customers, Intermediaries, Investors

Market conduct risk 10

This risk could arise if our products and solutions are not performing as intended or servicing does not meet customers' expectations.

Business perspective
The needs of our customers evolve with changes in the macroeconomic environment, their financial health and life events, and competitive activity. We need to be able to respond seamlessly to all of these.

Impact
- Service challenges erode our brand promise and pose reputational risk
- If our products are not perceived to be value for money, it will impact our growth and persistency
- If our products are not flexible enough to adapt to changing financial health of customers, we may experience a deterioration in persistency

Key actions
- Ensuring products perform in the manner communicated to customers at the point of sale
- Embedding a refined Group Market Conduct Framework through the Board's Responsible Business committee
- Independently reviewing and challenging the value-for-money components of our products at both a design stage and on an ongoing basis
- Introducing flexible resourcing to meet service demand, especially in times of high claims and transaction activity
- Increasing automation of our servicing activities using robotics

Opportunities
- Launching 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
- Driving digital engagement with our customers and continue to focus on quality advice
- Focusing on the insightfulness of our campaigns to customers using meaningful data analytics

Stakeholders
Customers, Intermediaries, Investors, Regulators

STRATEGY AND VALUE CREATION

4
start-ups launched to market

800
entrepreneurs impacted by the hub

DID YOU KNOW

Eight2Five, powered by Old Mutual Zimbabwe, is an innovative hub that partners with entrepreneurs to achieve a shared vision of using technology to solve real-world and business problems.

Training programmes and competitive platforms, such as the value creation challenge, support SMMEs on their journeys to build resilience by recognising the tenacity and creativity of entrepreneurs and equipping them accordingly. Their mission is to provide start-ups and SMMEs in Zimbabwe with a modern, professional and energetic work environment that enables innovation and entrepreneurship.

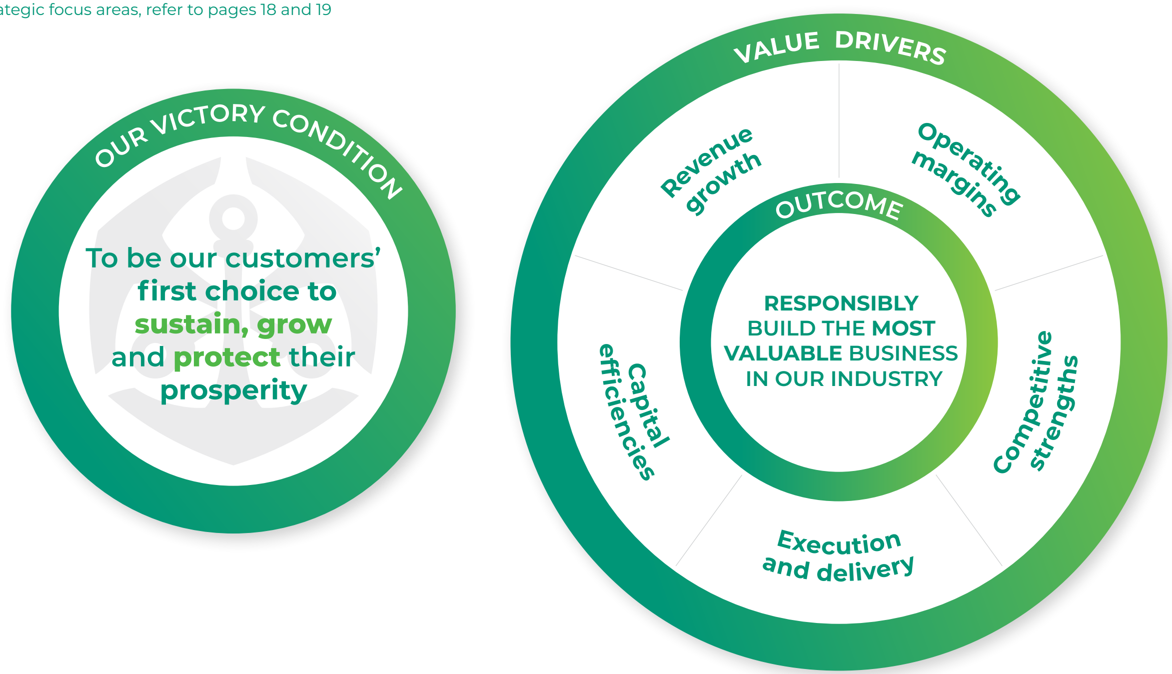
Harare, Zimbabwe – Coordinates 17.8216° S, 31.0492° E

Our strategy

Creating shared value and sustainable transformation is at the core of how we do business. We recognise that the success of our business is integrally linked to the wellbeing of the communities we form part of and operate in. In building the most valuable business in our industry, we strive to create a positive and sustainable impact across our communities, the environment and broader society.

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. It remains unchanged from last year and is anchored in our victory condition of becoming our customers' first choice. Our five interconnected strategic pillars describe how we will go about delivering on our victory condition. Collectively, they aim to drive brand differentiation, provide holistic solutions that meet changing customer needs and enable a seamless transition between face-to-face and digital experiences. We draw on our talented and engaged employees to achieve these objectives. Our five 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.

For more information on the Board's strategic focus areas, refer to pages 18 and 19



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 ensuring a top-of-mind brand.

We will build rewarding digital engagement by using advice and customer data considerately and effectively.

Our high-performing, engaged employees will make meaningful contributions to achieve our purpose, victory condition and values.

We will deliver solutions that lead in service and performance for insurance, investments and supporting banking needs.

Our stakeholders

Value is created by and within an organisation through relationships. We create value for the organisation that affects the financial returns to our investors, our stakeholders and society at large through our activities, interactions and relationships. Our stakeholders are those individuals or groups that have a material interest in our decisions and activities. Our stakeholders provide useful insights about matters that are important to them, including economic, environmental and social issues that affect our ability to create value.

Stakeholder management

Three core commitments form the foundation of our stakeholder engagement mandate.

Our first commitment is to **create value for all our stakeholders**. Knowing our stakeholders and understanding their needs is important to us, as this forms the basis of all our relationships. Wherever there is shared value, there is a lasting commitment to building and growing together.

Our second commitment is to **adhere to strong corporate governance** in the management of all our relationships. Our Stakeholder Relations Policy ensures that the standards by which we operate across all our markets are in line with international best practices and King IV.

Our final commitment is to **follow a method of structured strategic engagement**, allowing us to monitor and evaluate the quality of our relationships and their impact on the communities we serve.

To fulfil these commitments we manage, govern and monitor our stakeholder engagements.

Manage	Govern	Monitor
Our dedicated stakeholder relations function ensures we observe effective industry and international practices in managing the requirements and views of our stakeholders.	The Responsible Business committee is responsible for oversight over effective stakeholder engagement on behalf of the Board and in line with policy, governance codes and best practice.	The Board monitors the quality and effectiveness of our stakeholder relationships and engagements.

Our subsidiaries' Boards adopt Old Mutual Limited's Stakeholder Relations Policy and ensure that the applicable requirements are implemented and complied with. Subsidiary Boards must ensure local regulatory requirements are included in the policies adopted at a subsidiary level.

We are proud of our decision as a business to be a responsible social partner within our markets, actively participating in industry bodies and professional associations that seek to drive financial inclusion in Africa. We are purposeful about lending our voice to conversations that shape the future of our continent, using international platforms such as New Partnership for Africa's Development, UN Higher Commission for Refugees and the World Economic Forum to support the global sustainability agenda.

We engage with our stakeholders regularly in the ordinary course of doing business to understand, account for and respond to their needs and interests. We strive to build trust and a willingness to engage among our stakeholders to continuously improve the quality of our relationships.

Bokamoso Solar Park, Klerksdorp, South Africa – Coordinates 27.1582° S, 26.4007° E

Stakeholder value creation

Our interactions with stakeholders can materially influence our decisions, actions and business performance. Therefore, we must monitor and measure these relationships in a way that is effective and transparent. By understanding the needs and priorities of our stakeholder groups, we ensure our Group strategy facilitates behaviours that are mutually beneficial. Furthermore, as much as is possible, our stakeholders have the opportunity to provide input into those decisions that could potentially impact them. By following this approach, our strategy safeguards our business performance, protects our licence to operate and ensures our external relationships deliver value to both our Group and stakeholders.

	What our stakeholders care about	How we engaged	Focus areas in 2022	
Customers	» Meeting their financial goals » Innovative, flexible and personalised product solutions » Competitive and transparent pricing » Omnichannel experience and ease of use » Fast and efficient customer service » Responsible and appropriate advice » Easy access to funding for SMEs » Relief in times of significant financial difficulty	» Traditional distribution channels (including branches and intermediaries) » Investment roadshows » Digital apps and tools » Media channels » Bespoke events and sponsorships » Annual and interim events and reports » Newsletters » E-mails	» Progress on delivering an integrated financial services experience for our customers » Providing value-for-money financial solutions to our customers in a responsible way » Enhancing our digital channels to make it easier to interact with us » Using robotics to simplify our processes, giving time back to customers through a reduction in servicing and processing time » Continuously sending our intermediaries on customer experience training » Embedding the customer market conduct framework in our day-to-day operations » Improving our brand marketing and advertising » Providing easy access to funding to SMEs through SMEgo	**Relationship value for customers** » Timely payment of claims and benefits » A trusted and respected brand » Access to propositions across our operating segments that target primary financial services needs **Relationship value for Old Mutual** » Income generated from products and services that serve our customers' needs » Ability to reach customers through new and existing distribution channels » Opportunities to cross-sell to our customers through our integrated financial solutions
Intermediaries	» Ease of doing business » Digital capabilities that enable engagement, sales and servicing » Product and regulatory training » Fair incentives that reward efforts » Association with a brand that delivers on its promises » Being enabled to meet a broad range of their customers' needs	» Branches and worksites » Digital apps and tools » Conferences, roadshows and bespoke events (online and in person) » Annual and interim events and reports	» Simplifying tools and processes and expanding servicing capabilities including providing dedicated support » Providing ongoing training to improve the experience of our intermediaries through our sales academies » Continuing to provide market-related incentives and rewards to our intermediaries » Providing a comprehensive range of solutions through value-enhanced propositions	**Relationship value for intermediaries** » Access to training and development » Market-related financial rewards **Relationship value for Old Mutual** » Maintaining customer satisfaction levels » Accessing new customers and better serving existing clients

For information on the quantification of value created, preserved or eroded for our stakeholders, please refer to our business model on pages 46 to 47

For information on the Board's engagement with our stakeholders, refer to pages 18 to 21 of the Corporate Governance Report

For information on how we have discharged our responsibilities to our stakeholders, refer to the Sustainability Report

Stakeholder value creation continued

	What our stakeholders care about	How we engaged	Focus areas in 2022	
Employees	» Competitive reward structures and benefits » Career growth and access to training and skills development opportunities » An inclusive culture that is safe and enabling » Addressing mental health and overall wellness » Flexibility – work/life balance » Rights to freedom of association	» Workday, our digital human capital technology solution » Leadership sessions » Surveys » Internal communications » Management roadshows and town hall meetings » Annual and interim events and reports » Collective bargaining for organised labour and employee formations	» Upskilling and reskilling employees to develop various technical and role-specific skills and behaviour to enable a future-fit workforce » Leadership development programmes targeting junior, middle, senior and executive levels in the organisation » Increasing talent mobility between countries and businesses » Revising our Parental Leave Policy towards greater gender equality and inclusivity » Revising our hybrid working model in response to return to work post the pandemic » Disability awareness campaigns » Bula Tsela Employee Scheme for employees to share in the success of Old Mutual » Driving our culture transformation journey based on insights from our culture survey » Concluding relationship agreements with our social partners and/or forming structures for employer-employee engagement to enable negotiations, consultations and information sharing	**Relationship value for employees** » Financial and non-financial rewards » Access to skills development and training opportunities » Being part of an organisation where they feel engaged, empowered and motivated » Flexible hybrid working model **Relationship value for Old Mutual** » Skilled, experienced and high-performing individuals in the right jobs who contribute to our purpose, victory condition and values
Investors	» Long-term sustainable financial returns and distributions » Understanding the capital management journey and unlocking value » Clear strategic direction and consistency in operational execution particularly banking strategy » Experienced management team » Transparent reporting and disclosures » Strong financial control environment, including corporate governance and ethics frameworks	» Digital apps and tools » Media channels » Investor roadshows engaging over 45% of our shareholder base » Stock Exchange News Service announcements » Annual General Meetings » Local and international conferences attendance » Annual and interim events and reports » *Ad hoc* meetings	» Maintaining a well-capitalised balance sheet » Strong delivery of our operational objectives and the Group strategy » Maintaining transparent reporting and disclosures in line with our reporting standards and internal policies and procedures » Improving our returns on capital and the value of new business » Providing greater clarity on discretionary capital management	**Relationship value for investors** » Sustainable returns on investment **Relationship value for Old Mutual** » Access to financial capital which, in turn, supports long-term growth » Ability to fund operational objectives and contribute positively to other stakeholders

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For information on how we have discharged our responsibilities to our stakeholders, refer to the Sustainability Report

Stakeholder value creation continued

	What our stakeholders care about	How we engaged	Focus areas in 2022	
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 » On-the-ground support during crises	» Media channels » Conferences and seminars » Annual and interim reports » Community projects and outreach campaigns » Thought leadership podcast series on responsible lending » Green Hands Trust for financial donation and giving time to social development initiatives » Imfundo Trust offering scholarships for tertiary education » Our employee volunteerism initiatives	» Reaching people across Africa through our financial inclusion and financial education initiatives » Involved in humanitarian relief efforts, including community rebuilding and food relief initiatives » Launching Bula Tsela Community and Retail Schemes to promote financial inclusivity » Providing bursaries and workplace experience opportunities to students, learners, interns and trainees » Progressing the agenda on black asset managers through inclusion of smaller industry players in our value chain and member representations on trustee boards and climate change	**Relationship value for communities** » Humanitarian and disaster support during crises » Access to bespoke financial education, skills development initiatives and financial inclusion » Access to advice, products and services that support business development **Relationship value for Old Mutual** » Opportunity to positively influence our broader ecosystem
Regulators	» Shaping legislation that protects customers » Compliance with regulations including regulatory reporting » The effectiveness of the control functions » External audit and key external audit findings » Contribution to national fiscus through corporate taxes » Provision of quality products and services to our customers	» Direct communication, including submissions of required reports and attendance of meetings » Participating in public forums » Taking part in the drafting process of new regulations and bills » Having discussions with industry consultative bodies » Partnering to implement social programmes » Engaging with international bodies to foster cooperation » Delivering on our responsible business agenda	» Launching Bula Tsela, our B-BBEE ownership transaction, which was implemented to fulfil our commitment to reach a 30% B-BBEE ownership level by June 2023 » Maintaining 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 » Supporting government efforts on climate change and engaging at COP27 » Ongoing partnership on the annual Budget Speech Competition to unearth young talent in economics and finance » Delivering on the enterprise supplier development fund as part of our strategy to support SMEs » Risk-proofing the business to deal with future pandemics as part of business as usual	**Relationship value for regulators** » Direct and indirect tax contributions in the regions where we operate » An active and cooperative participant during the development of regulatory strategy and policy **Relationship value for Old Mutual** » Ability to effectively manage regulatory risk » Maintaining our reputation of being a responsible and sustainable business

For information on the quantification of value created, preserved or eroded for our stakeholders, please refer to our business model on pages 46 to 47

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For information on how we have discharged our responsibilities to our stakeholders, refer to the Sustainability Report

Our value creation business model

Through our integrated business model, we actively manage the resources and relationship we rely on to create sustainable and responsible value for our stakeholders.

Capitals

FC Financial

Our shareholder and debt funding, which underpin our strong capital base and support the operations of our business and fund growth. Financial capital includes the funds our customers invest with us.

HC Human

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

MC Manufactured

The physical and digital infrastructure through which we conduct business activities. It includes our branch network, digital platforms and information technology estate.

IC Intellectual

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

SC Social and relationship

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

NC Natural

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

Inputs

Financial
- Equity of R66.5 billion (2021: R65.3 billion)
- Borrowed funds of R16.7 billion (2021: R17.5 billion)
- Funds under management of R1.2 trillion (2021: R1.3 trillion)

Human
- R176.4 million (2021: R82 million) invested in employee and leadership learning and development
- 31 866 (2021: 28 837) employees
- Employees completing agile training 4 425 (2021: 1 778)
- Employees enrolled on Udemy 11 028 (2021: 8 500)

Manufactured
- 826 (2021: 871) retail branches
- 48 731 worksites (2021: 47 226)
- 95% (2021: 51%) of information technology in the cloud
- Artificial intelligence and robotics capabilities using data-driven insights
- Fully functional and enhanced digital platforms
- Largely cloud-based information technology estate in South Africa

Intellectual
- 1.8 million (2021: 1.3 million) Old Mutual Rewards members
- A 177-year track record of delivering financial solutions
- Strong strategic partnerships
- Scalable digital capabilities built in simplified and secure technology estate
- Innovative culture underpinned by the right employee skillset and mindset

Social and relationship
- 11.9 million (2021: 12.1 million) customers Trained 832 teachers and supported 878 Early Childhood Development centres
- R102.8 million (2021: R62.8 million) in entrepreneurial funds disbursed by Masisizane
- R4.8 million spent on bursaries
- 400 Education Trust graduates since 2013
- Contribution to South Africa's transformation and empowerment agenda

Natural
- 26.7 billion (2021: 26.4 billion) of proprietary assets invested in renewable energy
- R2.2 billion (2021: R2.6 billion) of proprietary assets invested in water and sanitation
- 23% reduction in emissions since 2019
- 22% reduction in electricity usage since 2019
- Integration of material climate related risks and opportunities into investment decisions
- Six Green Star rating from Green Building Council of South Africa for Mutualpark

Capital constraints

Financial
- Surges in inflation in emerging and developing economies
- Affordability concerns due to difficult operating environment
- Balancing strategic investment with cost-cutting initiatives

Human
- Attracting and retaining top talent with the right skills in a competitive environment
- Hybrid working reduces in-person work and collaboration between employees

Manufactured
- Slow digital adoption rates among advisers and customers
- Increased digitalisation needs to be enabled by effective information security controls

Intellectual
- Agility to rapidly respond to competition threats posed by digitisation and platform-based ecosystems

Social and relationship
- Increased unemployment, poverty and inequality in the regions where we operate
- Loadshedding is causing disruption to business operations due to degradation in telecommunication services and internet connectivity

Natural
- Increased electricity and water disruptions in South Africa
- Longer term implications of climate change pose risks to many of our capitals, but particularly natural capital

Our value creation business model continued

We perform our core business activities

- We gather capital by providing financial advice, savings and investment solutions
- We invest this capital to achieve returns for our customers, in ways that are good to society
- We protect our customer by taking on and pooling risk that they are unable to carry individually

Through our

Segments

Supported by our

Enabling functions

To deliver holistic solutions and financial advice

catering to our customers' lifetime financial needs and delivering on our victory condition

Governance and sustainability

We govern our activities in a way that ensures we deliver on our strategy. At the same time, we focus on scaling our positive impact on the communities in which we operate and the wider environment.

Stakeholder outcomes

Customers:

- ✓ 1.2 million (2021: 1.1 million) active digital users
- ⊜ 53 000 (2021: 65 000) claims initiated via WhatsApp, USSD and websites[1]
- ⊗ 67% (2021: 70%) customer net promoter score
- ✓ 98% (2021: 99%) of life and short-term claims paid
- ✓ Enabled the generation of R94.7 million in invoices on SMEgo platform
- ✓ Facilitated the disbursement of R9.6 million in funding to SMEs

FC SC MC IC

Intermediaries:

- ⊜ R7.4 billion (2021: R7.7 billion) paid in fees and commission
- ✓ R100.3 million (2021: 89.3 million) spent on intermediary training
- ✓ An average of 372 (2021: 335) intermediaries trained through our Celestis Academy

FC HC SC

Employees:

- ✓ R12.4 billion (2021: R10.8 billion) paid in salaries and benefits
- ✓ In South Africa, 87% (2021: 84%) employees are black and 61% (2021: 58%) black employees in senior management positions
- ⊗ 58% (2021: 61%) female employees
- ⊗ 213 (2021: 305) high performing employees enrolled in leadership development programmes
- ✓ 528 922 (2021: 220 451) online and virtual training courses completed
- ✓ 78.1 million Bula Tsela Employee Scheme shares issued

FC HC

Investors:

- ⊜ Full-year dividend of 76c (2021: 76c) per share
- ✓ Improved financial performance, with return on net asset value up by 210 bps to 11.1% (2021: 9%)
- ⊜ Group solvency ratio decreased by 600 bps to 190% (2021: 184%)
- ✓ R780 million (2021: R645 million) in interest paid
- ✓ 63.6 million Bula Tsela Retail Scheme shares issued

FC NC

Communities:

- ⊜ R146 billion (2021: R150.5 billion) invested in socially inclusive investments
- ⊜ R1.4 billion (2021: R1.4 billion) of proprietary assets invested in low income housing
- ⊜ 43% (2021: 43%) South African SME supplier base
- ✓ 5 270 (2021: 4 600) SMEs reached
- ✓ R290 million (2021: R260 million) in funds committed to SMEs
- ✓ 584 jobs created by Masisizane Fund in 2022
- ✓ 36.6 million (2021: 22 million) people reached for financial education
- ✓ 6 million (2021: 2 million) financial wellness activities completed on Old Mutual Rewards
- ✓ 63.6 million Bula Tsela Community Scheme shares issued

FC SC

Regulators:

- ✓ R14.7 billion paid in taxes (2021: R14.2 billion)
- ⊜ Maintained our level 1 B-BBEE status
- ✓ Participated and contributed to industry engagements and thought leaderships, including ESG and shared value engagements

SC FC NC

1 *Although the volume of overall claims processed reduced year on year, the percentage of processes on web-based platforms is in line with 2021*

✓ Value created ⊜ Value preserved ⊗ Value eroded

Enhancing value creation by investing in long-term growth

In line with our victory condition of becoming our customers' first choice, we are continually exploring how we can better understand and serve our customers while generating sustainable long-term value for all our stakeholders. We continue to make strategic investments to secure Old Mutual's future growth and build the financial services business of the future. Our investments represent our response to rapid changes in market trends and our customers' needs and preferences. These investments also reflect our commitment to securing our collective futures – not only for our company, but for our customers, communities and the businesses that we partner with.

These businesses are currently in their infancy, with a considerable amount of investment required to build the requisite infrastructure and capabilities. They have been deliberately set up in a way that allows us to swiftly adapt to new trends as they emerge and deliver new solutions at pace. We remain steadfast in our belief that doing the right thing for customers will translate into sustainable financial value over the long term.

Amplifying our growth through NEXT176

NEXT176 was established in August 2021 as our New Growth and Innovation Office, with a mandate to accelerate the growth and innovation agenda at an enterprise level. Over the past year, we focused on developing its brand identity, strengthening its team, as well as developing and exploring innovative new solutions and partnerships.

The NEXT176 brand was launched to the market in H2 2022. Conceptualised and announced 176 years after Old Mutual was formed, it represents an extension of the core Old Mutual brand and the start of the next 176 years of creating shared value across emerging economies through disruption, innovation, and sustainable growth.

Meeting customer needs through ecosystem-based business models

We aim to make a meaningful impact on our customers' lives through our ecosystem approach; solving friction points in the following ecosystems with attractive growth potential, where we have a "right to win".

We will deliver value by:

1. **Building new growth ventures** across our priority ecosystems to enhance our businesses of today and build businesses of tomorrow
2. **Investing in companies** for either distribution or capability across key ecosystems and target sectors
3. **Partnering with large scale businesses** to unlock the benefits of embedded finance to customers

Since launch, we have committed R300 million in capital towards NEXT176. We are currently incubating five ventures across these ecosystems, including:

i) Our digital wills offering that continues to show good growth with more than 9 000 wills finalised on the platform since its launch in October 2021. We recently concluded the acquisition of a digital wills platform, QuickWill, to further grow and scale this venture.

ii) Through Oystar, we are solving friction points for owners, teachers and parents in the early childhood development ecosystem with more than 1 000 early childhood development centres active on the platform at the end of the year.

We also made strategic investments into CoverGo (a 'no code' insurtech platform) and WIZZIT (a mobile payment solutions company).

Investing in our South African banking capability

Our application for a banking licence in South Africa brings us a step closer to delivering on our victory condition by enhancing our ability to sustain our customers' prosperity. We have existing lending and transactional solutions in South Africa, consisting of our Money Account and an unsecured lending product.

Our current transactional solution is delivered through a commercial arrangement with a third-party bank. Securing our own banking licence allows us to hold the primary relationship with our customers. This will drive greater regular interaction with them and enhance the cross-sell opportunity across our businesses.

We are building this transactional capability using the latest technology to allow enhanced servicing and personalisation. This, together with a cloud-based technology stack, will enable us to deliver cost-effective, flexible and scalable solutions to our customers. We are on track to launch our proposition in the second half of 2024.

Business strategy link with remuneration

Delivery of value drivers measured through the following performance metrics

Our remuneration philosophy underpins our Group strategy in supporting a high-performance culture that remunerates engaged employees who make meaningful contributions to achieve the Group's purpose, victory condition and values. Our core remuneration principles support this philosophy and are underpinned by our fair and responsible pay approach, ensuring that remuneration across the Group is externally relevant, internally equitable and supports the delivery of the Group's short, medium and long-term objectives.

With effect from the beginning of 2023 our variable pay approach at Old Mutual includes a short-term incentive and a deferred performance award.

For information on our approach to variable pay, refer to pages 16 to 17 of the Remuneration Report

A single Group scorecard applies to both the short-term incentive and deferred performance award creating aligned focus across the organisation. The Group scorecard is closely aligned to the Group's strategic direction and objectives and measures delivery against financial, strategic and ESG-linked objectives.

The majority of the incentive outcome remains linked to financial performance. As in the 2022 scheme, operational profit delivery drives the creation of the short-term incentive pool. This creates a direct link to financial value creation. The scorecard then increases or decreases the short-term incentive pool depending on wider business performance.

The outcome of the deferred performance award will similarly be driven by financial performance with a 65% weighting to this category. Capital efficiency, as measured by return on net asset value, has a high weighting given the focus on ensuring an efficient use of capital in delivering shareholder outcomes. In addition, total shareholder return relative to peers and the broader market has been included for 2023. This closely aligns the experience of shareholders with that of management. The vesting period of the awarded shares is between two and four years, further aligning management outcomes with those of shareholders.

Category	Performance metrics	Value driver
Financial	Results from operations	Outcome of value drivers
	Return on net asset value	Capital efficiency
	Value of new business	Revenue growth
	Value of new business margin	Operating margin
	Gross flows and gross written premiums	Revenue growth
	Relative total shareholder return (Peer group and Capped SWIX 40)	Outcome of value drivers
Strategic delivery	Strategic execution	Revenue growth Competitive strengths Execution and delivery
ESG	Engagement index	Execution and delivery
	Customer growth and experience	Revenue growth Operating margin
	Green economy	Revenue growth

Components of the Group scorecard (short-term incentive and deferred performance award)

Financial

Return on net asset value remains a core component of the scorecard with the largest weighting. This assesses the efficient use of capital in delivering shareholder outcomes with performance measured against cost of equity.

Value of new business and value of new business margin remain critical components of the scorecard. Value of new business assesses the growth in life business through profitable new business. Targets are set relative to nominal gross domestic product +1% indicating the need to grow ahead of the nominal growth in the economy. Value of new business margin assesses the efficiency of this profit generation with targets set relative to our medium-term targets.

Gross flows and gross written premiums represent growth across Life and Savings, Asset Management and Property and Casualty through new and existing business. Targets are similarly set relative to growth ahead of the economy.

Relative total shareholder returns aligns the outcome for management with that of shareholders. Performance is assessed relative to peers (specifically Alexander Forbes, Discovery, Momentum Metropolitan Holdings and Sanlam) and relative to the Capped SWIX 40 benchmark. Targets are set with performance in line with the peer group or broader market required before an incentive is achieved.

Strategy

Integrated financial services refers to our strategy of offering a comprehensive suite of financial services to meet our customers' needs as they navigate their life-long financial journeys. Our customers benefit by having multiple products from us and from making good financial decisions. Performance will be measured quantitatively against a scorecard agreed with the Remuneration committee and aligned with the internal business plan. The scorecard focuses on delivering our bank build within the project timelines and budget, improving our propositions and growing our Old Mutual Rewards membership.

Old Mutual Africa Regions remains a key area of growth for the Group and strategic progress will be measured quantitatively against targets agreed with the Remuneration committee, with a focus on financial performance.

ESG

Employees – The employee engagement index is a component of the culture and engagement index in the current 2022 long-term incentive. This index measures the engagement levels of employees using energy, commitment and positive feeling as metrics. These dimensions have been selected based on research into their link to improving service delivery and operational support which are closely linked to better outcomes for our customers. Therefore, as our organisational culture improves, our customer satisfaction and brand reputation will improve.

Customer growth and experience – A quantitative assessment of the growth we are driving in our retail customer base together with the experience of our customers. This is made up of:
» Average needs met per customer in the retail segments
» Customer numbers in the Mass and Foundation Cluster and in Personal Finance
» Net Promoter Score across our South African businesses

All three metrics continue from the 2022 incentive schemes.

Green economy – This dataset demonstrates Old Mutual's contribution towards investing in a sustainable economy, focused on renewable energy, agriculture, affordable housing, water, health, transport and education.
The Old Mutual green economy taxonomy categorises which assets have an active positive impact on the sustainability of the economy according to global best practice criteria. Our taxonomy was developed with the European Green Economy Taxonomy as the guiding framework.

This metric measures the growth in new business across our Listed Equity and Alternatives Green Economy funds and propositions. This is a strong contributor to building a better, more sustainable future and works alongside our net zero commitments.

These funds have a positive social impact, as well as a positive impact on the environment and the economy at large. Success in this area therefore reflects our ability to develop propositions that balance impact with delivering compelling investment outcomes.

PERFORMANCE AGAINST STRATEGY

Bloemfontein, Free State – Coordinates 29.0852° S, 26.1596° E

R2.5 million funding provided

10 students funded by Old Mutual Insure

DID YOU KNOW

South Africa has a high unemployment rate and lacks critical skills. **C3 Academy** offers a 24-month specialised robotics and information technology programme that sponsors carefully selected candidates, delivering high-potential candidates to the industry.

Old Mutual Insure, through the Mutual & Federal Development Trust, partnered with the C3 Auto Body Repair Academy in Bloemfontein to provide vocational skills training for unemployed youth in the area. This addresses South Africa's skills shortage and increases economic participation.

Old Mutual cares

What we aim for

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

How do we deliver this

We aim to make it evident that Old Mutual cares through solutions and actions that support customers, their families and communities. Accordingly, we offer our customers accessible, affordably priced solutions and support them through our financial education initiatives. As a responsible asset owner and manager, we also make sure our responsible investment practices incorporate ESG-related considerations into investment decisions.

We also demonstrate care by treating all stakeholders fairly and ensuring that we create shared value by contributing towards positive economic, environmental and social outcomes. These are incorporated into our Sustainability Framework and span education and skills development, financial education and inclusion, entrepreneurship, humanitarian and disaster risk reduction, employee volunteerism and stakeholder management.

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 our customer touchpoints and solutions
3. Invest in 'Learn. Think. Do', an initiative making education more accessible across the continent by providing open education resources that can be accessed in multiple languages and through multiple platforms
4. Support economic growth and job creation by way of increased investment in SMEs through vehicles such as the Masisizane Fund and the Enterprise Supplier Development fund, and support small businesses directly via our internal value chain

What we achieved

» Our Sustainability Framework encapsulates the intention and goals of Old Mutual Cares. A summary of our achievements is provided below.

Our progress in skills development and stakeholder management is provided on page 57 and 42, respectively.

Refer to our Sustainability Report for more detail on our approach to responsible

Refer to our Climate Report for more detail on our approach to responsible

Responsible investment

» We have R432 billion (2021: R458 billion) of assets under management under active stewardship. R146 billion (2021: R150.5 billion) of assets under management is invested in socially inclusive, low-carbon and resource-efficient investments.

Environmental impact

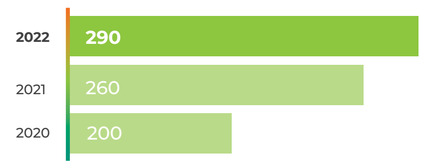
» Climate is our primary environmental focus. We became one of the signatories to the Africa Business Leaders Coalition Climate Statement, released at COP27. The statement includes commitments around adaptation and resilience, a just transition and mitigation, and calls to action the international community to support Africa in these endeavours. We reported our South African Scope 1 and 2 emissions, and part of operational Scope 3 greenhouse gas emissions, to the CDP and achieved a B rating. The Old Mutual Investment Group pioneered a low-carbon investment product that is 40% less carbon-intensive than the Capped SWIX 40.

For more information on our environmental impact, refer to our Climate Report

Strategic key performance indicators (KPIs)

Number of people reached through financial education (m)

Funding committed in support of SMEs (Rm)



Old Mutual cares

Financial education and inclusion

» Our extensive portfolio of financial education and inclusion initiatives reaches customers and communities in the 13 African countries we operate in. Our programmes are designed to connect with people from both urban and rural communities, and are available through digital and face-to-face mediums to ensure content is easily accessible to everyone. Across Africa, our financial education initiatives reached over 36.6 million people (2021: 22 million). As part of our Learn.Think.Do initiative, we developed financial literacy content in several South African official languages to distribute across key platforms. In Kenya, we supported the development of a teacher training course to embed financial literacy in the competency-based curriculum for rollout in 2023.

Entrepreneurship

» We help entrepreneurs build resilient and successful businesses. Our offerings are designed to provide an integrated commercial service offering while delivering impactful solutions. This spans customised funding solutions, market access facilitation and mentoring and coaching. We reached 5 270 (2021: 4 600) SMEs and committed R290 million (2021: R260 million) in South Africa. The Masisizane Fund disbursed R102.8 million (2021: R62.8 million), up 68% from 2021.

Education

» Our education initiatives are designed to impact the entire education value chain to support meaningful systemic impact. Our approach starts from early childhood development through to tertiary education – in preparation for employment or entrepreneurship. Our Education Flagship Programme focuses on literacy and numeracy, with a focus on home language content development. In 2022, we loaded 356 school-owned devices with digital mathematics content and distributed 6 200 mathematics and reading books. We also supported the development of two Xitsonga grade 1 books. We invested R4.8 million in higher education bursaries across the accounting, information technology and actuarial science fields.

Humanitarian and disaster support

» We offer humanitarian support to communities that suffer from natural or man-made disasters. We provide support through our internal response capability, like the Old Mutual Foundation, coupled with our external partner network, such as Habitat for Humanity South Africa. Our humanitarian and disaster support initiatives totalled R53 million in 2022 (2021: R14 million). We provided extensive support to the communities affected by the floods in KwaZulu-Natal, South Africa, including providing food and shelter. Longer-term interventions include a R30 million facility to rebuild 80 homes by the end of 2024.

For more information on our ESG activities and their impact, refer to our Sustainability Report

Johannesburg, South Africa – Coordinates 26.1968° S, 28.0342° E

Always present first

What we aim for

Offering our customers the right solution (product, service and advice) at the right time and through the channel of their choice.

By understanding our customers individually, and with the support of superior engagement levels and leading solutions, we will be the preferred brand for the solutions we offer.

How do we deliver 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 to provide a seamless, integrated customer experience across all touchpoints. Enhancing our physical reach with a digital presence will help us be 'always present'. This is further supported by a strong brand presence to ensure 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 by rebranding UAP to Old Mutual

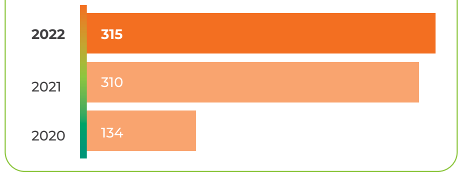
What we achieved

» Ranked as the 10th (2021: 12th) strongest brand in South Africa (Brand Finance).
» Improved our brand consideration across our South African retail segments. Brand consideration is an internal measure used to track consumers' first choice/serious consideration of a financial services company (Old Mutual), the next time they purchase a financial services product.
» Marginal decline to 67% (2021: 70%) of our SA Net Promoter Score, which is a measure of customer satisfaction.
» Used WhatsApp, USSD and the MyOldMutual web-based platform to process more than 53 000 claims (2021: 65 000) in South Africa. Although the volume of overall claims processed reduced year on year, the percentage of processes on web-based platforms is in line with 2021.
» Expanded the rollout of the MyOldMutual app to East and West Africa and Zimbabwe. Customers are able to register, view their portfolio and product offerings, request a call-me-back and submit the first notification of loss to make a claim.
» Expanded the rollout of non-app-based channels across our African regions. Customers can now interact with us using USSD in Nigeria and WhatsApp in Kenya, Uganda and Rwanda.

Strategic KPIs

Net promoter score (%)

Digital life APE[1] sales (Rm)[2]



1 Standardised measure of the value of new life insurance business underwritten
2 Digital sales figures are for South Africa only

Lake Bunyonyi, Uganda – Coordinates 1.2953° S, 29.9133° E

Always present first

Building brand equity in East Africa

A significant milestone in 2022 was the rebranding of our Rwandan and Kenyan businesses to Old Mutual. This was a culmination of a multi-year process that started in 2015 when Old Mutual acquired a controlling stake in UAP Holdings (broader East Africa) and Faulu (Kenya). The rebranding of Uganda is the next focus.

Following these acquisitions, we aimed to migrate the East African brands to Old Mutual in two stages: a dual brand (UAP-Old Mutual) in 2017, followed by a single brand. A one-brand strategy across the region allows us to leverage our heritage and brand power to become a source of growth across East Africa.

Benefits of the rebrand

Reignite staff and intermediary passion in the business → Strengthen our relationships with customers → Grow the business through the strength of the parent brand

Digitally enabling our intermediaries

Face-to-face distribution is our primary channel for advice-led sales and represents the tangible experience of the trust the Old Mutual brand is known for. Our intermediaries are an important element of our internal ecosystem. By investing in the digitalisation of the intermediary proposition, we aim to make it easier for them to do business with us and, by extension, be better equipped to serve our customers.

We defined the digital adviser experience to give customers a future-fit experience while delivering quality and service improvements for our advisers. New functionality developed include digital leads and campaign management, an improved 360-degree view of the customer, the delivery of customer insights via new digital channels and enhanced servicing capabilities via web and mobile-based applications.

Rewarding digital engagement

What we aim for

Delivering a meaningful and personalised customer experience integrated across digital and face-to-face mediums through the MyOldMutual platform.

Our goal is to convert our customer base to multi-product consumers by effectively leveraging advice and customer data, supported by meaningful incentive structures.

How do we deliver this

We will convert our understanding of our customers' goals and circumstances to provide personalised, regular and meaningful engagement. We 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 aiming 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, helping them to reach their financial goals.

What we achieved

- Increased active digital users by 9% to 1.2 million users (2021: 1.1 million).
- Continued growth in our rewards programme with a 38% increase to 1.8 million members (2021: 1.3 million).
- Expanded functionality on the MyOldMutual app by integrating the rewards programme onto the platform. We also enhanced the redemption functionality, with customers now able to redeem their points using WhatsApp.

Strategic KPIs

Active digital users ('000)

Old Mutual Rewards membership ('000)

Our medium-term priorities

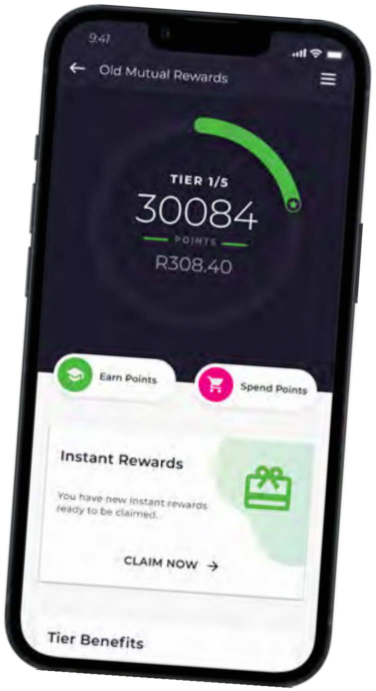
1. Increase active digital customers by at least 40% and deliver a converged digital experience through the MyOldMutual platform
2. Enhance Old Mutual Rewards, including new features, personalisation and integration into the MyOldMutual platform, as well as the rollout of Old Mutual Rewards across selected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

Banana Bridge, Woodstock Dam, KwaZulu-Natal, South Africa – Coordinates 28.7600° S, 29.2458° E

Rewarding digital engagement

Old Mutual Rewards

Apart from incentivising good financial behaviour, the Old Mutual Rewards programme aims to reward customers for meeting more of their financial needs with Old Mutual. This helps us get closer to becoming their lifetime financial partner of choice. Membership numbers reached 1.8 million in 2022, with 1.4 million of these being Old Mutual customers. Customers who are members of Old Mutual Rewards have 35% higher average needs met (2021: 30%) and take out products for additional financial needs at twice the rate of non-members. Our efforts to enhance the programme were also recognised in the loyalty industry, and the programme was commended in three categories at the 2022 South African Loyalty Awards for Best Loyalty Programme of the year – Financial Services, Best Short-Term Loyalty Marketing Campaign and Best Long-Term Loyalty Programme.



We introduced the following functionality and feature enhancements in 2022:

- Members have the option of completing a fitness assessment with a biokineticist to earn fitness bonus points. This was introduced as an alternative to taking part in qualifying endurance activities at least every six months.
- We integrated additional functionality into the MyOldMutual app. This included programme sign-up and activities for earning points.
- We introduced the redemption of points via WhatsApp.
- We launched several enhancements to better integrate the Old Mutual Rewards-Old Mutual Protect ecosystem. Customers purchasing Old Mutual Protect solutions can now easily sign up to the rewards programme as part of their policy application process. Members can also earn up to 500% in rewards points of their premium on qualifying Old Mutual Protect solutions, including health bonus points.

Our migration to cloud-based technology

Given the rapid technological advancements brought about by the Fourth Industrial Revolution, we started migrating our core technology infrastructure in South Africa to the cloud in 2019. This was an important strategic choice to transform our business into a fully digitalised enterprise and secure our long-term competitive advantage. The shift to cloud-based technologies also enables us to create an environment where our customers, employees and intermediaries feel secure and supported with innovative technology tailored to their needs. This technology is also the foundation of our MyOldMutual platform and ensures that we can deliver flexible, responsive and scalable solutions for customers and advisers alike.

At the end of 2020, only 15% of our South African legacy technology estate was cloud based. By the end of 2022, we successfully completed 95% of the migration with the remaining items scheduled for completion in the first quarter of 2023.

The migration delivers benefits to a broad range of stakeholders:

1. Improved speed of execution, which has seen a significant reduction in the lead time to deploy new solutions and systems. In the past, these activities could take up to six months or more to deploy. In the new environment, we are able to execute in a matter of weeks. This means our customers and advisers benefit from rapid, continuous improvement in their sales and servicing experience with us.
2. Enhanced shareholder and customer value through greater operating efficiencies and competitive pricing, brought about by lower infrastructure costs.
3. Enhanced the employee experience through the integration of Workday, our human capital technology platform.

For more information on our technology operating context refer to page 26

Engaged employees

What we aim for

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

We believe agile delivery driven by engaged employees yields meaningful customer experiences. We strive to unlock the potential, passion and drive of our employees by creating meaningful experiences for them. We want our employees to feel empowered and motivated to be part of an organisation that rewards and recognises high performance.

How do we deliver this

Our people strategy focuses on building a future-fit transformed workforce, culture and employee experience that enable the business to respond effectively to rapidly changing customer needs.

In building this workforce, we are creating an environment that embraces new ways of working and developing the capabilities needed 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 our employee experience, including our employee value proposition, remains compelling to attract and retain key talent.

Our medium-term priorities

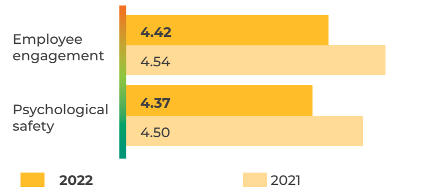
1. Implement an agile operating model and ways of working to improve speed to market and efficiencies
2. Enable a future-fit workforce by investing in future skills development
3. Enhance our employee value proposition to attract, engage and retain top talent
4. Establish a diverse and inclusive workforce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

What we achieved

- » Decreased our score in the employee engagement dimension of our culture index score to 4.42 (2021: 4.54). The reduction is a function of the high work effort that employees continue to demonstrate in the face of low energy levels, which is negatively impacting engagement levels. Our score in the psychological safety dimension reduced to 4.37 (2021: 4.50). This was driven by the negative impact of the implementation of mandatory vaccination and hybrid working model policies on the employee experience.
- » Invested R176.4 million (2021: R82 million) in learning and leadership development initiatives to support emerging talent, employee reskilling and upskilling and future-fitting our leaders.
- » Trained 372 (2021: 335) intermediaries through the Celestis Academy.
- » Completed more than 4 425 (2021: 1 778) agile training courses across the organisation, supporting our transition to agile ways of working.
- » Progressed the diversity, equity and inclusion agenda through Bula Tsela – our B-BBEE Scheme – including issuing 78.1 million shares to all qualifying employees, with a tilt to black African employees. The objectives of the Employee Scheme include providing an opportunity for employees to share in the success of Old Mutual by becoming shareholders in the business and driving its performance.
- » Launched our True Connectors Leadership Signature to progress our culture journey by defining the behaviours we expect our leaders to role model to drive the required culture shifts.

Strategic KPIs

Culture index score (out of 6)



Skills development spend (Rm)


Chale Island, Kenya – Coordinates 4.4450° S, 39.5349° E

Engaged employees

Equipping ourselves to become our customers' first choice

To successfully deliver on our victory condition, we continuously review how we attract and retain talent. This includes providing meaningful work to our employees, building an inclusive, psychologically safe and delivery-focused culture, growing and developing our talent and providing a holistic wellbeing offering. We recognise that a multi-faceted approach is required as no single solution is going to effectively retain a productive and engaged workforce.

Transitioning to a hybrid way of work

At the beginning of 2022, we implemented a hybrid working model, requiring employees to be in the office for two days per week. The transition was supported by a set of guardrails, focusing on information technology and home office enablement, office readiness, training of line managers and employees to lead in the hybrid model, wellbeing support, change management and employee experience tracking.

As part of our commitment to delivering an optimal employee experience, we relaunched our employee wellbeing programme, #BeWELL.

#BeWELL

The programme aims to get employees to focus on their wellbeing in a holistic way. All wellness-related content is now accessible through a single, online health and wellness hub that provides employees with tools, advice and events to support them across all aspects of wellbeing (emotional, physical and mental). Wellbeing was also introduced as part of the onboarding process for new employees.

Talent management

We offer talent development and retention programmes aimed at accelerating growth for those who demonstrate the potential to grow in our organisation. Our programmes are designed to target employees at various levels of leadership, from junior management to executive management. Our talent retention initiatives include providing individuals with access to executive coaches and meaningful exposure through secondment opportunities across the Group. We specifically emphasise developing high-potential female leaders by running a custom-designed programme called **UnleashHer**. The programme aims to advance women to the next level in their careers by helping them identify and address specific obstacles to their development progress. One of the desired outcomes of the programme is to improve diversity by building a strong internal pipeline of female talent.

For more information on our approach to skills and talent development refer to our Sustainability Report

Building a culture that delivers results

Culture transformation is a complex journey that takes time. While we have made significant progress on our culture transformation journey, our long-term business strategy amplifies the need to respond to customers' changing needs at pace.

Our culture transformation begins with changing how leaders lead, behave and make decisions in the organisation that support our cultural aspirations. To date, our culture transformation journey focused on building and role modelling inclusive leadership. This started with shifting the mindsets and behaviours of executive teams aligned to the desired culture end-state and cascading this into the next layers of the business. Executive intact team culture workshops are used to build highly aligned and effective leadership teams by fostering trust, psychological safety and cohesive relationships.

We also defined a set of leadership behaviours, referred to as the **True Connectors Leadership Signature**. This aims to create a shared understanding across the business of what is expected from leaders and employees alike to achieve our cultural aspiration.

EMPOWER with care: Guides leaders on how to build their teams by creating an environment where everyone can thrive, contribute and learn from each other to give of their best.

EVOLVE with agility: Challenges leaders to rethink the way work is done and how we operate so that we can execute and deliver with speed.

DELIGHT the customer: Guides leaders around putting the customer at the heart of everything we do to ensure we deliver the best customer experience that will allow us to become our customers' first choice.

DELIVER strategic value: Focuses on leaders using our business strategy to guide their actions and decisions to drive business value for us in the market.

Solutions that lead

What we aim for

Delivering 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 do we deliver this

For solutions where we are already competitive and market leading, we will focus on enhancing their flexibility and ease of use. We continuously improve solutions and launch innovative and refreshed propositions. These propositions will enable key shifts our customers require, including customised solutions and the best advice delivered through a seamless experience.

Our medium-term priorities

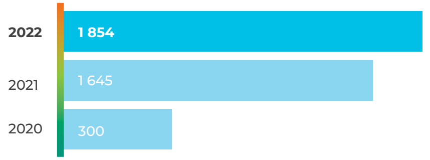
1. Enhance the Old Mutual Protect proposition through granular pricing and the introduction of new benefits
2. Launch new flexible and modular solutions, such as the new savings and income proposition, by utilising the new core technology infrastructure
3. Accelerate growth in transactional banking

What we achieved

- Continued growth in sales of our new Old Mutual Protect risk offering, reaching over 1.6 million active policies (2021: 1.1 million)
- Expanded our solutions for our mass market customers by providing simplified risk solutions at scale, and by expanding into funeral services in South Africa, Zimbabwe and Malawi
- Enhanced our offerings for SMEs by upgrading our SMEgo funding portal and acquiring a 30% stake in Preference Capital, a specialist SME lender. This expands our capability to address the funding gap in the market for SMEs.

Strategic KPIs

Old Mutual Protect Life APE sales[1] (Rm)



1 *Standardised measure of the value of new life insurance business underwritten*

Kruger National Park, Mpumalanga, South Africa – Coordinates 24.9908° S, 31.5968° E

Solutions that lead

Enhancing the Old Mutual Protect adviser experience

Following the launch of Old Mutual Protect in 2020, one of the challenges our advisers encountered was that they were straddling two co-existing systems. Their propositions were mainly split via our heritage/old generation propositions and the new Old Mutual Protect proposition. This led to frustration around systems and processes, which ultimately negatively impacted the adviser experience. One of our priority focus areas in 2022 was to improve the adviser and service experience. Initiatives put in place include the Prestige Service Model for selected advisers and a Fastlane service across key customer moments of truth.

The Prestige Service Model offers advisers a single entry point for servicing across all work processes, making it easier to access the support they need. It also includes a dedicated relationship manager and underwriter to deliver personalised service across all our Personal Finance (South Africa) products and service processes.

Following the enhancements, we experienced increased sales volumes and adviser usage because of the optimised functionality. In Q3 2022, we recorded our highest sales month since we first launched in 2020. By the end of the year, we had over 1.6 million active policies. The adviser Net Effort Score also improved to 76% by the end of the year.

The Fastlane service was launched for both advisers and customers to offer them the best experience for key 'moments of truth', such as disinvestments. The service aims to minimise the friction points in their journeys by, firstly, removing complexity and clutter in our servicing processes and, secondly, setting up our servicing teams optimally to ensure ownership and delivery at speed.

Expanding our alternative investments capability in East Africa

Our investments business in Kenya (Old Mutual Investment Group Kenya) expanded its offering for pension schemes and launched an alternative investment capability, which includes non-traditional asset classes such as private equity, agri and venture capital. This will allow pension schemes to diversify their investment portfolios while targeting attractive risk-adjusted returns. Apart from presenting attractive long-term investment opportunities, alternative investments have the added benefit of delivering tangible societal impact and contributing to the country's growth and development agenda. By driving greater investment in sectors such as agriculture, infrastructure, sustainable energy, health care and education, we are able to stimulate economic growth to the benefit of our customers, communities and investors.

Mombasa, Kenya – Coordinates 4.0435° S, 39.6682° E

GROUP FINANCIAL PERFORMANCE

Perdekraal East Wind Farm, Witzenberg, Western cape, South Africa – Coordinates 33.0560° S, 20.1094° E

1st insurer in South Africa to join the Net Zero Asset Owner Alliance

R146 billion of our funds under management invested in the green economy

DID YOU KNOW

In 2022 Old Mutual was one of the first asset owners in Africa to become a member of the UN-convened **Net Zero Asset Owner Alliance**, an international group of 70 like-minded institutional investors with the ambition to drive global delivery of net zero greenhouse gas emissions by 2050.

We are committed to becoming an active player in the sustainability space, by strengthening our efforts to transition our proprietary investment portfolios to net zero greenhouse gas emissions by 2050. We support worldwide efforts to limit global warming to 1.5°C above pre-industrial levels, as set by the Paris Agreement.

Group highlights

Casper Troskie
Chief Financial Officer

Our key management actions that were implemented in the past few years are starting to bear fruit despite the very difficult economic backdrop. We have seen continued positive momentum in our core operations, with key metrics relating to earnings and capital improving, while some value metrics were impacted by lower market returns and economic pressures.

GROUP FINANCIAL REVIEW

Key performance indicators

Rm (unless otherwise stated)	2022	2021	Change
Results from operations	**8 743**	4 384	99%
Adjusted headline earnings	**6 371**	5 402	18%
Headline earnings[1]	**7 948**	7 209	10%
IFRS profit after tax attributable to equity holders of the parent[1]	**7 325**	6 662	10%
Return on net asset value (%)	**11.1%**	9.0%	210 bps
Group equity value	**89 398**	91 993	(3%)
Discretionary capital (Rbn)[2]	**3.5**	–	–
Group solvency ratio (%)[1]	**190%**	184%	600 bps
Dividend cover	**1.73**	1.51	15%

Per share measures[3]

	2022	2021	Change
Adjusted headline earnings per share[4]	**139.8**	118.5	18%
Headline earnings per share[1]	**180.1**	163.8	10%
Basic earnings per share[1]	**166.0**	151.3	10%
Total dividend per share	**76**	76	0%
Interim	**25**	25	0%
Final	**51**	51	0%
Group equity value per share[5]	**1 819.3**	1 952.2	(7%)

1 These metrics include the results of Zimbabwe. All other key performance indicators exclude Zimbabwe
2 Discretionary capital was externally disclosed from September 2022 at R3.5 billion
3 Per share measures can be found on page 42 of audited Group annual financial statements
4 Adjusted headline earnings is calculated with reference to adjusted weighted average number of ordinary shares. Weighted average number of shares used in the calculation of the adjusted headline earnings per share is 4 557 million (2021: 4 558 million)
5 Group equity value is calculated with reference to closing number of ordinary shares. Closing number of shares used in the calculation of the Group equity per share is 4 914 million (2021: 4 709 million)

SEGMENT REVIEWS

Supplementary performance indicators

Rm (unless otherwise stated)	2022	2021	Change
Life and Savings and Asset Management			
Gross flows	**178 027**	194 757	(9%)
Net client cash flow	**(12 425)**	92	(>100%)
Funds under management (Rbn)	**1 228.9**	1 273.6	(4%)
Life and Savings			
Life APE sales	**12 501**	11 400	10%
Value of new business	**1 465**	1 266	16%
Value of new business margin (%)	**2.2%**	1.9%	30 bps
Banking and Lending			
Loans and advances	**19 009**	18 907	1%
Net lending margin (%)	**13.4%**	16.4%	(300 bps)
Property and Casualty			
Gross written premiums	**22 344**	19 982	12%
Net underwriting margin (%)	**0.5%**	1.6%	(110 bps)

Impact on comparability of results

Nedbank unbundling

In November 2021, the Group unbundled 12.2% of its 19.4% stake in Nedbank by way of a distribution *in specie*. The unbundling was in the best interests of shareholders and it allowed shareholders to participate directly in the investment cases of both businesses while also returning capital to shareholders. The table below re-presents the prior year metrics to show the movement in these metrics on a comparable basis.

	2022	2021[1]	Change
Adjusted headline earnings (Rm)	**6 371**	4 756	34%
Return on net asset value (%)	**11.1%**	8.7%	240 bps
Total dividend per share (cents)	**76**	67	13%
Interim dividend per share (cents)	**25**	20	25%
Final dividend per share (cents)	**51**	47	9%

1 Metrics have been re-presented excluding the distributed stake of 12.2% in Nedbank of R646 million

COVID-19

The volatility in our operating earnings caused by the pandemic over the last two years has stabilised in the current year as the ongoing impact of the pandemic became muted.

In the current year, our life profits benefited from lower mortality as the effects of COVID-19 eased. All remaining COVID-19 provisions were released but the impact was mostly offset by the strengthening of our mortality basis to allow for endemic COVID-19 claims, and worsened persistency as the challenging economic conditions continue to impact our retail customers.

Building a transactional capability

The Group has received Section 13 approval from the Prudential Authority to proceed with the application for a banking license. The establishment of an entity in the Group with a banking licence is a natural progression of our core strategy, helping us to sustain our customers' prosperity through an enhanced transactional banking capability. This will allow us to hold the primary relationship with our customers, driving greater regular interaction with them and enhancing the cross-sell opportunity across the Group. It will also enable the Group to accept retail deposits, thereby providing a more efficient source of funding.

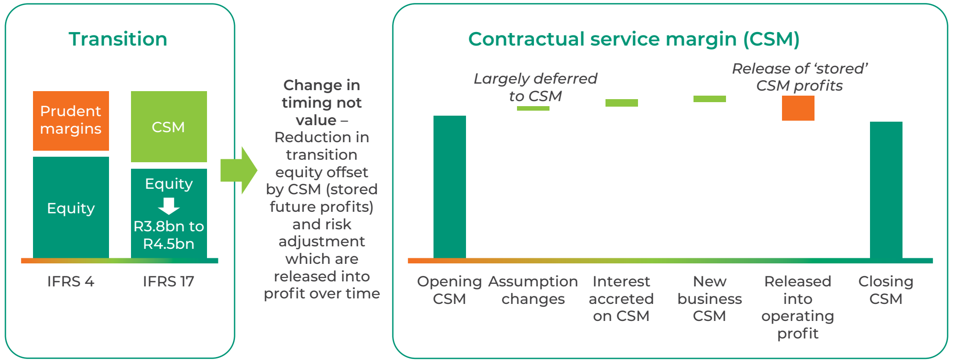
The approved expenditure to complete the build of the transactional capability is R1.75 billion. In line with the business case, to date we have incurred costs of R1 billion and approximately 20% of these costs were capitalised. Once relevant Prudential Authority approvals are received, the launch is targeted for the second half of 2024. The entity is expected to breakeven three years after the launch. As the capability matures post-breakeven, the return is expected to be significantly above the target return of 4% in excess of the cost of equity. We are currently working on our application under Section 16 of the Banks Act for the registration of the bank.

IFRS 17

IFRS 17 will not change the underlying fundamentals of our insurance business, our cash generation or our capital strength, it will significantly change how we report on our insurance business. The Group estimates that the impact of initial application of IFRS 17 on the consolidated financial statements will be between R3 750 million to R4 500 million decrease to the Group's total equity at 1 January 2022, net of adjustments relating to consequential amendments to other IFRS. This range has been determined in line with the principles underlying the use of ranges in trading statements as per the JSE Listings Requirements. Total equity as at 31 December 2021 under IFRS 4 was R65 301 million. The increase in liabilities that results in the decrease in total equity is not material relative to the size of the total IFRS 17 liabilities (less than 1% change).

The impact on Group equity resulting from transition to IFRS 17 arises due to the different requirements of IFRS 17 compared to the accounting policies and actuarial methodologies used under IFRS 4. The differences include the removal of compulsory and discretionary margins that were required or allowed under IFRS 4 but not under IFRS 17, offset by the requirement to set up a contractual service margin and risk adjustment under IFRS 17. The contractual service margin and risk adjustment will be released into profit over time as service is provided and as risk expires, respectively.

The various portfolios of business in the Group are impacted differently by the transition to IFRS 17. The majority of the Group impact arises from OMLACSA. The impacts for the other Group entities are less material. The most material impact observed is for the Mass and Foundation Cluster risk portfolio where liabilities increase on transition to IFRS 17. IFRS 4 required the set-up of material lapse margins associated with expected higher levels of lapses at early durations for this portfolio. These margins were then released into profit at early durations under IFRS 4 as the high early lapse risk expired. Under IFRS 17, the contractual service margin is released more slowly as the service is provided. This, together with a history of favourable basis changes following management and other interventions that increase the contractual service margin under IFRS 17, rather than directly impacting profit as was the case under IFRS 4, resulting in an increase in liabilities which will be released over time into profit.



Supplementary income statement

Rm	Note	2022	2021	Change
Mass and Foundation Cluster		**2 442**	2 752	(11%)
Personal Finance and Wealth Management		**3 217**	448	>100%
Old Mutual Investments		**1 240**	1 109	12%
Old Mutual Corporate		**1 978**	727	>100%
Old Mutual Insure		**495**	543	(9%)
Old Mutual Africa Regions		**842**	(391)	>100%
Net result from group activities[1]	A	**(1 471)**	(804)	(83%)
Results from operations		**8 743**	4 384	99%
Shareholder investment return	B	**1 468**	2 726	(46%)
Finance costs	C	**(662)**	(543)	(22%)
(Loss)/income from associates[2]		**(53)**	1 252	(>100%)
Adjusted headline earnings before tax and non-controlling interests		**9 496**	7 819	21%
Shareholder tax[3]		**(2 866)**	(2 088)	(37%)
Non-controlling interests		**(259)**	(329)	21%
Adjusted headline earnings		**6 371**	5 402	18%

1 The name of this operational segment has changed from 'net expenses from central functions' to 'net result from Group activities' to better reflect the nature of income and expense items reported in this segment
2 Reflects our share of loss related to our investment in China. Comparatives include our share of earnings in our investment in Nedbank pre-unbundling
3 Shareholder tax increased on the back of improved profits and excluding Nedbank in our income from associates line, the effective tax rate is in line with the movement in profits

Reconciliation of adjusted headline earnings to IFRS profit after tax

Rm	Note	2022	2021	Change
Adjusted headline earnings		**6 371**	5 402	18%
Impact of Group equity and debt instruments[1]		**422**	(190)	>100%
Impact of restructuring	D	**(152)**	(1 482)	90%
Operations in hyperinflationary economies	E	**1 134**	3 489	(67%)
Residual plc	F	**173**	(10)	>100%
Headline earnings		**7 948**	7 209	10%
Impairment of goodwill, other intangible assets and property	G	**(492)**	(552)	11%
Remeasurement of non-current assets held for sale and distribution		**—**	4	(>100%)
Reversal of impairment of investments in associated undertakings		**—**	37	(>100%)
Loss on disposal of subsidiaries and associated undertakings	H	**(131)**	(36)	(>100%)
IFRS profit after tax attributable to ordinary equity holders of the parent		**7 325**	6 662	10%

1 IFRS does not allow for the recognition of investment returns and other impacts related to Group equity and debt instruments held by life policyholder funds, however, these impacts are recognised in the valuation of the related policyholder liabilities. This creates a mismatch in IFRS, which is eliminated in adjusted headline earnings. The movement was mainly a function of the fair value movement for the period

A Net result from group activities[1]

Rm	2022	2021	Change
Shareholder operational costs	**(1 116)**	(880)	(27%)
Interest and other income	**367**	183	>100%
Net treasury (loss)/gain	**(9)**	88	(>100%)
New growth and innovation initiatives	**(713)**	(195)	(>100%)
Transactional capabilities	**(601)**	(179)	(>100%)
NEXT176	**(112)**	(16)	(>100%)
Net result from group activities	**(1 471)**	(804)	(83%)

1 The composition of the shareholder operational costs and net treasury (loss)/gain was revised. Comparatives were re-presented to reflect this change

The loss on net result from group activities of R1 471 million increased by 83%. The increase in shareholder operational costs was primarily due to an increase in employee related costs following increased variable pay and inflationary increases as well as an increase in project costs, including IFRS 17. The increase in interest and other income was largely driven by higher interest income earned on cash balances, and favourable fair value movements. The negative mark-to-market movements on assets relative to the liabilities on the post-retirement medical aid obligation resulted in the net treasury loss. The increase in new growth and innovation initiatives reflects further investments in NEXT176 and the building of our transactional capabilities.

B Shareholder investment return

Rm	2022	2021	Change
South Africa	**741**	1 931	(62%)
Old Mutual Africa Regions	**727**	795	(9%)
Shareholder investment return	**1 468**	2 726	(46%)

Shareholder investment returns for the Group of R1 468 million decreased by 46% largely due to market volatility experienced across most asset classes over the year. The difficult global and local macroeconomic environment provided a challenging backdrop for investment markets. The South African asset base reduced, contributing to the lower shareholder investment returns earned. Despite the volatile investment environment, the shareholder investment strategy continued to meet the primary objective of protecting and preserving shareholder capital.

South African interest-bearing assets earned a 5.5% return for the year representing a 0.3% outperformance of the STeFI Composite Index. This outperformance was due to various enhancements and cash optimisations executed within the portfolio.

The local bond portfolio returned 4.4% for the year, marginally outperforming the Government Bond Index by 0.2%. The local bond portfolio benefited from favourable positioning across the bond curve relative to the index.

The South African listed protected equity portfolio (excluding Nedbank) returned 4.3% for the year. Over the same period, the Capped SWIX 40 Index returned 6.5%, driven by a strong rally in equity markets in the fourth quarter of the year. By year end, the portfolio was fully transitioned from the SWIX 40 Index to the Capped SWIX 40 Index, with the Capped SWIX 40 Index outperforming the SWIX 40 Index by 1.9% for the year.

Supplementary income statement continued

The hedging strategies on the protected equity portfolio, excluding Nedbank, are executed in the form of zero cost collars whereby the exposure to losses is limited to 0% to 15% of the investment value, while the underlying equities track the Capped SWIX 40 Index. Although the underlying equity holdings passively track the market index, the overall equity strategy protects against downside losses via a hedging overlay structure and is therefore expected to underperform in rapidly rising markets. As the local protected equity strategy is used primarily to reduce capital losses it incurs an opportunity cost to ensure this level of protection. The Protected Equity portfolio targets on average 50% to 60% of overall market performance. Thus in 2022, given the market returns of 6.5% this translates to a targeted return of 3.3%-3.9% with our portfolio outperforming the target by yielding a 4.3% return. The investment performance on the protected equity strategy is also limited to the cap levels, which are determined at the onset when entering into the various hedging strategies over the year.

The Nedbank investment is similarly fully hedged using a collar structure with a protective downside floor limiting losses to between 2%-5% of the initial starting price, and an associated ceiling, that limits the upside gains to between 105%-112%. As the collar structure unwinds, the proceeds will be reinvested in accordance with the Group's Strategic Asset Allocation Framework. For the year, the Nedbank holding returned 9.1% primarily due to an increase in the Nedbank share price relative to the prior year. All unhedged Nedbank holdings were disposed during the first half of the year. The remaining stake in Nedbank is 3.56% at the end of the year.

The unlisted equity portfolio returned negative 10.3% for the year. This was primarily due to impairment losses experienced on a subset of assets in the portfolio including legacy agriculture investments. The agriculture sector has been negatively impacted by geopolitical tensions, rising input costs and a constrained trading environment.

Shareholder investment returns in the Old Mutual Africa Regions of R727 million decreased by 9%. This was primarily driven by lower investment returns in East Africa and Namibia, as well as impairment losses in Ghana. In East Africa, fair value losses on fixed income securities, equity and property were a major contributor to the decrease in returns. Namibia's investment returns reduced due to a decline in equity markets relative to the prior period. This was partially offset by higher fair value gains in Malawi resulting from a rally in local equity markets as well as an increase in interest income in Nigeria. The increase in interest income in Nigeria is attributable to a rise in interest rates and a higher average asset base as equity investments were transitioned to interest-bearing assets over the year.

C Finance costs

Finance costs on the long-term debt that supports the capital structure of the Group increased by 22% to R662 million. This was largely driven by the significant interest rate increases and issuance of additional floating rate subordinated debt instruments. OMLACSA issued R1.6 billion of floating rate subordinated debt instruments and redeemed R977 million of subordinated debt instruments in 2022.

D Impact of restructuring

In the current year, the restructuring line includes one-off costs related to the Bula Tsela B-BBEE ownership transaction, which was implemented in November 2022.

In East Africa, the remaining at-acquisition provisions relating to UAP Holdings were released in the fourth quarter of the year following the completion of the balance sheet substantiation project. The release of the provisions has been excluded from adjusted headline earnings as it does not represent the operating activity of the Group and is not expected to persist in the long term.

In the prior year, the restructuring line included costs mostly relating to the Nedbank unbundling, with R1.1 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.

E Operations in hyperinflationary economies

Due to hyperinflation 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.

Profits in Zimbabwe continue to be driven by investment returns earned on the Group's shareholder portfolio and volatile currency movements. The decline in Zimbabwe earnings was largely driven by the deterioration of Zimbabwean dollar to the rand and the lower investment returns on equities traded on the Zimbabwe Stock Exchange relative to the prior year.

The Zimbabwe Stock Exchange generated returns of 80% during the year compared to 311% reported in the prior year as market participants seek to invest in equities which preserve value in an inflationary environment. At 31 December 2022, the year-on-year inflation rate for Zimbabwe was reported at 244%. We caution users of our financial results that markets remain volatile and there is a risk of returns reversing in the future.

F Residual plc

Residual plc reported a profit of R173 million, a significant increase compared to the prior year. This was primarily driven by positive foreign exchange movements recognised on US dollar-denominated cash balances following the weakening of the rand in 2022. Staff costs were lower than the prior year due to the continued winding down of the remaining operations.

G Property and intangible asset impairments

Impairments recognised in the current year relate mainly to write downs in respect of our offices, to ensure alignment of the property value with prevailing market conditions. In East Africa, the UAP Old Mutual brand was impaired after the business rebranded as Old Mutual during the year.

H Disposal of subsidiaries and associated undertakings

The loss on disposal of subsidiaries relates mainly to the disposal of the Group's investment in Old Mutual International (Guernsey) to Northstar Group (Bermuda) Limited during the year, in line with strategy to simplify the Group structure.

Management of the Group's balance sheet

Shareholder capital management

Overview

The Group proactively manages its balance sheet to maximise shareholder value. This is achieved through various frameworks and initiatives that drive capital optimisation and efficient capital allocation, combined with sophisticated financial risk management and the optimal allocation of shareholder funds. The Group also actively manages the returns and related capital of guaranteed products. This ensures optimal allocation of scarce resources (capital and funding) in line with the Group's business strategy and risk appetite.

Solvency risk management

The Group solvency position remained strong at 190% for the current year, within the solvency target of 170% to 200%. Capital is allocated within the Group based on subsidiary risk profiles, the requirements of relevant regulators, competitor and customer considerations, and return on capital targets. All entity solvency positions are monitored on a regular basis to ensure they are appropriately capitalised. The largest insurer in the Group, OMLACSA solvency position was above the solvency target range of 175% to 210%, at 214% as at 31 December 2022.

Discretionary capital

The Group manages its discretionary capital by optimising the balance sheet and allocation of capital within the Group. Discretionary capital represents the surplus assets that are available for distribution, deployment and/or acquisitions. The discretionary capital balance includes amounts earmarked for investments in growth and innovation initiatives including building our transactional capabilities. The Group's discretionary capital balance as at 31 December 2022 was R3.5 billion.

Capital optimisation

The Group continues to optimise its capital structure to enhance value for shareholders. The cash flow optimisation in Old Mutual Investments resulted in a capital release to the Group, which improved return on capital for the segment and discretionary capital for the Group. The Residual plc board declared a dividend, which was paid to the Group in December 2022. The dividend increased the discretionary capital for the Group. The Group will continue to identify opportunities to optimise its balance sheet.

Capital allocation

The Group's strategy is supported by financial metrics and targets that drive shareholder value. These targets and metrics are embedded in all significant business decisions, including the annual business planning process and in the assessment of inorganic growth opportunities. Any new opportunities are further appraised against our Group acquisition framework. During the year, the largest portions of capital were allocated to Mass and Foundation Cluster and Personal Finance and Wealth Management to support new business and growth in the in-force book. These segments contribute the majority of Group earnings.

During the year, the Group successfully concluded the following strategic acquisitions and disposals:

- The acquisition of a **51% equity interest in ONE Financial Services,** which writes short-term insurance via a cell captive
- An agreement was reached with **Letsema Brokerage Solutions** to create a new majority Black-owned joint venture, which will be **aimed at acquiring small to medium-sized brokerages and administrators** in the short-term insurance industry
- The acquisition of an equity interest in **Preference Capital**, a leading local provider of SME finance and foreign exchange solutions. The deal comprises a **30% equity investment and the provision of funding** to the business for on-lending to small and medium businesses
- The acquisition of a **51% equity interest** in a general insurance administrator, Versma Administrators and Primak Brokerage
- The acquisition of the remaining **25% interest in Old Mutual Finance (RF) (Pty) Ltd** resulting in Old Mutual Finance becoming a wholly owned subsidiary of the Group
- The sale of **21.2% of Futuregrowth to African Women Chartered Accountants Investment Holdings.** This has allowed Futuregrowth and Old Mutual Investment Group to move towards becoming majority black owned
- The sale of a **Guernsey based life insurance closed book of business**, inherited from Managed Separation
- In early 2023, we completed the acquisition of a **100% equity interest in Genric Insurance Company Limited**, a licensed non-life insurer and specialist insurer focused on bringing innovative and niche insurance solutions to the market. We also acquired the remaining **25% interest** in Old Mutual Finance (Namibia) Proprietary Limited

The Bula Tsela B-BBEE ownership transaction was approved at the General Meeting held on 12 August 2022 and implemented in 2022. This transaction was implemented to fulfil our commitment to reach a 30% B-BBEE ownership level by June 2023.

Management of the Group's balance sheet continued

Shareholder investments

The Group manages its shareholder assets in accordance with the Strategic Asset Allocation Framework which aligns to the Group Financial Management Framework. The Strategic Asset Allocation Framework prescribes a low-risk investment strategy for shareholder invested assets aimed at protecting and preserving shareholder capital. The investment strategy targets an asset allocation that maximises net of tax expected returns subject to a defined market risk budget and the Group's liquidity and solvency requirements.

In South Africa, we mainly target a combination of protected equity and interest-bearing assets (including a small allocation to bonds). During the year, we disposed of a number of our unlisted assets, resulting in a significantly smaller allocation to unlisted equity assets which are deemed to be strategic in nature. Post unbundling in November 2021, the retained Nedbank stake is recognised as part of shareholder invested assets. The protected equity allocation therefore includes a 3.56% stake in Nedbank which is also fully hedged using a similar collar structure.

The shareholder investment strategy is designed to ensure optimal, long-term investment outcomes. Various optimisations have been implemented during the year. These include transitioning the protected equity underlying index to Capped SWIX 40 from SWIX 40, the disposal of the unhedged portion of the Nedbank stake and various enhancements to the fixed income portfolio. The shareholder investment portfolio will be managed in adherence to the Group's Responsible Investment Policy and transitionary climate action plans.

Across the Old Mutual Africa Regions, the shareholder investment strategy adheres to the Group's low-risk investment strategy aimed at protecting shareholder value. The strategy targets capital and inflation protection, subject to the market risk appetite. Each entity has a bespoke investment strategy which is influenced by the respective macroeconomic and regulatory regimes. Significant progress has been made in de-risking the balance sheet in this regard and enhancing the investment outcomes for the entities in these regions. This includes transitioning the investment strategies to low-risk asset classes.

Issuance of tier 2 subordinated debt

During the year, OMLACSA redeemed R977 million of subordinated debt and issued R1.6 billion of floating rate subordinated debt under the Old Mutual Limited Multi-Issuer Domestic Medium-Term Note Programme (the debt programme) at 155 bps over three-month Johannesburg Interbank Average Rate. The debt programme was amended to include updates to the JSE debt listing requirements and to remove Old Mutual Insure as an issuer on the debt programme. Old Mutual Insure redeemed the R500 million listed subordinated debt in November 2022.

We intend to issue subordinated debt annually to optimise the Group's weighted average cost of capital, in line with the optimal gearing ratio of 15% to 20%, subject to market conditions and investor demand remaining favourable.

Shareholder liquidity risk management

The Group's liquidity is managed centrally and ensures that sufficient liquidity is available to withstand severe market stresses; all subsidiaries carry sufficient liquidity to support their respective business activities. The Group's liquidity position remained robust and within target ranges throughout the year and remains sufficient to cover the Group's modelled stress scenarios. Liquidity sources consist of liquid assets and Group contingency facilities. The Group continuously aims to enhance the modelling that results in optimising the management of liquidity and reducing related costs.

The Group refinanced its revolving credit facilities – both ZAR and multi-currency – which form part of the Group's liquidity risk mitigation strategies. This refinance included sustainability linked parameters, one of the first of such facilities in the insurance industry.

Dividend Policy

The Dividend Policy targets a full year ordinary dividend cover of 1.50x to 2.00x adjusted headline earnings. When determining the appropriateness of a dividend, we consider the underlying cash generated from operations, fungibility of earnings, targeted liquidity and solvency levels, the Group's strategy, and market conditions at the time.

In light of our strong liquidity levels and well-capitalised balance sheet, the Old Mutual Limited Board is pleased to declare a final dividend of 51 cents per share which amounts to a dividend cover of 1.73x.

Asset liability management

Products with shareholder guarantees or guaranteed rates of return are managed according to the Group's risk appetite. Financial risks (including market, liquidity, funding, and reinvestment risk) are mitigated through a range of hedging strategies.

Within OMLACSA, guaranteed products are managed centrally (in line with the Group's Three Manager Model operating framework) to optimise hedging costs and ensure that capital within the Group is preserved. Through the Three Manager Model, the optimal deployment of funds generated through product premiums is facilitated once the related financial risks have been efficiently mitigated. Funding generated from guaranteed products post financial risk mitigation are invested according to a guaranteed product investment strategy, the bulk of which is invested in fixed interest credit assets within the respective investment businesses, taking into consideration the duration and nature of the product liabilities.

For the rest of the Group, the financial risks resulting from the sale of guaranteed products are mitigated through the selection of appropriate matching assets (usually fixed interest assets); where capital markets allow, more sophisticated hedging programs are executed to mitigate financial risk.

During the year, the refinement of hedging methodologies resulted in the release of R1.3 billion of discretionary margins. Specific focus was also devoted to changes resulting from IFRS 17 to ensure strategies remain effective. This included a review of valuation curves and rebalancing of hedging programs where appropriate.

Balance sheet and capital metrics

Rm (unless otherwise stated)	Note	2022	2021	Change
Return on net asset value (%)	A	**11.1%**	9.0%	210 bps
Invested shareholder assets	B	**34 676**	38 458	(10%)
Embedded value	C	**64 795**	70 315	(8%)
Group equity value	D	**89 398**	91 993	(3%)
Group solvency ratio (%)	E	**190%**	184%	600 bps
Discretionary capital[1] (Rbn)	E	**3.5**	–	–
Gearing ratio%[2]	F	**14.3%**	15.1%	(80 bps)
Interest cover (times)		**15.3**	15.4	(1%)

1 Discretionary capital was externally disclosed since September 2022 at R3.5 billion
2 Gearing ratios are calculated with reference to the IFRS value of debt that supports the capital structure of the Group and closing adjusted IFRS equity

Adjusted IFRS Equity

Rm (unless otherwise stated)	2022	2021	Change
Closing adjusted IFRS equity	**59 766**	55 827	7%
Equity attributable to the holders of the parent	**63 841**	62 174	3%
Equity in respect of operations in hyperinflationary economies	**(2 818)**	(4 414)	36%
Equity in respect of non-core operations[1]	**(1 257)**	(1 933)	35%
Closing adjusted IFRS equity by geographical split	**59 766**	55 827	7%
South Africa	**47 816**	45 141	6%
Old Mutual Africa Regions	**11 950**	10 686	12%
Average adjusted IFRS equity	**57 352**	59 816	(4%)
South Africa	**46 149**	50 195	(8%)
Old Mutual Africa Regions	**11 203**	9 621	16%

1 This includes the consolidation adjustments reflecting own shares held by consolidated funds

A Return on net asset value

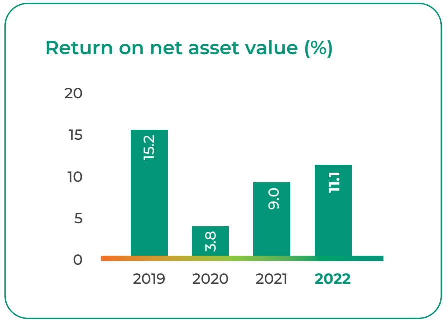
	2022	2021	Change
South Africa	**11.4%**	10.4%	100 bps
Old Mutual Africa Regions	**9.8%**	2.1%	770 bps
Return on net asset value	**11.1%**	9.0%	210 bps

Return on net asset value of 11.1% increased by 210 bps from 9.0% in the prior year, due to the significant improvement in adjusted headline earnings and a lower average adjusted IFRS equity base, resulting from the unbundling of 12.2% of the Group's stake in Nedbank in 2021. Adjusted headline earnings would have been up 34% excluding the distributed stake of 12.2% in Nedbank in the prior year.

Return on net asset value of 11.4% in South Africa increased by 100 bps from the prior year, reflecting growth in adjusted headline earnings attributable to South Africa from R5 202 in the prior year to R5 268 million. This was primarily due to strong growth on results from operations partially offset by lower shareholder investment returns.

Closing adjusted IFRS equity in South Africa increased by 6% due to higher profits from the South African businesses and dividends received from Residual plc operations. This was partially offset by dividends paid to shareholders of R3 424 million. In contrast, the average adjusted IFRS equity base was 8% lower as the prior year included the distributed stake in Nedbank of 12.2% in the opening balance prior to unbundling in November 2021.

Return on net asset value of 9.8% in Old Mutual Africa Regions increased by 770 bps from the prior year. This was primarily due to higher adjusted headline earnings, resulting from the substantial improvement in operating profits, which was partially offset by lower shareholder investment returns. Average adjusted IFRS equity increased by 16% from the prior year, reflecting the impact of higher opening balances in the current year and an increased closing adjusted IFRS equity due to retained profit for the year and capital injections.



Balance sheet and capital metrics continued

B Invested shareholder assets

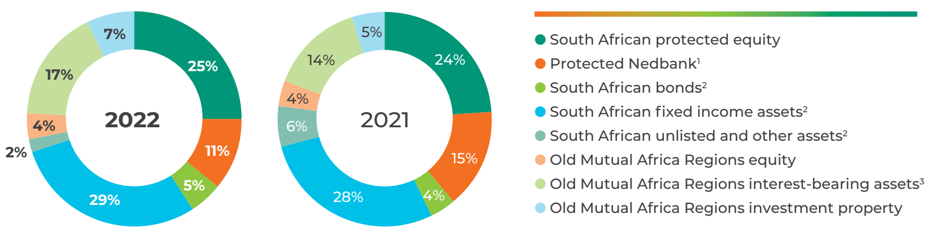
Rm	2022	2021	Change
South Africa	**24 942**	29 593	(16%)
Old Mutual Africa Regions	**9 734**	8 865	10%
Invested shareholder assets	**34 676**	38 458	(10%)

The total invested shareholder assets of R34 676 million reduced by 10% from R38 458 million at December 2021.

The asset base in South Africa decreased by 16% due to dividend payments made during the year, a material reduction in the unlisted equity portfolio and a sharp equity markets decline during 2022. The reduction in the unlisted equity portfolio aligns to the low-risk investment strategy and the broader Strategic Asset Allocation Framework.

Within Old Mutual Africa Regions, invested shareholder assets increased by 10%. The growth was driven by an increase in interest-bearing assets due to capital injection and significant interest rate increases, which resulted in higher returns earned as well as fair value gains on investment properties. Most countries have adopted a low-risk investment strategy in line with the Group's Strategic Asset Allocation Framework. This has resulted in a higher allocation to fixed income assets to preserve capital in an efficient manner. In countries experiencing macroeconomic difficulties such as higher inflation and sovereign risk concerns, a tailored Strategic Asset Allocation Framework is in place to better preserve shareholder capital.

Invested shareholder assets by asset class (%)



1 In order to enhance disclosure, previously disclosed South Africa equity has been split out to South Africa protected equity and Protected Nedbank. Protected Nedbank includes the respective values of the hedging instruments. Prior periods have been re-presented to reflect this.

2 In order to enhance disclosure we have further split out previously disclosed South African interest-bearing assets into three categories: South African bonds, South African fixed income, and South African unlisted and other assets. Prior periods have been re-presented to reflect this.

3 We reallocated pooled investments previously disclosed separately to Old Mutual Africa Regions interest-bearing assets category. Prior periods have been re-presented to reflect this.

C Embedded value

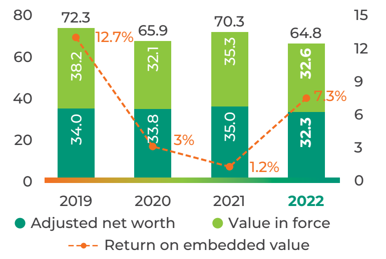
The return on embedded value increased to 7.3% largely due to less negative assumption changes, improved mortality and expense experience and higher new business value. Overall, the operating embedded value earnings increased to R5 103 million.

Experience variances improved from the prior year, with materially better mortality and expense experience, partially offset by significantly worse persistency in the Mass and Foundation Cluster. Assumption changes were less negative in 2022, with the release of remaining COVID-19 provisions being partially offset by strengthening of persistency bases and mortality bases (to include expected future endemic COVID-19 costs into base mortality).

Value generated by new business was higher than the prior year driven by strong sales in the Mass and Foundation Cluster and a change in mix towards higher-margin business in Mass and Foundation Cluster and Old Mutual Corporate. This was partially offset by an adverse change in mix and expense attribution change in Personal Finance. However, we have seen an improvement in the second half of the year due to management actions implemented to improve the business mix to higher-margin risk business.

Embedded value reduced by 8% mostly due to a R5.5 billion dividend from covered business and negative economic variances, as subdued equity market performance led to lower-than-expected future asset-based fees on investment products and lower-than-expected shareholder investment returns.

Embedded value (Rbn)



Balance sheet and capital metrics continued

D Group equity value

Group equity value of R89.4 billion decreased by 3% from the 31 December 2021 position, mainly driven by the lower closing value of covered business as outlined in the embedded value note above. The equity attributable to covered business also includes a capital outflow to Asset Management and Banking and Lending following a refinement of the allocation of equity between lines of business.

The Group equity value of non-covered businesses increased by 15%. The value is based on a series of directors' valuations for each material legal entity, with the remaining entities included at IFRS equity attributable to equity holders of the parent.

Asset Management Group equity value increased by 5%, mainly due to a higher valuation of Old Mutual Wealth. The Asset Management business was reallocated equity of R1.7 billion from the covered line of business and paid dividends of R1.1 billion in the year.

The Group equity value of the Banking and Lending business increased by 45% reflecting higher valuations of both Specialised Finance and Old Mutual Finance in South Africa and Namibia. Old Mutual Finance was valued with reference to the purchase price agreed in December 2022 to acquire the 25% minority shareholding. The Banking and Lending business was reallocated equity of R1.6 billion from the covered line of business in the year.

Property and Casualty Group equity value increased marginally by 1%. The Property and Casualty business received capital injections of R0.5 billion and paid dividends of R0.2 billion in the year.

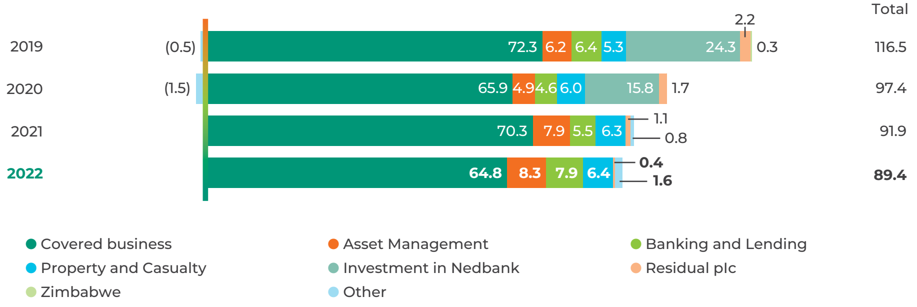
Following the unbundling of 12.2% of our stake in Nedbank in November 2021, the retained stake in Nedbank is no longer classified as an associated undertaking and is included at fair value in the Group equity value related to covered business.

The Residual plc contribution to Group equity value is based on the realisable economic value of approximately £20 million at 31 December 2022, translated at the closing exchange rate. The Residual plc business paid dividends of £39 million in the year.

The value of the business in Zimbabwe is reduced to zero in Group equity value 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 'other' increased mainly due to dividends received in holding companies from the covered, Asset Management and Property and Casualty businesses, as well as from Residual plc. This was partially offset by dividends paid of R3.4 billion and capital injections mainly to Old Mutual Africa Regions and Old Mutual Insure.

Group equity value (Rbn)



E Solvency and capital

Solvency

The solvency ratio for OMLACSA increased to 214% from 203% in December 2021, due to a combined decrease in both eligible own funds and the solvency capital requirement.

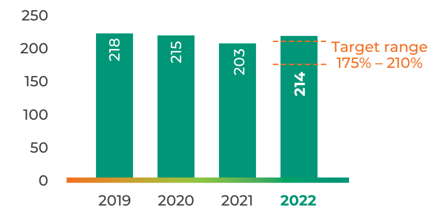
The decrease in eligible own funds was primarily due to negative investment variances across the segments and shareholder assets as well as the negative impact of economic basis changes. The eligible own funds were further reduced by the impact of poor persistency experience in Mass and Foundation Cluster, as well as mortality and persistency basis changes in Personal Finance and Mass and Foundation Cluster and net capital flows. This was partially offset by the impact of positive new business written over the period and a decrease in the iterative risk margin, which was mainly driven by the year-on-year reduction in the non-hedgeable risk component of the solvency capital requirement.

The reduction in solvency capital requirement was driven by lower equity risk, due to the decrease in the size of the prescribed equity shock and lower shareholder equity exposure. There was also a reduction in life risk due to the impact of book run-off on certain products. The reduction in life risk was offset by a decrease in the diversification benefits between life risk and market risk, following the large decrease in equity risk.

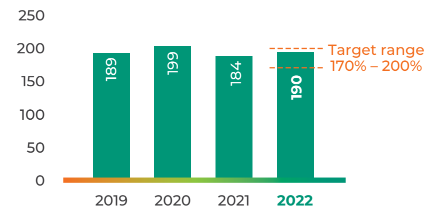
The Group solvency ratio has increased to 190% from 184% in December 2021. This was primarily driven by higher solvency ratios for unregulated entities due to a lower prescribed equity. The Group solvency ratio was further improved by the increase in the OMLACSA solvency ratio.

The Group regularly models the impact of an extreme but plausible sequence of events leading to a 'perfect storm' scenario on our solvency capital and liquidity positions. These stress tests have shown that we remain sufficiently capitalised with appropriate liquidity.

OMLACSA solvency ratio (%)



Group solvency ratio (%)



Balance sheet and capital metrics continued

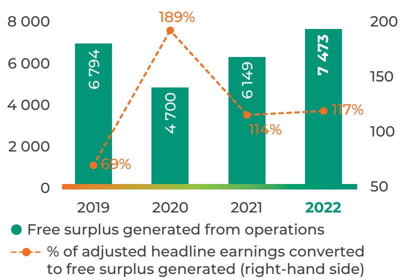
Discretionary capital

The Group's discretionary capital balance was maintained at R3.5 billion as at 31 December 2022. This is the net impact of inflows and capital allocations since 30 September 2022. The main inflows included R330 million from Old Mutual Investments as a result of refinements to the risk management strategy, which released capital and £39 million from Residual plc. Capital allocations included the buyout of the shares for the minority stake in Old Mutual Finance for R1 082 million and continued investment into our growth and innovation initiatives. The discretionary capital balance at year end is earmarked for the Genric acquisition of R300 million, which was concluded in January 2023, the minority buy of Old Mutual Finance Namibia of N$214 million, the acquisition of a strategic equity stake in the Two Mountains Group and continued investment in our growth and innovation initiatives. The Group has further earmarked between R1 billion and R1.5 billion for return to shareholders as a share buyback and has initiated approval processes with the Board and Prudential Authority.

Free surplus generated from operations

Operating segments generated gross free surplus of R7 473 million, representing 117% of adjusted headline earnings. Our operating segments continue to generate a high proportion of cash earnings which were paid to the Group as dividends. The distributions made to the Group through once-off capital transactions and optimisation initiatives have also increased our free surplus. The free surplus is net of central costs and can be deployed to dividends, working capital and transactions. Distributions include dividends from OMLACSA of R5.5 billion, Old Mutual Investments of R880 million, Residual plc of £39 million and other operating subsidiaries net of central costs of R309 million.

Free surplus generated from operations (Rm)



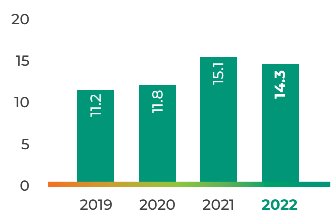
F Gearing

The gearing ratio of 14.3% was 80 bps lower than the prior year, due to increased closing adjusted IFRS equity reflecting retained profit for the period and dividends received from Residual plc operations.

The IFRS value of debt remained largely flat in comparison to the 2021 closing value. OMLACSA issued in total R1.6 billion of floating rate subordinated debt instruments and redeemed R977 million of fixed rate subordinated debt instruments during the year. Old Mutual Insure redeemed the full balance of issued subordinated debt of R500 million towards the end of 2022.

Interest cover of 15.3 times decreased marginally from 15.4 times in the prior year, reflecting the increase in adjusted headline earnings before tax, non-controlling interest and finance costs.

Gearing (%)



Group financial performance

Condensed consolidated statement of financial position

As at 31 December 2021

Rm	2022	2021
Investment property	**42 530**	38 672
Investments in associated undertakings and joint ventures	**1 065**	908
Investments and securities	**892 091**	899 388
Reinsurers share of policyholder liabilities	**9 544**	13 372
Cash and cash equivalents	**37 467**	32 931
Other assets[1]	**84 259**	68 583
Total assets	**1 066 956**	1 053 854
Life insurance contract liabilities	**145 118**	155 349
Investment contract liabilities with discretionary participating features	**233 695**	245 483
Investment contract liabilities	**375 044**	393 787
Property and Casualty liabilities	**11 706**	11 206
Third-party interests in consolidated funds	**102 749**	77 308
Borrowed funds	**16 713**	17 506
Other liabilities[1]	**115 385**	87 914
Total liabilities	**1 000 410**	988 553
Net assets	**66 546**	65 301
Equity attributable to equity holders of the parent	**63 841**	62 174
Non-controlling interests: ordinary shares	**2 705**	3 127
Total equity	**66 546**	65 301

Condensed consolidated income statement

For the year ended 31 December 2021

Rm	2022	2021
Net earned premiums	**74 537**	72 551
Investment return (non-banking)	**20 646**	157 047
Banking interest and similar income	**4 505**	4 347
Banking trading, investment and similar income	**1 026**	433
Fee and commission income, and income from service activities	**11 560**	11 827
Other income	**935**	1 609
Total revenue	**113 209**	247 814
Net claims and benefits incurred	**(69 482)**	(131 566)
Change in investment contract liabilities	**7 657**	(54 947)
Fee and commission expenses, and other acquisition costs	**(10 401)**	(10 506)
Change in third-party interests in consolidated funds	**(1 846)**	(11 874)
Other expenses[3]	**(29 971)**	(26 861)
Total expenses	**(104 043)**	(235 754)
Share of gains of associated undertakings and joint ventures after tax	**118**	1 385
Reversal of impairment of investments in associated undertakings	**–**	18
Loss on disposal of subsidiaries	**(133)**	(36)
Profit before tax	**9 151**	13 427
Income tax expense	**(1 352)**	(5 964)
Profit after tax for the financial year	**7 799**	7 463

Net assets

The net asset position has remained relatively stable year on year with a 2% increase. The increase in total assets of R13 billion was offset by a R12 billion increase in total liabilities. The increase in total assets was driven by a combination of increases in investment property, cash and cash equivalents and other assets and a decrease in investments and securities due to a decline in market performance. A R25 billion increase in third-party interests in consolidated funds was the main driver of the increase in total liabilities. This increase was offset by a decrease in long-term business policyholder liabilities[2] mainly due to weakening market performance. All remaining COVID-19 provisions were released but the impact was mostly offset by the strengthening of our mortality basis to allow for endemic COVID-19 claims and worsened persistency as the challenging economic conditions continue to impact our retail customers.

Equity attributable to equity holders of the parent

Equity attributable to equity holders of the parent increased by 3%, largely as a result of IFRS profit recognised for the period, offset by dividends declared for the current year.

Total revenue

Total revenue decreased by 54% to R113 billion, largely due to a decrease in investment returns. Investment returns decreased by 87% from the prior period, primarily due to global factors negatively impacting market values.

Total expenses

Total expenses decreased by 56% to R104 billion, largely due to a decrease 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 decreased due to a decrease from lower mortality as the effects of COVID-19 eased. Change in investment contract liabilities expense and change in third-party interest in consolidated funds were significantly lower than the prior year mainly as a result of lower investment returns earned, which was largely driven by the weaker market performance.

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

SEGMENT PERFORMANCE

Samburu Park, Kenya – Coordinates 0.6124° N, 37.5321° E

2nd time winner of the Best ESG Responsible Investor Africa award

R26.7 billion invested in renewable energy

DID YOU KNOW

In 2022 Capital Finance International named Old Mutual Investment Group **Best ESG Responsible Investor Africa**, for the second year in a row.

The award is a valuable reflection of Old Mutual Investment Group's commitment to responsible investment and unwavering focus on delivering sustainable long-term, risk-adjusted returns for clients, positively impacting communities and ecosystems.

With R26.4 billion of renewable energy assets held, Old Mutual Investment Group leads ESG-focused investment product development in South Africa.

Mass and Foundation Cluster

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

Mass and Foundation Cluster is a business segment that operates in the low-income and lower-middle-income markets. The segment's existing and potential customers span individuals who earn R1 000 to R30 000 per month. The Mass and Foundation Cluster has an established brand presence in its core markets driven by vast distribution channels built from and for communities. We offer a comprehensive range of products to the mass and foundation markets across underwritten life and funeral insurance, savings, lending and transactional banking.

Key differentiators

1. Diversified distribution channels
2. Longstanding relationships with our stakeholders
3. Positive brand affinity
4. Holistic product proposition
5. Established financial education programmes

Operating context

2022 was a difficult year for our customers, who grappled with severe increases in the cost of living created by steep rises in inflation and interest rates. The growing financial pressure our customers faced worsened our persistency experience due to higher levels of lapses, surrenders and missed premiums. Despite the challenging environment, we managed to post a relatively strong set of results.

Operational metrics

- **3.0 million** customers (2021: 3.1 million)
- **348** retail branches (2021: 358)
- **4 065** tied advisers (2021: 4 003)
- **8 666** employees (2021: 8 461)

Soweto, Johannesburg, South Africa – Coordinates 26.2744° S, 27.7935° E

Mass and Foundation Cluster continued

Windhoek, Namibia – Coordinates 22.5609° S, 17.0658° E

Strategic focus areas

1 An enhanced customer experience and cross-sell

We delivered an enhanced integrated financial services customer experience by building rewarding customer relationships. We delivered improvements to the servicing and claims experience and meaningfully increased Old Mutual Protect underwritten life sales by 92%. We achieved R1.1 billion lending cross-sell to the life customer base.

2 Grow long-term insurance market share through appropriate, relevant product propositions and by increasing points of presence

We made significant strides in regaining market share in 2022 due to strong sales growth across most of our channels, with standout results coming from our branch adviser, foundation market, third-party and digital channels. The growth in our risk mix was particularly pleasing, driven in part by the strong growth in our non-advice risk sales and underwritten life sales. We also materially increased the capacity in our third-party and foundation market channels, which positions us well to continue to deliver strong sales growth over 2023.

3 Drive profitability in the long-term Insurance business by improving business mix, persistency and cost efficiency

2022 was a difficult year for our customers, who had to grapple with severe increases to the cost of living created by steep increases in interest rates and inflation rates. This led to a negative persistency variance and the strengthening of our persistency basis. However, favourable mortality experience has started to emerge in 2022, which is expected to persist. Despite these effects, our financial results delivered material growth on the prior year.

4 Profitable growth in Old Mutual Finance

We continue to drive profitable growth in Old Mutual Finance via transactional banking and diversifying income streams. Old Mutual Finance has extended wholesale lending to Bridge Taxi Finance that has created access to a new market. Good progress has been made within Old Mutual Finance to grow its alternative channels (direct and digital) during 2022. The net transactional revenue from each active Money Account grew materially in 2022 by 38%.

5 Execute on the people plan

We continue our focus on talent, culture and core capabilities. Strong progress has been made on our key human capital metrics, including employment equity, skills development and culture scores. We continue to retain our high-potential employees despite strong competitor recruitment activities.

Key activities 2023

- Increase needs met through an enhanced integrated financial services customer experience
- Drive customer growth through holistic propositions
- Continue to grow market share through expanded points of presence
- Continue to enhance profitability by improving persistency, product mix and efficiency
- Continue to build the right capabilities, talent and culture
- Promote sign-on to Old Mutual Rewards and drive financial wellbeing through financial education
- Continue to use models to manage credit experience, appetite and level of risk-taking

Value creation

Customers:

- **R6.9 billion** (2021: R7.2 billion)
  in **claims and benefits paid**
- **R15.5 billion** (2021: R14.8 billion)
  in **responsible lending** to Old Mutual Finance customers to meet their financial goals
- **88%** (2021: 84%)
  of **funeral claims paid within four** hours

Intermediaries:

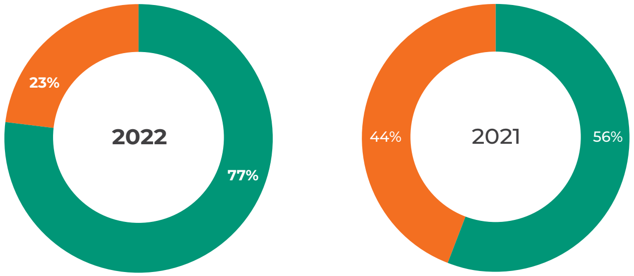
- **R44.0 million** (2021: R33.1 million)
  spent on **intermediary training and development**

Trade-off

Our responsible lending approach to a heavily indebted mass market that is experiencing the financial pressure in the tough economic environment has resulted in muted growth in the loan book but has continued to support a strong core credit experience.

Mass and Foundation Cluster continued

Results from operations by line of business



R million

Life and Savings:	**1 892** (2021: 1 541)
Banking and Lending:	**550** (2021: 1 211)

Performance overview

Gross flows of R12 924 million (2021: R12 870 million) were slightly ahead of prior year due to growth in the life in-force book following annual premium increases, which was largely offset by a decline in savings sales and worse persistency during the year. Despite this, net client cash flow improved by 13% to R5 580 million (2021: R4 959 million) due to lower funeral claims from the easing impact of the COVID-19 pandemic. We saw an increase in surrenders as more customers chose to access their savings to support them during these difficult economic conditions.

Life APE sales of R4 216 million (2021: R3 475 million) increased by 21% from the prior year, driven by good growth across several non-advice and advice channels, with particularly strong growth from within the foundation market. This was supported by very good credit life growth on the back of a 37% growth in unsecured new business loans, higher average prices and the increase in the shareholding of Old Mutual Finance. Risk sales recovered to well above 2019 levels and remain a key focus area in driving sustained long-term value.

Loans and advances of R15 512 million (2021: R14 795 million) grew by 5%, supported by the higher levels of sales which included wholesale funding granted to Bridge Taxi Finance.

The net lending margin of 13.6% (2021: 18%) decreased by 440 bps while the credit loss ratio increased by 390 bps to 4.8% (2021: 0.9%). The prior year benefited positively from a material once-off provision unwind from a declining loan book. The core credit loss ratio remained stable over the year.

Results from operations declined by 11% to R2 442 million (2021: R2 752 million) due to lower profits from the Banking and Lending business. The prior year included a significant once-off provision release on the back of a declining loan book.

Life profits were well ahead of the prior year due to higher annual premium and cover increases on the existing book and the net positive effect of basis changes which included economic basis changes related to the refinement of hedging methodology. The claims experience was significantly better due to less severe COVID-19 variants and higher levels of immunity resulting in mortality profits recognised over the year. We have now fully released the mortality provisions for excess claims. Higher sales volumes, improved sales mix and good cost management contributed further to the strong results from operations. These were partly offset as our customers' growing financial pressures translated into a worse persistency experience due to higher levels of lapses, surrenders and missed premiums. The impact of the strengthening of our persistency basis was more than offset by the release of the excess claims provision and various other discretionary reserves.

Value of new business grew by 48% to R945 million (2021: R638 million), due to higher issued sales volumes and good cost management, partly offset by the strengthening of persistency basis. Value of new business margin of 7.6% (2021: 6.2%), was up 140 bps from the prior year, attributable to increased risk sales volumes and strong credit life performance as well as effective cost management.

Namitete, Malawi – Coordinates 14.0242° S, 33.3626° E

Personal Finance and Wealth Management

Personal Finance and Wealth Management is a retail segment that offers holistic financial wellness propositions to middle and high-income and affluent customers both digitally and face-to-face through our high-calibre advisers.

Personal Finance operates primarily in Life and Savings and offers a wide range of holistic financial advice and long-term risk, savings, income and investment solutions. Personal Finance targets the middle and high-income market, which the Group defines as individuals earning R30 000 to R100 000 per month. Products are distributed through tied advisers, brokers, agency franchises and direct channels including digital, iWYZE and tele-advisers.

Wealth Management is an advice-led, vertically integrated retail investment business that offers wealth management, investment solutions and funds to high-income and high-net-worth individuals. Wealth targets the affluent market which the Group defines as customers earning more than R100 000 per month or net assets of greater than R15 million. The business's distribution channels include tied advisers, independent financial advisers and direct channels.

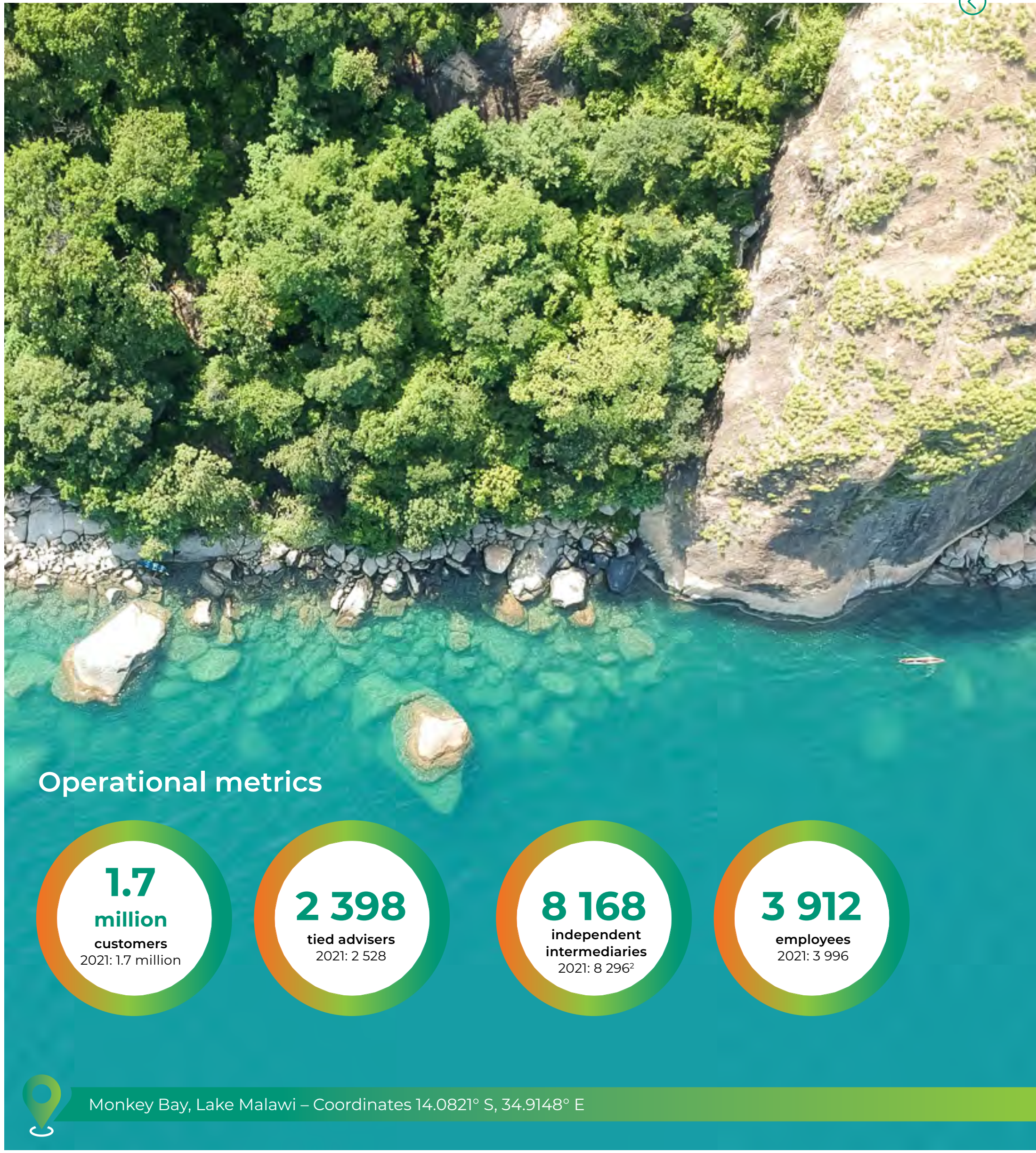
Key differentiators

1. High-net-worth and private client solutions locally and offshore
2. Strong distribution network, with a large financial adviser base
3. Integrated wealth planning
4. Old Mutual Rewards programme
5. Comprehensive customer and adviser propositions

Operating context

Our customers' sentiment and disposable income was heavily impacted by rising inflation and interest rate increases, lower offshore markets and a weaker rand exchange rate. These economic conditions affected our customers' ability to maintain or increase protection, savings and investment products.

We saw an industry decline in the underwritten risk[1] and single premium businesses, which affected our volumes and mix. Overall investment gross flows were lower due to decreased demand driven by market volatility and a weaker rand. We benefited from a decreased COVID-19 impact and positive economic basis changes.



Operational metrics

- **1.7 million** customers (2021: 1.7 million)
- **2 398** tied advisers (2021: 2 528)
- **8 168** independent intermediaries (2021: 8 296[2])
- **3 912** employees (2021: 3 996)

Monkey Bay, Lake Malawi – Coordinates 14.0821° S, 34.9148° E

1 NMG survey
2 Prior period re-presented

Personal Finance and Wealth Management continued

Strategic focus areas

1 Retain and acquire new customers in Personal Finance through:

- **Digitised and adviser-enabled customer experiences**
- **Improving our adviser base and productivity levels**

The efforts made towards improving our adviser experience are gaining traction following the funding of additional resources and collaboration across teams to re-train, introduce fast lanes and automate. This resulted in the reduction of backlog and complaints.

We stabilised and grew our experienced adviser base. The focus on better quality recruitment and an improved development academy is yielding results, with an overall increase in adviser activity.

We continued to improve the adviser experience on Old Mutual Protect, our risk product, and made progress towards the planned delivery of the new Savings and Investments product. Integrating Old Mutual Rewards with Old Mutual Protect contributed to exceeding the 2022 target for new members by 30%.

We introduced client wealth managers linked to our services and products, which was well received with a resultant increase in net client cash flows. The digital enhancements to our customer journey led to an increase of 21% in digital sales and advice tool usage.

2 In Wealth Management, grow our share of the independent financial advisers market, extend our lead in the offshore space and build out our high-net-worth client offering by:

- **Improving customer and planner experience**
- **Building sustainable distribution businesses**

We enhanced the customer propositions for more holistic and integrated services.

We improved our planner experience through enhancements to our integrated wealth planning tools, simplified operational processes and increased automation and digital capabilities. Our offshore administration capabilities were simplified and enhancements were made to our product offering and platform. We continued to build a sustainable distribution business that supports our target market.

We implemented the first phase of tighter integration in our high-net-worth client proposition and enhancements to the service model.

3 Rectify our mix of new business to improve margins

We improved our business mix by driving middle and upper-income solutions. In the second half of the year we achieved higher guaranteed annuities, fixed bond and living benefits sales, which contributed to improving our margins.

4 Optimise our expense base through efficient cost management

We continue to focus on efficiency by removing duplication, inefficiency and better prioritising. Some of the cost savings were applied to focused investment in our capabilities. The expense for Wealth Management grew 1%, which is below the inflation rate, and Personal Finance managed to deliver expenses below 2021.

Key activities 2023

- Launch:
  - New discretionary fund management capabilities
  - An enhanced offering for our high-net-worth clients
  - A new Savings and Investments solution
- Focus on enhanced private client solutions in Wealth Management
- Continue to improve the ease of doing business for advisers and productivity through simplified platforms and delivering the Digital Adviser Enablement tool
- Manage sales and product mix towards higher-margin products and recurring premiums
- Continue to build competitive propositions for independent financial advisers and become their partner of choice

Value creation

Customers:

- **R43.7 billion** (2021: R46.8 billion) in **claims and benefits paid**
- Improved **customer experience** through use of an enhanced advice tool

Intermediaries:

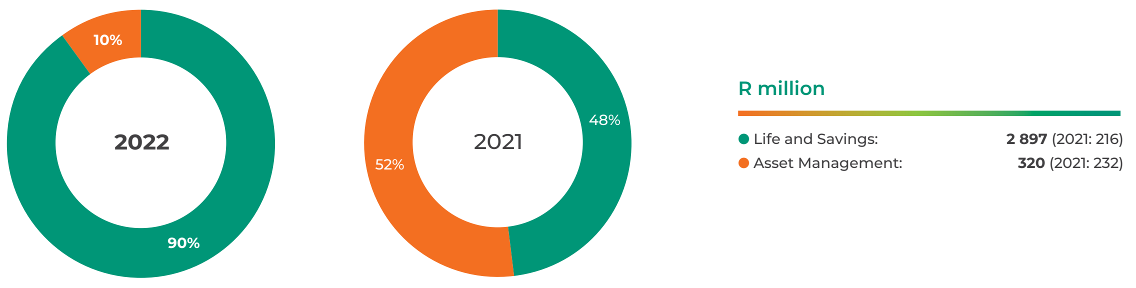
- **R52.0 million** (2021: R51.5 million) spent on **intermediary training and development**
- **372** (2021: 335) **intermediaries trained** in the Celestis sales academy

Trade-off

Notwithstanding cost pressures, we allocated additional servicing resources to improve service delivery to our advisers. We also continued the focus on recruiting quality advisers. We prioritised the delivery of enhancements to our Old Mutual Protect product and the Greenlight migration and accepted delays in the rollout of our Savings and Investments product.

Personal Finance and Wealth Management continued

Results from operations by line of business



Performance overview

Gross flows decreased by 5% to R77 130 million (2021: R81 186 million) due to lower annuity sales in Personal Finance and a significant decrease in demand for offshore investments in our Wealth Management business resulting from lower offshore markets and weaker performance of the rand against the US dollar.

Life APE sales for the segment were flat on prior year, with growth in savings sales largely offset by the decrease in guaranteed annuity sales. In Wealth Management, we saw a shift to our smooth bonus and fixed bond options as customers showed a preference for stable and guaranteed funds.

Despite significantly lower mortality claims in Personal Finance, net client cash flow ended well behind the prior year due to a combination of lower offshore flows and large disinvestments in Wealth Management, partially offset by strong inflows in the Private Client Securities and Treasury Advisory Services businesses.

Results from operations for the segment recovered to R3 217 million (2021: R448 million). Our mortality experience improved significantly in 2022 and was better than the levels provided for, but we still experienced excess mortality on our underwritten risk book. We have therefore released the short-term COVID-19 provisions in full, and made an adjustment to the long-term mortality basis, applied on the underwritten risk book, to allow for the future impact of excess COVID-19-related mortality. Net positive economic basis changes included the release of discretionary margins related to the refinement of our hedging methodology. Results from operations has now recovered well above 2019 levels.

Wealth Management results from operations decreased by 4%. Volatile global markets negatively impacted Old Mutual International profits and the market value of our offshore seed capital investments.

Value of new business of R152 million (2021: R285 million) for the segment reduced by 47%, with a corresponding 40 bps decrease in the value of new business margin to 0.5% (2021: 0.9%). Despite Life APE sales being flat on the prior year, Personal Finance's value of new business declined due to lower policy volumes in key products, which led to worse initial expense variances. Value of new business was further impacted by the decrease in high-margin annuity sales. During the second half of the year, the value of new business improved with a shift in mix to higher-margin risk business and a review of the persistency assumptions in our funeral products.

Wealth Management's value of new business of R81 million (2021: R72 million) was up 13%, driven by a more profitable mix of business following higher sales of smooth bonus and fixed bond products.

Dar es Salaam, Tanzania – Coordinates 6.7924° S, 39.2083° E

Old Mutual Investments

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

Old Mutual Investments operates through five affiliates across three investment business lines, namely:

- Asset Management which comprises the following affiliate businesses:
  - Old Mutual Investment Group: listed equity and multi-asset investments
  - Futuregrowth Asset Management: fixed income and credit investments
  - Marriott Investment Managers: income solutions investments
- Old Mutual Alternative Investments: unlisted alternative investments
- Old Mutual Specialised Finance: shareholder credit and asset liability management

Each affiliate is focused on their niche strategies to deliver on the customer propositions and improve competitiveness.

Key differentiators

1. Largest specialised fixed income manager
2. Offer active and passive investment management
3. Largest infrastructure and renewables investment manager in Africa
4. Market leading with regards to the integration of ESG in our investment decisions

Operating context

The increase in inflation rates caused downward pressure on the equity and bond markets requiring a recalibration of metrics to accommodate the shift from low inflation and low interest rates. This new reality is marked by periodic panic selloffs.

The ongoing market volatility from local and international geopolitical developments, macroeconomic uncertainty and a decline in the equity market continue to grow fears of a global recession. The benefit of having a diverse capability set and asset class exposures was evident in 2022 as we delivered double-digit growth in results from operations despite the tough trading conditions.

Old Mutual Investments continued

Strategic focus areas

1 Deliver consistent top-quartile investment performance

Overall, investment performance for 2022 was not as strong as the preceding 12 months, however, against a volatile market backdrop, our investment teams have performed credibly in navigating the year for our clients. Longer term investment performance relative to benchmarks has shown a steady improvement with 75% of our funds above benchmark over the three-year period, up from 50% a year ago.

2 Drive transformation efforts within the business, including majority black ownership

We concluded the sale of 21.2% of our stake in Futuregrowth Asset Management to African Women Chartered Accountants. This, along with the Bula Tsela initiative, moves both Futuregrowth and Old Mutual Investment Group towards becoming majority black owned. Client engagements continue to highlight a positive response to the deal.

3 Grow market share in both retail and institutional markets

Growing our retail and institutional market share is critical to remaining relevant and defending our status as the largest asset manager in the country. We have enhanced our capabilities in the Alternatives business to enable us to compete better in the third-party institutional market. We have invested in our client-facing teams to drive growth in flows across our affiliates.

4 Focus on key revenue and growth initiatives

New revenue lines are critical for all our affiliates and a key part of their KPIs. We completed our Private Markets initiative and launched infrastructure debt and hybrid funds, improving competitiveness in the third-party institutional market. We launched global active ESG, the applied intelligence capabilities, Africa Income and Retirement-Driven Investments capability, a Venture Capital Fund in Futuregrowth, scrip lending and extended our Liability-Driven Investments capability for defined contribution funds . Our Alternatives business raised R17.4 billion (2021: R9.9 billion) of capital during the year, which will support annuity revenue growth.

5 Stabilise and invest in our operating platforms

Ongoing upgrading of front office information technology systems is critical to significantly improve our operating efficiency and de-risk the business to ensure that it remains future fit. We continued to make progress on our strategy to refresh our technology environment, which includes process automation and leveraging artificial intelligence to improve efficiencies and drive investment outcomes. We also improved our client relationship management tool across our affiliates.

Awards

- Old Mutual Investment Group was awarded Best Sustainable African Investment Manager at the European Global Banking and Finance Awards and the Capital Finance International Award for Best ESG Responsible Investor (Africa) 2022, as well as an award for the 2022 27four ESG Annual Asset Manager Survey, reaffirming our pedigree as a leader in ESG investing
- Futuregrowth garnered the award for the Most Watched Masterclass (Institutional) in 2022 at the inaugural South African Asset TV Audience Choice Awards

Key activities 2023

- Continue to deliver consistent top-quartile investment performance across the fund range
- Launch new funds with embedded key capabilities in response to client needs
- Capacitate the Old Mutual Investment Group teams to be locally and globally competitive
- Continue to invest in responsible investment strategies and embed ESG across our offerings
- Continue driving the Private Markets initiative to grow third-party institutional assets
- Upgrade and invest in operating platforms, data warehousing and artificial intelligence

Value creation

Customers:

- **75%** (2021: 50%) of funds performed **above the benchmark** over a three-year investment period
- Several of our **alternative investment strategies**, in particular our Infrastructure and International Private Equity funds, have **performed well ahead of their benchmarks** over the last year

Communities:

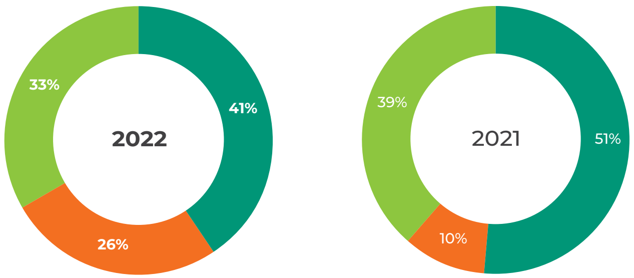
- **R47.0 million** spent on **higher education scholarships** by the Imfundo Fund, with **108 graduates** since inception in 2011
- **2 204 learners** benefited from donated **computer equipment** by the Green Hands Trust
- **Embedded ESG strategy**

Trade-off

Investment in key capabilities which reduces shareholder returns in the short term will lead to increased profitability in the longer term.

Old Mutual Investments continued

Results from operations by business unit



R million

Asset Management:	**504** (2021: 570)
Alternatives:	**324** (2021: 113)
Specialised Finance:	**412** (2021: 426)

Performance overview

Despite the ongoing market volatility and macroeconomic uncertainty, we achieved good results, which benefited from exceptional non-annuity revenue, as well as solid growth in annuity revenue. The combination of lower inflows and a decline in the equity markets saw assets under management decrease by 4% from December 2021 to R774.0 billion (2021: R809.1 billion) at the end of the year.

The higher annuity revenue was supported by record levels of capital raised in our Alternatives business, which came through as management fees, commitment fees and catch-up fees.

A major differentiator from our peer group is our operating model that delivers significant non-annuity revenue. This revenue is more volatile but provides significant economic value through the investment cycle. The component parts include carried interest, revaluation of fund co-investments and mark-to-market impacts from changes to credit spreads and equity exposures. Non-annuity revenue grew by 48% from the prior year, mainly due to strong investment returns in our Alternatives business and positive market movements on the credit portfolio in our Specialised Finance business. Excluding the impact of COVID-19 on our results, our non-annuity revenue has ranged between R156 million and R515 million over the past five years.

Gross flows in 2021 represented a five-year high for Old Mutual Investments with strong flows in Liability-Driven Investments, indexation capabilities and Marriott. Gross flows in 2022 were relatively subdued following such a strong performance. Higher client liquidity requirements resulted in net outflows from low margin money market funds, which led to negative net client cash flow of R7 723 million (2021: positive R4 907 million). Net client cash flow was also impacted by structural outflows given the ongoing strain in the South African pension fund market, as well as some unexpected terminations and client restructures. Our success in Liability-Driven Investments is creating a higher base of expected benefit payments because of the larger book. The overall health of our pipeline supports our expectation of better net client cash flow in future years.

Results from operations increased by 12% to R1 240 million (2021: R1 109 million) driven by higher revenue, partially offset by increased expenses. Expenses are up as a result of key vacancies being filled, inflationary salary increases, and the continued investment in revenue-generating initiatives and technology.

Asset Management

Results from operations were 12% down, largely due to lower non-annuity revenue from reduced performance fees and fair value gains compared to the prior year, as well as higher expenses as outlined above. The elevated prior year flows into Liability-Driven Investments and Marriott were not repeated and Futuregrowth experienced lower flows into money market and corporate cash products. This, along with expected Liability-Driven Investments benefit payments of R3.7 billion, contributed to the negative net client cash flow of R7 990 million (2021: positive R4 560 million). Flows from our retail channels were up mainly due to higher money market net flows.

Lake Kariba, Siawaja, Zambia – Coordinates 17.7904° S, 27.1121° E

Alternatives

The business produced a strong set of results with R17.4 billion (2021: R9.9 billion) of new capital being raised and R14.9 billion (2021: R7.9 billion) of new deals concluded during the year. Annuity revenue was higher mainly due to the significant increase in capital raised in recent years and the addition of credit capabilities that have transferred from our Specialised Finance business. Non-annuity revenue also increased significantly following higher investment returns, with some unlisted assets delivering excellent returns in the year, which was partially offset by lower performance fees on certain domestic funds. The overall impact was an increase in results from operations of 187% (excluding the impact of the Private Markets transfer, results from operations was up by 136%).

Specialised Finance

The total deal volume originated during the year resulted in the balance sheet growing by 8% to R35.4 billion. Results from operations declined marginally due to lower annuity revenue related to the transfer of certain credit capabilities to Alternatives and mark-to-market losses in the equity portfolios. These were largely offset by higher non-annuity revenue driven by other positive mark-to-market gains and lower expenses following the transfer of capabilities to Alternatives.

Old Mutual Corporate

Old Mutual Corporate is a leading player in the mature traditional employee benefits industry and provides employee benefits and consulting services to large corporates and SMEs in South Africa. The segment remains a leader as against its listed competitors.

Old Mutual Corporate provides pre-retirement and post-retirement investments, group risk cover, administration, consulting services and specialised solutions to employer-sponsored retirement and benefit funds. The segment's distribution network includes a direct sales team, employee benefits specialist intermediaries, consultants and direct and digital channels. Adjacent propositions provided to the market include remuneration surveys and benchmarking, and SME lending and support.

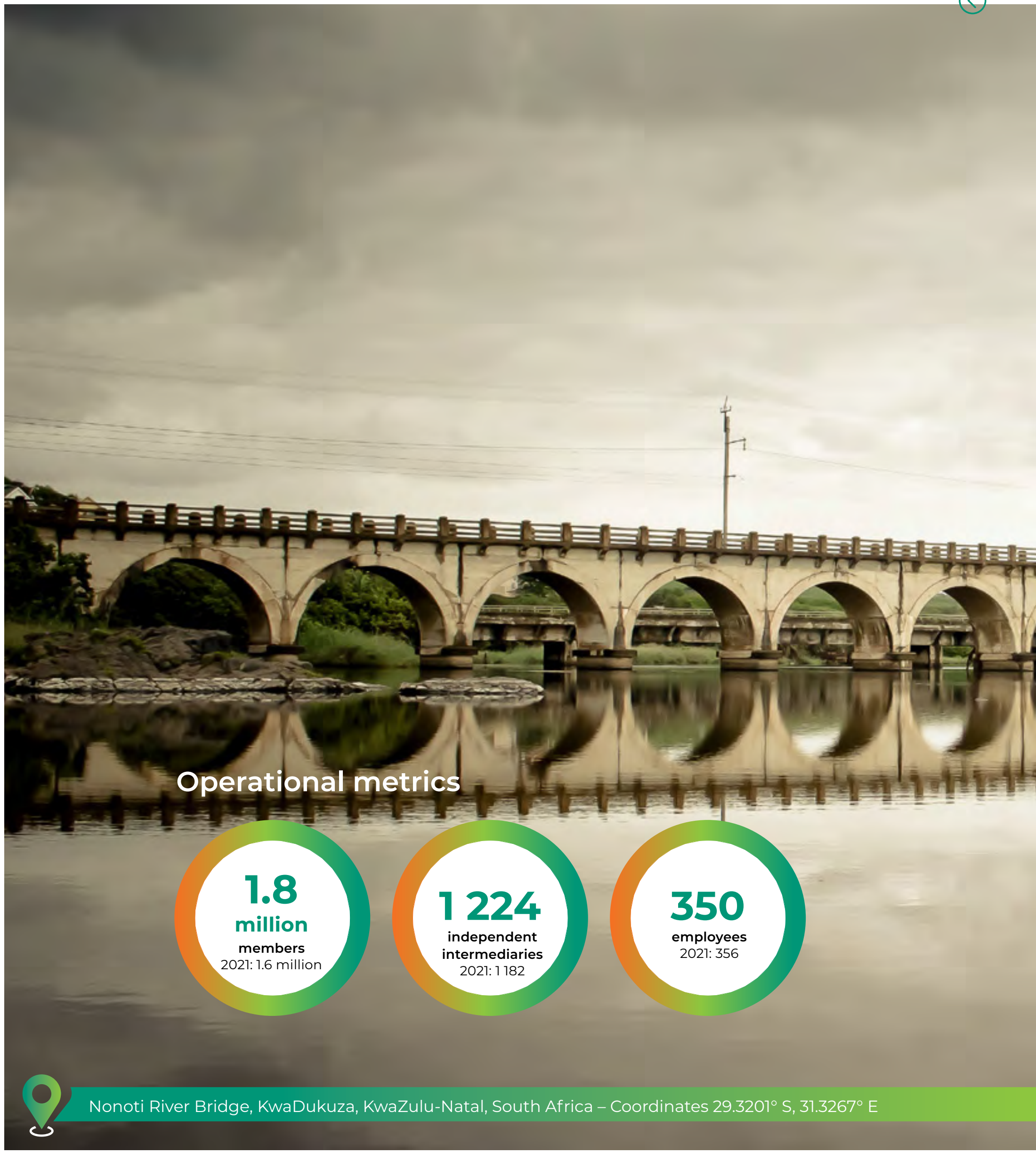
Key differentiators

1. Integrated employee-focused propositions and services
2. Strong brand and established track record
3. Expertise in management and governance of umbrella funds
4. Capital strength mostly valued by large corporate clients

Operating context

COVID-19 tested the resilience of most companies. In its aftermath, increasing inflation and interest rates led to slow macroeconomic recovery and a volatile market environment which increased cost of doing business. Consequently, we have seen an increase in company liquidations, low SME growth, higher benefits outflows and slower decision making around procuring employee benefit solutions.

The employee benefits industry remains subject to various retirement reforms, such as the two-pot system for retirement savings, which present opportunities to enhance value propositions. We continue to actively participate in consultative processes and to prepare for implementation of upcoming reforms.



Nonoti River Bridge, KwaDukuza, KwaZulu-Natal, South Africa – Coordinates 29.3201° S, 31.3267° E

Old Mutual Corporate continued

Strategic focus areas

1 Strengthen and grow core and large enterprise

We focused on improving the resilience and competitiveness of our employee benefits business, while innovating growth opportunities in the SME market. Our Group Life Assurance business remains a leading provider of Group risk solutions, while our smooth bonus offerings remained attractive in a volatile environment, with strong bonuses and flows. We continued to achieve strong results from our annual client satisfaction survey, with 88% overall satisfaction with our corporate consultants, 83% for value for money, and 90% for skills, knowledge and expertise. To support growth, we reviewed the remuneration structures of our intermediaries.

The integration of Remchannel, our reward management solution, continues to create value for the Employee Benefits and Corporate business and the Old Mutual SuperFund continued with its ongoing endeavours to educate, enable and empower members through the Financial Wellbeing Programme.

We launched the Old Mutual SA Retirement Gauge, which is an analysis tool designed to analyse the retirement readiness of members in umbrella funds and a social experiment campaign that highlighted the dilemma most households will face at retirement and created awareness by reaching over 6 million views across all social media platforms. We also introduced 'Big Business Insights', a new Old Mutual Corporate Podcast series that focuses on sharing business insights relating to human capital management and employee benefits.

2 Accelerated execution of the SME proposition

The update of our SME digital channel SMEgo2.0 was launched and features increased capabilities beyond offering a funding platform. It delivers a holistic proposition to small business owners based on three pillars: enabling efficient business operations, providing access to funding and access to markets, to facilitate entrepreneurs to run and grow their businesses successfully.

New features include enabling small business owners to generate invoices with payment links online, automate payment reminders to support operational efficiency and invoice discounting, which assists SMEs in accessing funds earlier for outstanding invoices. 1 950 invoices were generated on SMEgo2.0 to the value of R94.7 million.

We successfully launched our SME e-market, a marketplace to connect SMEs with each other and customers. The platform currently has over 2 000 SME products on offer and 600 buyers and sellers.

We acquired a 30% stake in a specialist SME lender, Preference Capital, which provides SME finance solutions in response to the funding gap for SMEs in the market.

3 Build business agility through improved business responsiveness and operational efficiency

Our servicing and administration came under pressure, particularly in dealing with the volumes of death claims caused by a backlog which continued into 2022 from the spike in COVID-19 claims in 2021. In response, we enhanced the resourcing and management focus and positive results are emerging. We provided multiple servicing channels to improve access and responsiveness and focused on process re-engineering and automation to ensure faster turnaround and improved customer experience.

We reviewed our data and digital capability to leverage our information technology and developed a digital roadmap for implementation in 2023.

Awards

- Our Nine Yards magazine won three awards: from the Global Content Awards, United Kingdom Content Marketing Association Awards and New Generation Digital Awards
- Our Nine Yards video series won three awards: at the SA Publication Forum Awards, New Generation Digital Awards and first place in the Content Council 2022 Pearl Awards (United States)
- Our Mindspace magazine (thought leadership) won two awards: at the Content Council's Pearl Awards in New York and at the local SA Publications Awards

Key activities 2023

- Improving employee benefits offerings by investing in servicing and administration, as well as improving the customer and intermediary experience
- Preparing for the regulatory changes implied by the two-pot system
- Investing in our digital and data and continuing to enhance Old Mutual Corporate's product offerings
- Growing and extending the core employee benefits business through internal innovation, external partnerships and acquisitions to diversify channels, markets, capabilities and offerings
- Scaling the SME business by accelerating traction in the lending business and extending the SMEgo platform proposition

Value creation

Customers:

- **R41.5 billion** (2021: R49.3 billion) in **claims and benefits paid**
- Facilitated the disbursement of **R9.6 million to SMEs** through our funding concierge

Intermediaries:

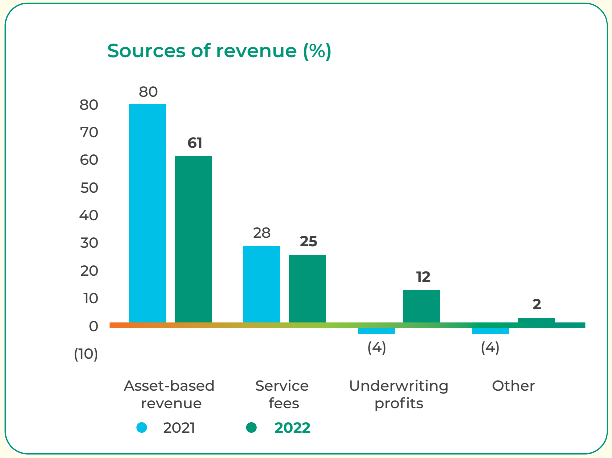
- **R1.7 million** (2021: R0.8 million) spent on **intermediary training and development**
- **550 intermediaries** and **50 clients** attended our face-to-face roadshows

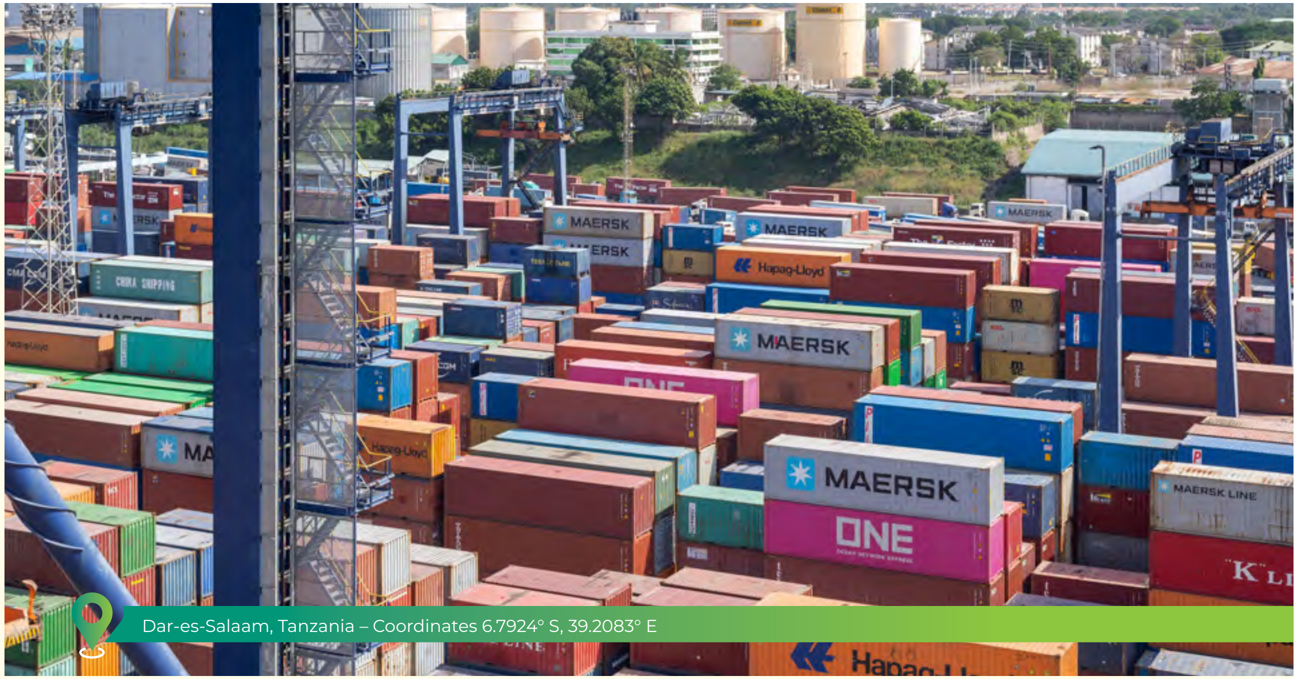
Trade-off

Trade-offs were made to ensure the sustainability of the business while meeting the needs of clients. Old Mutual Corporate experienced a surge in death claims in 2020 and 2021 as a result of COVID-19.

We prioritised increasing our specialist operational capacity for the moving of our information technology estate to the cloud for medium to long-term value for all stakeholders at the expense of short-term claims delivery capacity availability. This created a lag and backlog in our claims processing. This had a regrettable impact on customer experience.

Old Mutual Corporate continued





Dar-es-Salaam, Tanzania – Coordinates 6.7924° S, 39.2083° E

Performance overview

Gross flows decreased by 4% to R32 765 million (2021: R33 957 million) mainly due to lower pre-retirement single premiums, with the prior year including a very large umbrella deal. Recurring premiums improved with strong Group assurance new business sales, while flows in our smooth bonus products on our retail platforms grew by 16%. Life APE sales decreased by 8% to R2 212 million (2021: R2 416 million) mainly due to decline in pre-retirement single premium sales. Following the buyout of minority shareholders of Old Mutual Finance in December 2022, credit life premium sales were excluded from Old Mutual Corporate' s life sales and reported in the Mass and Foundation Cluster.

While Life APE sales decreased, it was pleasing to see that value of new business improved by 14% to R235 million (2021: R207 million), with a corresponding increase of 20 basis points in the value of new business margin to 1.2% (2021: 1.0%). Value of new business benefited from a more favourable product mix within our investment offering compared to the prior year, improved expense efficiencies and strong growth in Group assurance new business sales. During 2020 and 2021, we deepened and cultivated relationships with our Group assurance customers by supporting them through the unique challenges and uncertainties experienced during the pandemic, including several COVID-19 support services made available free of charge. We purposefully followed a customer-specific approach in tailoring solutions for customers, which contributed to the growth in new business in 2022.

Despite the decline in gross flows, net client cash flow improved by R660 million from the prior year due to lower benefit outflows from mortality and morbidity claims, and lower client terminations.

Funds under management declined by 4% to R293.5 billion (2021: R304.7 billion) due to a weaker performance in the equity market and the impact of negative net client cash flow. A component of the funds under management relates to our flagship smoothed bonus funds, which performed well in an extremely unpredictable market environment. This reduced the market volatility customers experienced through smoothing, while building investors' retirement savings by providing consistent real returns.

Results from operations improved substantially from R727 million in the prior year to R1 978 million. The prior year included large net negative basis changes, mostly related to the strengthening of COVID-19 provisions. Results from operations benefited from strong mortality underwriting profits as a result of a muted COVID-19 experience and we released the remaining COVID-19 provision. Net positive economic basis change included a release of discretionary margins in respect of investment guarantees. Our asset-based revenue grew on the back of higher average funds under management over the year.

Old Mutual Insure

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

Old Mutual Insure is proud of its tradition of service quality and extensive range of non-life insurance products and solutions designed to meet its personal, commercial, and corporate customers' needs. Old Mutual Insure partners with independent intermediaries to deliver advice and non-life insurance solutions to customers and delivers non-life insurance products directly to the market through its distinctive channels:

- Retail personal (including iWYZE)
- Retail commercial lines
- Specialty
- Mutual & Federal Risk Financing (cell captive)
- Credit Guarantee Insurance Corporation

Key differentiators

1. Market-leading position – a recognisable and dependable brand coupled with a history of diverse product mix and underwriting experience
2. Specialist insurance skills to support and bring innovation to the corporate and niche markets
3. Customised insurance solutions supported by first-in-class customer service and experience teams
4. Credit Guarantee Insurance Corporation is a market leader in trade credit with an experienced management team and a strong brand

Operating context

The 2022 year was characterised by weather events which were a reminder of the risk and impact that climate change has on our business. This was coupled with an increase in claims costs due to significant strain on the global supply chain resulting in disruption and shortages in parts. Catastrophe events in the year, specifically the KwaZulu-Natal floods and two adverse weather conditions in December had an impact on claims. Load shedding has resulted in an increase in power surge claims. High inflation rates continued to impact repair and replacement costs, increasing claims values. The severe increase in the cost of living has influenced client retention which impacted the gross written premium.

1 *Prior period re-presented*

Old Mutual Insure continued

Whalebone Pier, Umhlanga, KwaZulu-Natal, South Africa – Coordinates 29.7263° S, 31.0886° E

Strategic focus areas

1 Diversify our distribution channels and products to grow revenue

We established a virtual distribution model within retail to optimise the costs to service our customers and established a tied agency capability within our retail business. Several branches were closed down as we reduce our branch footprint.

We formed strategic partnerships that will enhance our product offering in iWYZE and Mutual & Federal Risk Financing.

Alternative business solutions including the tied agent model, grew rapidly, reaching a new monthly sales milestone of R1.8 million in November, while iWYZE continued to grow through the business partner programme and increased digital presence as customers registered on WyzeHub.

We made satisfactory progress in securing inorganic growth opportunities through the purchase of Versma Administrators and Primak Brokerage. We also activated the Letsema broker services pipeline.

2 Leverage data and technology to drive efficiency, pricing and risk selection

We focused on a sustainable reduction in costs through technology development and stabilisation for future savings, invested in the right skills and systems and simplified, digitised and automated products and processes. The expense management project unlocked R174 million in savings and the automation currently underway will enable the next phase of cost savings in 2023.

We continued the implementation of advanced analytics use cases, including pricing and renewals informed by actuarial analytics and techniques. We implemented a technology re-platforming in Credit Guarantee Insurance Corporation and began quoting new business and renewals in Corporate property using the new rating platform. We also implemented a new reinsurance system to improve data quality, reporting and governance.

3 Enhance customer engagement models

We continued with the sales force rollout to automate the capturing of complaints, significantly reducing the time to respond and action client complaints. We enriched our customer experience through enhanced digital solutions.

4 Optimising reinsurance structures

Bespoke programmes are in place for all business divisions. The new reinsurance system together with an exercise underway to optimise reinsurance structures will create protection against volatility and improved value for money. It will also unlock reinsurance placement synergies on completed acquisitions.

Key activities 2023

- Acquired 100% of Genric Insurance Company in the first quarter of 2023
- Realising synergies from our acquisitions
- Non-motor sales force migration to commence
- Acquiring new customers through direct channels and growing new customers in the intermediated market
- Improve adviser productivity to reduce expense ratios and improve customer experience
- Continue to diversify our distribution channels and products
- Continue to leverage data and technology for operation efficiencies
- Enhance our platforms through acquisition and partnerships

Value creation

Customers:

- **R5.1 billion** (2021: R5.0 billion) in **claims and benefits paid**
- **Improved customer experience** with growth of the digital presence of iWYZE

Intermediaries:

- **R239 000** (2021: R229 000) spent on **intermediary training and development**

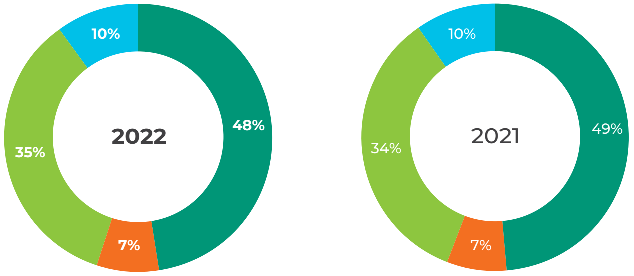
Trade-off

The trade-off remained in the deployment of funds in the business. The ongoing information technology strategy refresh to align the business with the broader Old Mutual Limited information technology strategy requires investment which may have otherwise been spent elsewhere however, it is aimed at long-term value retention and generation for the shareholder and customer.

In underwriting, remediation across several portfolios results in premium growth sacrifices and potentially broker resistance. However, it also strengthens the quality of the book over time and aims to enhance the margins. This is planned for large books within Retail, ONE Financial Services and the Premier book.

Old Mutual Insure continued

Gross written premiums contribution by division



R million

Retail:	**8 184** (2021: 7 778)
iWyze:	**1 273** (2021: 1 141)
Specialty[1]:	**6 057** (2021: 5 487)
Credit Guarantee Insurance Corporation:	**1 676** (2021: 1 521)

1 *Specialty includes premiums from ONE Financial Services for 2021 and 2022*

Performance overview

Gross written premiums of R17 190 million (2021: R15 927 million) increased by 8% largely due to good premium growth across all our divisions. The Specialty division onboarded several new cells in the Mutual & Federal Risk Financing business and new policies were secured in Retail, particularly in the alternative business solutions channel and elite products. The continued growth of our direct channels in iWYZE benefited from increased customer numbers and in Credit Guarantee Insurance Corporation improved customer retention contributed to the growth in gross written premiums.

Net underwriting results decreased by 25% due to increased claims following severe weather events, the impact of rising inflation on claims costs and an increased claims frequency as a result of load shedding. The KwaZulu-Natal floods had a net negative impact of R87 million and the storms recorded in December negatively impacted the results in the last quarter of the year. Repair and replacement costs increased due to inflation, resulting in an overall increase in the cost of claims. This was partly offset by the release of business interruption reserves held in the prior year amounting to R83 million, the inclusion of ONE Financial Services profits in the current year, and an increase in Specialty underwriting profits. The decline in underwriting results led to a net underwriting margin of 3.1% (2021: 4.8%), which is below the target range of 4% to 6%.

Results from operations were 9% below prior year, primarily driven by the decrease in net underwriting result, which was partially offset by higher investment returns on insurance funds given the higher interest rate environment.

Retail

Net underwriting loss of R392 million(2021: loss of R100 million) significantly increased from the prior year, largely due to a combination of higher volumes of attritional claims and weather-related catastrophe claims related to KwaZulu-Natal, Gauteng and North West floods.

iWYZE

The strong net underwriting result of R100 million (2021: R67 million) was due to a new excess structure implemented across all products, which benefited the claims experience. The weather-related catastrophe events had a minimal impact on the results.

Specialty

Net underwriting result of R97 million (2021: R5 million) substantially improved from the prior year, primarily driven by ongoing prudent underwriting and risk selection practices which assisted in ensuring that the attritional losses remained low. This was partially offset by the catastrophe claims in our Corporate Property and Marine lines of business related to the KwaZulu-Natal floods.

Luderitz, Namibia – Coordinates 26.6420° S, 15.1639° E

Credit Guarantee Insurance Corporation

Net underwriting result marginally increased to R502 million (2021: R489 million) due to continued underwriting discipline, and moderate attritional claims. The business was not directly impacted by the weather-related catastrophe events.

ONE Financial Services

The acquisition of ONE Financial Services has led to additional net earned premiums of R1.2 billion in the current year. Net underwriting results of R55 million (2021: nil) improved significantly from a loss of R36 million during the first half of the year due to the effectiveness of remedial actions implemented by management. Management action is ongoing and expected to continue to balance the risk exposure to the benefit of the business. Net underwriting profits were partially offset by increased attritional losses on motor sections as well as the catastrophe events claims.

Old Mutual Africa Regions

Old Mutual Africa Regions operates in 12 countries across three regions: Southern Africa, East Africa and West Africa.

The segment offers Life and Savings, Asset Management, Banking and Lending (including micro-lending) and Property and Casualty (including medical insurance) services to the retail mass and affluent market, and SMEs, corporate and institutional customers. The segment has a wide distribution network, including physical branches, independent agents, brokers, digital channels, and bancassurance.

Key differentiators

1. Strong broker relationships
2. Leading Life and Savings offerings across Southern Africa
3. Strong brand recognition in Namibia, Malawi, Zimbabwe and Kenya

Operating context

The operational environment was challenging in our markets in 2022. The nascent economic growth recovery from the COVID-19-driven induced recession was slowed down by rising inflation and interest rates, exchange rate volatility, and a tightening of policies by central banks.

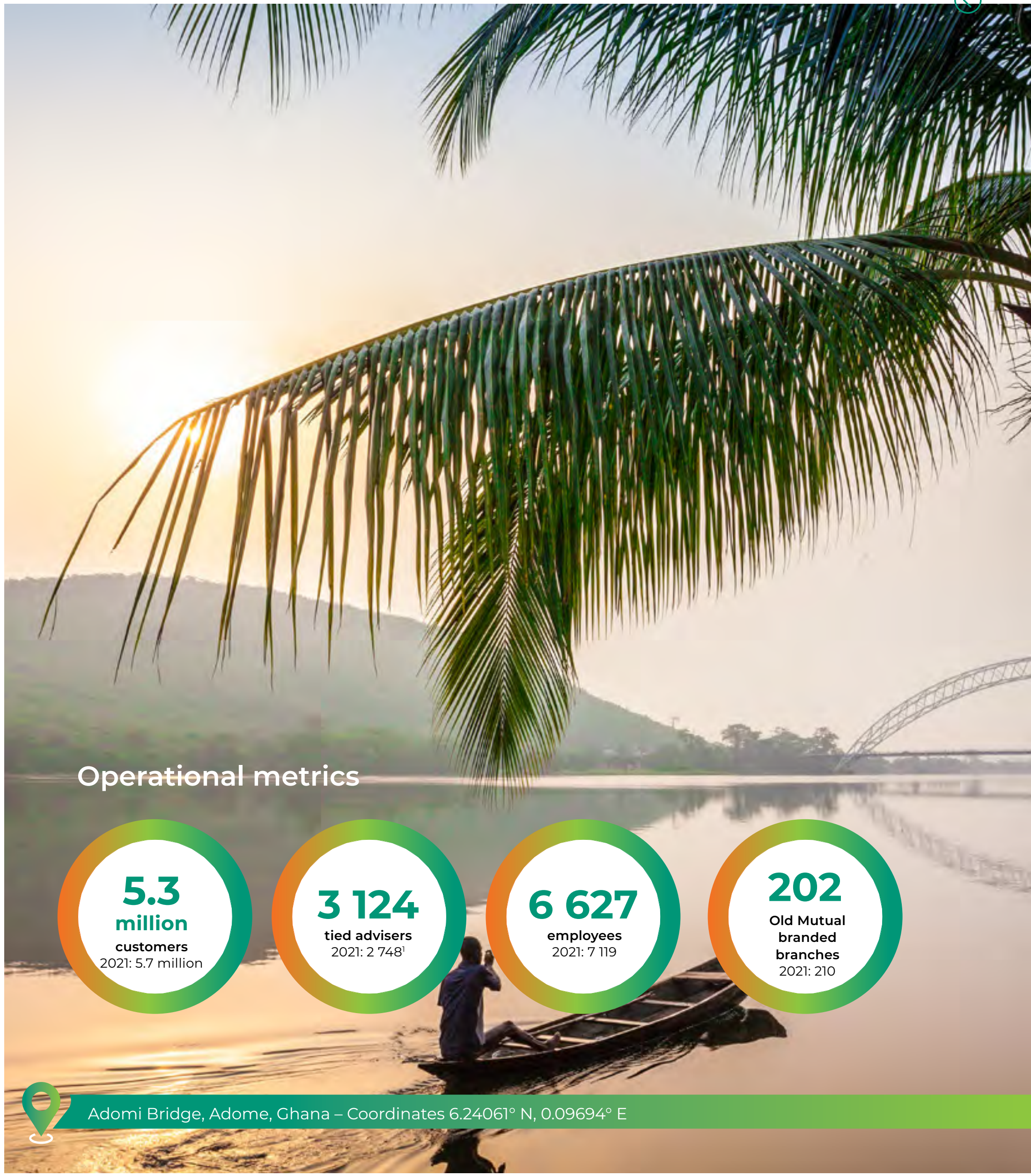
Ballooning external debt payments increased demand for US dollars accelerating currency volatility and widespread depreciation. In Kenya, Malawi and Ghana, the fiscal pressures forced governments into public debt restructuring programmes and to turn to the International Monetary Fund for support. Inflationary pressure continues to be a key factor impacting the regional economies driven by the knock-on effects of the Russia-Ukraine conflict.

In Malawi, acute dollar shortages resulted in fuel shortages and challenges in businesses meeting US dollar-denominated obligations. The Cholera outbreak in Malawi is putting increasing strain on the economy and health system.

In Ghana, the debt restructuring plan announced by the government is expected to result in bond holders incurring some losses on the value of their holdings.

The net effect has been pressure on household disposable incomes and rising levels of poverty, thus impacting top-line growth in some segments.

The economic pressures have largely affected the credit quality in the banking businesses which we have mitigated by tightening the lending criteria. Our other lines of business have experienced top-line growth.



Operational metrics

- **5.3 million** customers (2021: 5.7 million)
- **3 124** tied advisers (2021: 2 748[1])
- **6 627** employees (2021: 7 119)
- **202** Old Mutual branded branches (2021: 210)

Adomi Bridge, Adome, Ghana – Coordinates 6.24061° N, 0.09694° E

1 Prior period re-presented

Old Mutual Africa Regions continued

Strategic focus areas

1 Profitable top-line growth

Our insurance and asset management business delivered strong year on year topline growth driven by improving distribution efficiencies and cross-selling as we continue to integrate our offerings. Life APE sales grew on good margins and gross written premiums also increased by 27%. Mortality experience improved from prior year but is still elevated.

We made progress on improving Property and Casualty margins in Kenya, but more work is required in other markets. Although growth in our lending book remained constrained as we tightened lending criteria, net lending margins improved from prior year.

We launched a Broker's portal to improve engagement in West Africa. In Namibia, Rwanda and Uganda, we launched the MyOldMutual app to our customers. We also enabled secure web and USSD platforms in Kenya, Uganda, Rwanda and Botswana, thus increasing our reach and improving our customers' access to our solutions.

2 Turnaround underperforming businesses

The number of profitable operating entities increased to over 80% in comparison to 63% in the prior year. We completed the East Africa control improvement project and each business has established the necessary governance systems and structures to ensure the sustainability of the control environment. Our Zimbabwe business was also profitable and remitted the 2021 declared dividend of USD 1.2 million to the Group. The rightsizing of our Nigeria business continues; however, delays were encountered related to the implementation of shared services and automation. We also exited unprofitable product lines and client segments and pivoted to corporate sales in East and West Africa to support top-line growth and margins.

3 Strategic partnerships and scaling to optimise long term sustainable return on capital

To support growth and acquisition of new capabilities, we strengthened and expanded bancassurance partnerships in West Africa. We continued to pursue other partnerships to support our ambitions in loyalty programmes, strategic distribution and claims management. We continue to evaluate options to build scale in our smaller businesses through strategic partnerships and pivoting to other profitable financial services verticals in some markets with the goal of optimising return on capital in the long term.

4 Build a leading brand and relevant solutions

We successfully rebranded UAP-Old Mutual entities in Kenya and Rwanda to Old Mutual. In Malawi and Zimbabwe, we continued to grow our end-to-end funeral services offerings and integrating them to our suite of risk products. In Kenya we launched alternative investments to expand the asset classes available for our long term investors. We continued to scale alternative investments in Malawi and Zimbabwe with a bias towards sustainable energy, infrastructure and agriculture.

Key activities 2023

- Grow life retail offering in Southern Africa
- Drive turnaround efforts so that we deliver 90% profitable entities in 2024
- Improve underwriting margin in Property and Casualty

Value creation

Customers:

- **R5.6 billion**
  (2021: R6.8 billion)
  in **claims and benefits paid**
- **R3.5 billion**
  (2021: R4.1 billion)
  in **responsible lending** to customers
- **80% growth**
  in digital sales and improvement in customer experience through digital channels
- Increasing our reach and improving our **customers digital access** to our solutions

Intermediaries:

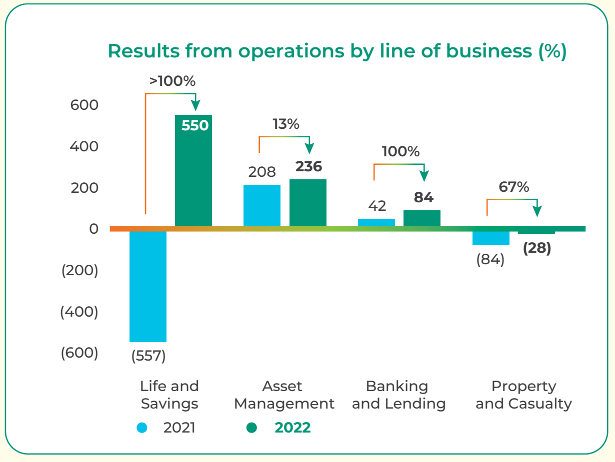
- **R2.4 million**
  (2021: R3.2 million)
  spent on **intermediary training and development**
- **>R2.2 billion**
  paid in **commission**
- **92% and 100%**
  retention scores of intermediaries in East and West Africa respectively

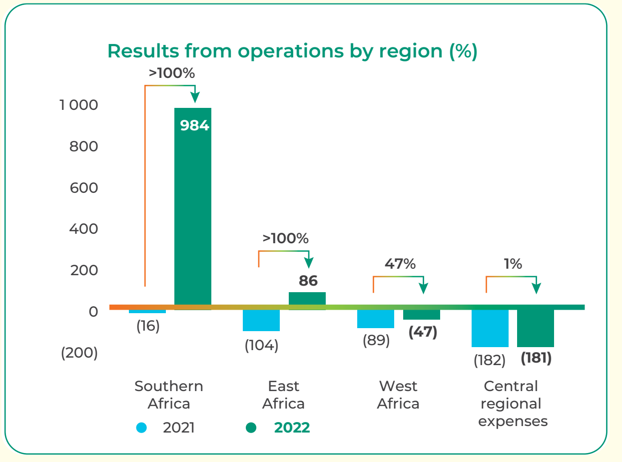
Trade-off

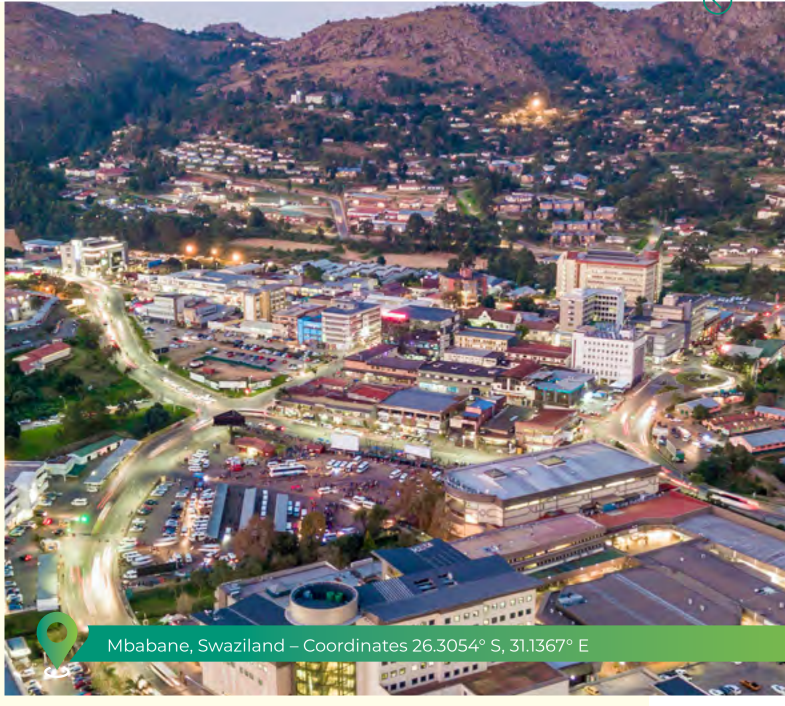
To improve the affordability of our Property and Casualty products, we had to forgo passing on inflationary increases to our customers. We instead managed these increases by negotiating preferential pricing with suppliers.

We are invested in the implementation of IFRS 17 and are dependent on actuarial and finance skills. High demand and scarcity have made it increasingly difficult to retain talent in these fields. We have therefore improved our employee value proposition for the finance and actuarial jobs to improve retention.

Old Mutual Africa Regions continued







Mbabane, Swaziland – Coordinates 26.3054° S, 31.1367° E

Performance overview

Please note that the financial performance 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.

Southern Africa

Gross flows increased by 7% to R13 618 million (2021: R12 691 million) due to improved corporate and retail flows in Namibia and Malawi as both markets saw a recovery in operating conditions following a tapering of the COVID-19 pandemic. This, coupled with reduced outflows on account of the non-repeat of the high death claims related to the COVID-19 pandemic, resulted in a significant improvement in net client cash flow to R738 million (2021: R215 million).

Life APE sales increased by 23% to R838 million (2021: R681 million) due to large single premium corporate inflows as well as improved retail and corporate recurring premium sales in Namibia. The value of new business increased by 4% due to higher sales and profitable sales mix in Namibia. The effects of high expense inflation and increased sales of lower-margin Group funeral business in Malawi partially offset the increase in value of new business, which led to a reduction in the value of new business margin by 120 bps to 3.6% (2021: 4.8%).

The continued tightening of credit granting criteria implemented to manage credit quality resulted in gross loans and advances decreasing by 4% to R1 281 million (2021: R1 334 million). These management actions and improved collections resulted in lower impairments, which absorbed the reduction in interest income on account of the smaller loan book. As a result, the net lending margin improved by 200 bps to 18.3% (2021: R16.3%).

Gross written premiums increased by 10% to R1 087 million (2021: R990 million) due to higher new business and renewals written in both Namibia and Botswana. Net underwriting margin decreased by 80 bps largely due to adverse claims experienced in Botswana's motor book as the lifting of COVID-19 travel restrictions saw a higher incidence of claims and higher severity of claims due to the impact of inflated cost of spare parts.

There was a marked turnaround in results from operations, which increased significantly to R984 million (2021: loss of R16 million), largely due to a recovery in the Life and Savings business. This was attributable to an improved mortality experience across the region as the COVID-19 excess claims reported during the third wave did not repeat in the current year. In addition, improved experience variances and positive assumption changes contributed to the improved results. The assumptions changes in 2022 included a release of COVID-19 provisions, which was offset by strengthening mortality basis in Namibia to mitigate changes in mortality levels from future endemics.

Asset Management results from operations increased by 8% to R230 million (2021: R213 million) mainly due to higher fee income on the back of increased funds under management. This was driven by higher flows and improved investment returns following a good equity performance in Malawi. The Banking and Lending results from operations were flat on prior year due to the lower interest income earned on the smaller loan book. Property and Casualty results from operations decreased by 20% to R12 million (2021: R15 million) due to the adverse claims experience in Botswana.

East Africa

Gross flows increased by 65% to R10 943 million (2021: R6 614 million) due to strong retail unit trust flows in Uganda and corporate flows in Kenya. Higher gross inflows more than offset higher outflows in Uganda as customers sought liquidity in the challenging economic climate which resulted in net client cash flow of R2 845 million (2021: R1 243 million).

Old Mutual Africa Regions continued

Life APE sales increased by 6% to R214 million (2021: R201 million) mainly due to improved productivity, which resulted in increased retail and corporate sales in Uganda and Kenya. There was an improvement in the value of new business and the value of new business margin due to the continued higher proportion of more profitable corporate sales.

Stricter lending criteria and buyoffs by mainstream banks led to a 20% decline in loans and advances to R2 216 million (2021: R2 778 million). The stricter lending criteria coupled with improved collections translated into lower impairments resulting in a 130 bps improvement in the net lending margin.

Good customer acquisition and retention strategies led to a 33% increase in gross written premiums to R3 822 million (2021: R2 873 million). However, poor claims experience resulting from the higher incidence of both health and general insurance claims as well as the higher cost of claim settlement continue to adversely impact the underwriting experience, with the net underwriting margin decreasing by 60 bps to negative 8.7% (2021: negative 8.1%).

A turn around in results from operations, at R86 million (2021: negative R104 million), was driven by improvements in all lines of business. Life and Savings results from operations significantly improved due to better mortality experience and positive basis changes related to Kenya. The COVID-19 provision of R21 million was released in the current year. Asset Management results from operations improved by 22% to R60 million (2021: R48 million) due to higher fees generated from higher funds under management, which benefited from the positive net client cash flow of recent years.

Banking and Lending results from operations improved by R35 million, mainly due to lower impairments stemming from improved collections and a stabilising loan book. Property and Casualty results from operations improved by R6 million due to higher investment returns driven by growth in fixed interest assets backing policyholder liabilities due to the growth in business written, as well as higher yields on fixed assets in Kenya and Uganda. These returns offset an underwriting loss as a result of high claims in health and motor insurance lines.

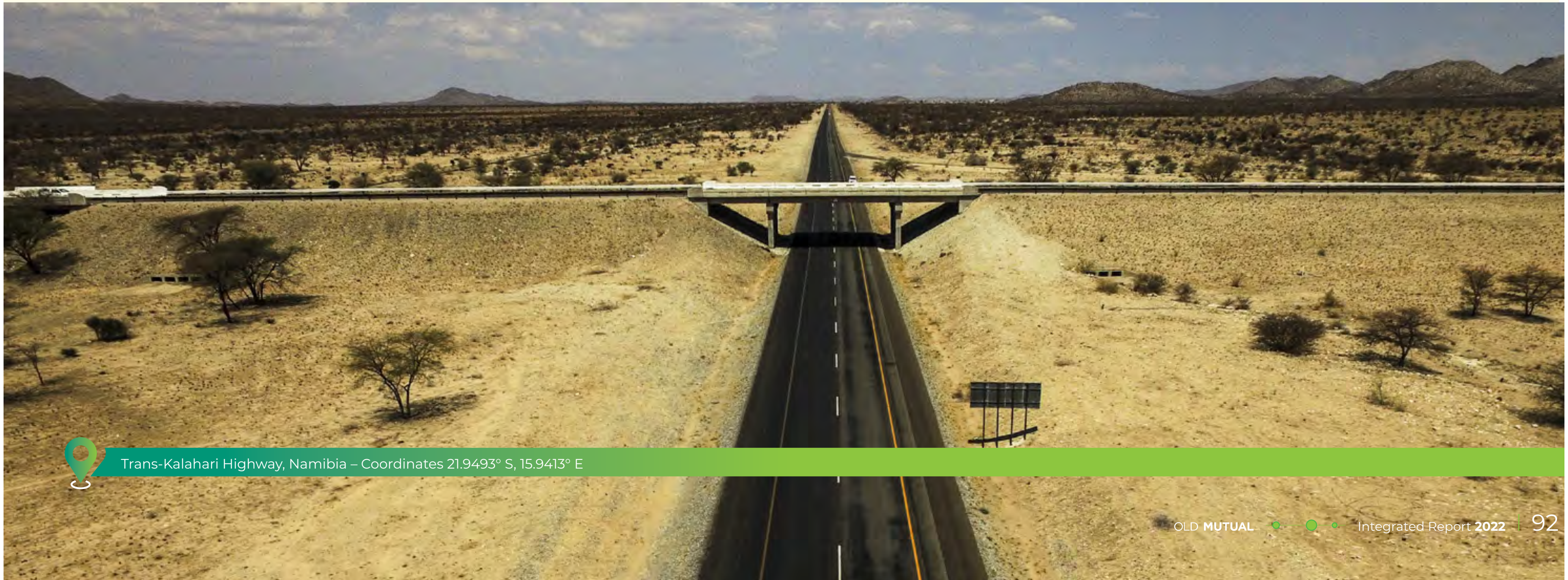
West Africa

Despite increased corporate flows in Nigeria, in line with the strategy to pivot towards corporate business, gross flows decreased by 6% to R548 million (2021: R583 million) due to a 39% appreciation of the rand against the Ghana cedi. In local currency, Ghana flows increased by 10% due to higher corporate and retail flows. Net client cash flow decreased by 10% as the lower outflows partially offset the decrease in inflows, driven by better claims experience.

Life APE sales decreased by 15% to R163 million (2021: R191 million) due to the appreciation of the rand against the Ghana cedi. In local currency, Life APE sales increased by 2% due to improved retail and corporate sales in Ghana, which were partially offset by the closure of an unprofitable product line to new business in Nigeria. Value of new business and value of new business margin worsened due to low margin product mix as well as new business initial expense losses in retail book.

Gross written premiums increased by 28% to R245 million (2021: R192 million) due to new business onboarded and improved productivity. Despite the impact of high inflation on expenses, the strong top-line performance coupled with the containment of claims resulted in a significant improvement to the net underwriting margin.

Life and Savings results from operations loss improved by 4% to R26 million (2021: R24 million) due to positive basis changes related to the refinement of hedging methodology. Property and Casualty results from operations loss improved by 66% to R21 million (2021: loss of R62 million) driven by the improved underwriting result and higher investment returns on assets backing policyholder liabilities due to higher interest rates.



Trans-Kalahari Highway, Namibia – Coordinates 21.9493° S, 15.9413° E

OLDMUTUAL

www.oldmutual.com