



OLDMUTUAL

TAX

OLD MUTUAL LIMITED

TAX TRANSPARENCY REPORT

2020



DO GREAT THINGS EVERY DAY

About our report

Approval

The Board has considered the integrity of this report and has concluded that it adequately provides material disclosures of the Group's tax matters. The Board approved this report on 15 April 2021.



INTEGRATED REPORT



CORPORATE GOVERNANCE REPORT



REMUNERATION REPORT



RESPONSIBLE BUSINESS IMPACT REPORT



TAX TRANSPARENCY REPORT

Our stakeholders



Customers



Communities



Employees



Intermediaries



Investors



Regulators

Reporting frameworks

- King IV Report on Corporate Governance™ for South Africa, 2016 (King IV). Copyright and trade marks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.
- United Nations Principles for Responsible Investment (UNPRI)
- Guided by the Global Reporting Initiative's Sustainable Reporting Standard (GRI 207: Tax), as issued by the Global Sustainability Standards Board
- Guided by the 'B Team' Initiative of responsible tax principles for business (a body founded by global business leaders to set the framework for good tax practice)

Scope and boundary

This report covers the activities of the Group for the period 1 January 2020 to 31 December 2020. It provides an overview of our tax approach, philosophy, strategy and contributions from a tax perspective in the jurisdictions in which we have business operations.

Assurance

The financial information contained in this report has been extracted from note D1/H7 of the specific supplement in the Old Mutual Limited Consolidated Annual Financial Statements for the year ending 31 December 2020. An unmodified audit opinion was expressed on the consolidated annual financial statements.

Feedback

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

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Messages from our leadership



CHIEF FINANCIAL OFFICER
Casper Troskie

'Old Mutual Cares' is our external expression of what it means to be a responsible business. In pursuit of our purpose, our strategy and operating models are designed to ensure that we deliver on this, wherever we do business.

Our integrated reporting suite, including our first Tax Transparency Report, is one step towards demonstrating how we create shared value for our investors, employees, customers and their families and communities.

As a responsible taxpayer in a class amongst the largest taxpayers in every country in Africa in which we are based, we know that this requires us to behave responsibly and amongst other factors, pay our equitable share of taxes, on time. We know the deep impact that the taxes we pay have on the prosperity of the countries and communities we serve.

Through our Tax Transparency Report, we trust we have sufficiently articulated the steps we have taken to deal responsibly and respectfully with the Revenue Authorities of the countries in which we do business. In our 2020 financial year, despite difficult trading conditions, Old Mutual contributed R12.4 billion in taxes to the jurisdictions in which we have business operations.

As we strive to enhance our relationships with our stakeholders, we present our first Tax Transparency Report as part of our drive to report thoroughly and transparently on our tax affairs.

"The taxes we pay form part of our contribution to the prosperity of the countries and communities we serve. We remain committed to paying our taxes responsibly and transparently."

Casper Troskie
Chief Financial Officer

R12.4 billion contributed in taxes



GROUP HEAD OF TAX
Nazrien Kader

As a financial services conglomerate listed in multiple jurisdictions, we recognise our role in and responsibilities to the economies in which we operate.

As part of our commitment to delivering on our social contract, in the interest of transparency and as a signatory to the United Nations (UN) Global Compact and commitment to apply the 10 principles of the UN Global Compact, the Old Mutual Group is proud to present its first Tax Transparency Report for the 2020 financial year.

Aligned to global best practice and guided by the standards articulated in Global Reporting Initiative 207, as a responsible taxpayer, we share our tax strategy and approach to tax risk management, as well as highlight our tax contributions in regions in which we operate. It is a powerful signal of our intent by voluntarily publishing details of our tax contributions and a simple narrative explaining our tax position. We are aligning closely with our purpose and strategy as well as our support for the UN agenda on sustainable development goals. It's a start and our ambitions don't end there.

We trust that we have provided sufficient insights in this report to our stakeholders demonstrating the actions we have taken to implement good tax practice in the areas of tax management, strategy, interactions with Revenue Authorities and tax compliance and reporting. We encourage debate and are committed to leading the conversation on tax transparency.

"We are aligning closely with our purpose and strategy as well as our support for the United Nations agenda on sustainable development goals. It's a start and our ambitions don't end there"

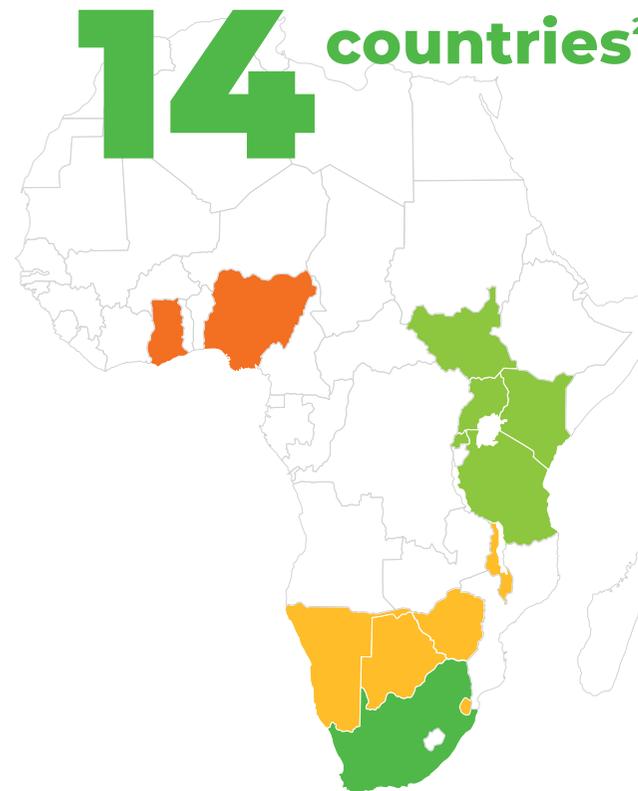
Nazrien Kader
Group Head of Tax

Our values of **Trust**, **Accountability** and **Integrity** have defined our approach to managing our taxes responsibly.



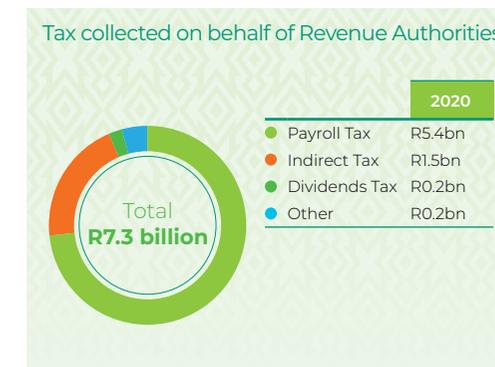
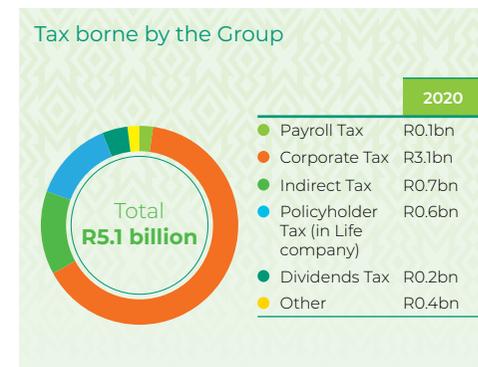
At a glance

Our tax contributions have significant economic and social impacts in the jurisdictions and communities we serve¹



Africa region: Total Tax Contribution

South Africa	R11 billion 88.7% (2019) R10.9 billion
Southern Africa (excluding South Africa)	R772.1 million 6.3% (2019) R785.6 million
East Africa	R568.6 million 4.6% (2019) R432.2 million
West Africa	R37.4 million 0.3% (2019) R27.0 million
Asia and other regions: Total Tax Contribution	R13 million 0.1% (2019) R706.7 million



¹ Please refer to the Supplementary Information: Tax by Region for additional analysis.
² We operate in 13 African countries and China.
³ The allocation has been calculated by applying the expenditure ratio per the 2020 National Budget to the South African tax contribution.



Tax philosophy and strategy

We aim to maximise sustainable value by way of our commitment, in every jurisdiction in which we operate, to being a responsible taxpayer, a trusted, relevant and progressive business partner that is enabled by an agile, responsive, modern and engaged tax function.

C A R E S

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

We will aim to be **Always present first** by ensuring that propositions and advice are available to customers when and how they need them, and through our brand that is always top of mind

We will build **Rewarding digital engagement** through considerate and effective use of advice and customer data

Our high performing **Engaged employees** will make meaningful contributions to achieve our purpose, vision and values

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

We launched a Truly Mutual strategy underpinned by five interconnected strategic pillars during 2020. The successful execution on the five pillars will enable the Group to be customers' first choice and build the most valuable businesses in the industry, delivering sustainable long term value for shareholders.

Our Tax strategy aligns with the wider Group strategy in the following ways:

- We make it evident that Old Mutual CARES by way of our transparent disclosure of our contributions made to every region in which we have business operations.
- Our Group Tax function adopts a "continuous improvement" mindset towards a culture of high performing, customer-centric, tax-skilled and engaged employees who are diverse, talented and respected in the tax field.
- We aim to be always present first for all our tax stakeholders which includes revenue authorities, industry bodies and communities in which we do business.
- We aim to build solutions that lead through modern technology, analytics and automation of tax reporting processes, including governance and oversight processes.
- We deliver the right tax expertise, at the right time to support our businesses through transforming our traditional compliance and reporting systems into rewarding digital engagements.



RESPONSIBLE TAXPAYER



Innovation
Platforms
Analytics

AGILE

MODERN

Digital
Robotics

RESPONSIVE



Customers



Communities



Revenue authorities



Investors



Employees



Approach to tax

The Group's values which include earning trust and respect, taking accountability and acting with integrity, underpin our behaviour as responsible taxpayers in the face of complex and evolving tax legislation. Compliance with the Group's Code of Conduct further demonstrates our commitment.

OUR TAX PRINCIPLES

Strong tax governance framework and standard tax operating models and protocols to ensure that we pay the right amount of tax at the right time, in the jurisdictions in which we have business operations.

Zero tolerance approach to non-compliance with tax legislation and regulations in all markets in which we serve.

Transparent and timeous tax compliance and reporting through co-operative relationships with revenue authorities, based on mutual respect, transparency and trust.

Proactive and constructive engagement with revenue authorities, business groups and civil society to support the development of effective tax systems, legislation and administration.

Commitment to being a responsible taxpayer, to sustain and grow the prosperity of our employees, customers, and communities we serve.

Our approach to tax is safeguarded by forward-thinking, diverse, talented and engaged tax specialists that we attract and retain in the Group. Adhering to our principles and acting on our values enables us to make the following commitments:

ONE

We maintain transparent and proactive relationships with local revenue authorities, holding robust dialogue on interpretations and application of proposed and current tax laws, obligations and requirements. We respond pro-actively to new tax regulatory proposals and contribute to industry body working groups.

TWO

We do not engage in any activities that are considered solely or mainly for the purposes of tax avoidance, base erosion or profit shifting. Our legacy operations in low tax jurisdictions were established in response to customer needs for offshore licensed investment services and products. We follow the 'arm's length' principle in respect of all cross border intra-group transactions and comply with OECD transfer pricing principles as well as local statutory transfer pricing principles in the countries in which we have business operations.

THREE

We are committed to the improvement of global tax transparency and support international tax treaties with the exchange of our tax information. Furthermore our global tax contributions support the objectives of sustained economic growth as per the United Nations Sustainable Development Goals and the South African National Development Plan 2030*.

** Refer to page 6 of the 2020 Old Mutual Limited Responsible Business Impact Report.



Tax governance and risk management

The Board's responsibilities include leading and evaluating the effectiveness of corporate governance of our multi-listed and geographically diverse financial services group. Amongst others, the Board is guided by the King IV principles on corporate governance along with the minimum standards of the Prudential and Market Conduct Authority.

The Board sets out the approach to corporate governance in the Group Governance Framework (GGF)*. The Board evaluates regular reports from the Group's executive committee, the audit and risk sub-committees.

The Group Tax Risk Management Policy approved by the Board sets the tax risk appetite within the parameters of which the Group operates. The Group Tax function is mandated to perform group-wide tax oversight and is committed to ethical and effective leadership by considering the needs of all tax stakeholders in the pursuit of efficient tax planning and sustainable, commercial activities.

The audit committee and risk committee of the Board mandates the Chief Financial Officer and the Group Head of Tax to oversee the implementation of the Group Tax Risk Management Policy in support of the business strategy set by the Board. This is complemented by the Finance and Data Governance policies. In addition, these committees provide oversight of external tax disclosures, and material tax compliance risk management processes. The Group Head of Tax sets the tax control framework, and operationalises the policy through the implementation of tax standard operating procedures and methodologies throughout the business.

The Group Tax function supports the implementation of the tax strategy and reporting by business by providing subject matter expertise and tax advice. The Boards of subsidiaries drive the effective implementation of the tax policy by receiving and reviewing quarterly reports from the executives in charge of the respective businesses on the:

- Nature and extent of all material tax matters and remediation/mitigation actions.
- Potential impact of new or proposed tax laws and regulations.
- Occurrence of any material tax non-compliance-related risk events, control breaks and incidents and tax revenue authority enforcement actions.
- Adequacy and effectiveness of tax processes, tax internal controls and/or mitigating actions.

The management of subsidiaries appoint knowledgeable senior tax representatives to oversee the implementation and testing of the adequacy of key tax controls. Through the combined assurance model, an independent review of tax compliance and adequacy of tax disclosures is performed by the internal and external audit function.

OML and OMLACSA Boards

(and their sub-committees) receive reports that include commentary on significant tax matters. These reports include:

Report of the CEO

- Executive Finance Committee Report
- Monthly Executive Committee Report
- Quarterly Business Review

Audit committee

- Audit Committee Report
- Annual and Interim Reporting

Risk committee

- Material Tax Matters
- Control Risk Attestation

Group Tax

The Group Head of Tax reports on the following areas to the sub-committees of the Board:

- Self Assessments
- Letters of Representation
- Group Internal Audit Reports
- External Audit Assurance
- Tax Risk Mitigation
- Key Tax Controls
- Compliance Monitoring
- Tax Regulatory Change Process
- Awareness and Training
- Cross Referencing to Governance and Risk

Tax Standard Operating procedures are implemented by:

Chief Financial Officer of Subsidiary

Senior Tax Representative

Board of Subsidiaries of Operating Entities

We have very stringent governance and controls in place over our processes which include anonymous whistleblowing channels: Phone 0800 22 21 17 through which suspicion of tax evasion or fraud may be reported.

* Refer to the 2020 Old Mutual Limited Corporate Governance Report.



Stakeholder engagement

ONE

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

TWO

Our second commitment is to adhere to strong corporate governance principles and to build trust with our stakeholders through maintaining good relationships. Our relationships with revenue authorities in countries in which we operate are governed by the Group's formal Stakeholder Relations policy. The policy ensures that the standards by which we operate across all our markets are in line with the King IV Code, United Nations Global Compact and United Nations Global Reporting Initiative Standards (GRI) for transparency.



Our Stakeholders	2020 Engagement
 <p>Investors We are committed to reporting accurately and transparently on the tax affairs of the Group. In this respect, we have also ensured that our processes to identify, assess and mitigate tax risks withstand scrutiny.</p>	<p>Our Tax Transparency Report is our response to placing more relevant information in the hands of our investor community</p>
 <p>Customers We are committed to sustaining and growing the prosperity of our customers and their families. Group Tax provides oversight of tax affairs ensuring accurate, fair and efficient tax disclosure. We continually initiate projects to improve how we share tax information and introduce technology to enable the management of our customer's tax affairs and queries in response to their needs.</p>	<p>One example amongst many others is the issuing of provisional tax statements (IRP6) for ease of completion of customer's tax returns</p>
 <p>Communities The Group was founded on sustaining the prosperity of the communities we serve. The economic impact of our tax contributions to the countries in which we operate support corporate social responsibility and is explained in more detail in the Old Mutual Limited 2020 Responsible Business Impact Report.</p>	<p>In addition to the Group-wide initiatives, the Group Tax Team supported the following charities:</p> <ul style="list-style-type: none"> • 100mile charity walk • Animal shelter in our community in Cape Town • Orphanage in the community in Cape Town
 <p>Revenue authorities We recognise that sustained economic growth demands a fair, transparent and an effective tax environment to secure mutually positive futures. We seek to maintain co-operative and proactive relationships with local revenue authorities by responding to regulatory proposals and requests for information timeously and to support the local revenue authorities to achieve their mandates to modernise the tax compliance process.</p>	<p>We maintain solid relationships with the in-country tax revenue authorities in the jurisdictions in which we operate across the African continent. One of the highlights of our strategic engagement with the South African Revenue Service included a pilot programme resulting in closer integration of data exchange to improve the quality of data submissions for the industry. We provided input into the development of tax legislation using the various fora on which we are represented.</p>
 <p>Employees The Group attracts and grows tax expertise by truly understanding the aspirations of our people, investing in their personal development, fairly remunerating and creating a culture of respect and trust. We aim to create rewarding career paths with clear personal growth plans in Group Tax. Our short to medium-term focus on strategic automation and modernisation is delivering on our goal of more engaged tax resources applied to intellectually stimulating and value-creating activities.</p>	<p>Some of the highlights include:</p> <ul style="list-style-type: none"> • Launching the Chartered Accountants Community CA(Libre) to foster a sense of 'belonging' • Bursaries to fund the professional development and personal growth of our employees • Conducting employee 'pulse' surveys to be more responsive to employee needs
 <p>Industry Our talented and respected tax professionals actively contribute, lead, participate and lobby on matters that impact our industry.</p>	<p>Bodies on which our tax specialists serve include the:</p> <ul style="list-style-type: none"> • Tax sub-committee of the Association for Savings & Investment South Africa (ASISA) • National Tax and other sub-committees of the South African Institute of Chartered Accountants (SAICA) • Davis Tax Committee and the South African Revenue Service Revenue Recovery Program • ACCA Zimbabwe Tax



Uncertain tax positions

We are committed to conducting our tax affairs in accordance with the tax legislation of the countries in which we have business operations. All interpretations by management are made with reference to the specific facts and circumstances of the transaction and in the context of relevant legislation, practice and directives. All positions taken are vigorously tested and defensible.



Business and tax law complexity may result in the Group entering into transactions that expose us to tax, legal and business risks. Judgement is involved in determining whether there are uncertain tax positions. The revenue authorities in the various countries in which we operate routinely review historic transactions undertaken and tax law interpretations made by the Group.

The financial statements record and evaluate tax positions in terms of IFRIC 23 – *Uncertainty over Income Tax Treatments*, IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* and IAS 12 – *Income Taxes*, which sets out how to account for the tax position, when there is uncertainty over income tax treatment. Where applicable, the impact of the above statements on the respective legal entities in the Group have been considered.

The Board is satisfied that adequate provisions have been made to cater for the resolution of uncertain tax matters and that the resources required to fund such potential settlements, where necessary, are sufficient.

During the 2020 year, the following major settlements were made, consultatively with the revenue authorities:

- Voluntary disclosure: R48.7 million paid
- Alternate dispute resolution: R37.9 million refunded
- Defending our tax position: R148.0 million refunded.

Following the positive outcome of the SARS 'test case' in favour of the taxpayer (the 'most favoured nation' clause), SARS has since refunded to the Group withholding taxes previously paid and related interest.

Our value of INTEGRITY



Actuarial and tax judgements

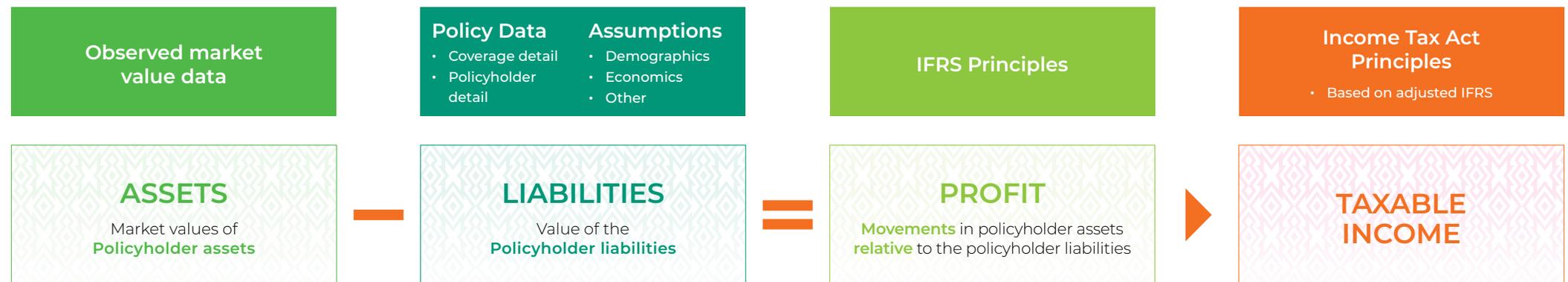
As noted, the Group has four lines of business, with the most significant being our Life and Savings business. This line of business is the major contributor to the Group’s operating profit, and consequently, its total tax contribution to the jurisdictions in which we have business operations.

Taxable income for our Life and Savings business is calculated in accordance with the tax laws of the countries in which we operate. Life profits are based largely on movements in the policyholder assets relative to the policyholder liabilities. Policyholder assets are normally valued on observed market value or fair value, but significant judgement is required to determine the value of the policyholder liabilities.

IFRS 4 *Insurance Contracts* is a principles-based standard involving material judgment. The IASB issued IFRS 17 *Insurance Contracts* in May 2017, as a replacement for IFRS 4 *Insurance Contracts*. The Group will apply the new standard from the effective date, being 1 January 2023. The Group has rolled out an implementation programme, which the Group Tax function is an integral part of.

Generally, the valuation date measurement of policyholder liabilities involves the use of models with assumptions to calculate the present value of projected future cash flows, together with adding any margins that may be prescribed or is allowed to be added at the discretion of the insurer.

Assumptions used in the valuation of liabilities are set on a long-term basis, and are not expected to be changed frequently. Proposed changes are taken through strict governance processes before half-yearly valuations, with ultimate Board audit committee approval. The impact of basis changes are estimated as part of the governance process, but these estimates will differ to the actual final impact. In the actual valuation, liabilities are quantified using actual data, approved assumptions and models. Changes to assumptions and models will influence the timing and release of profits over time. Profits can fluctuate as a result of deviations between current and future expectations of market conditions and policyholder behaviour, as well as the current year’s experience, differing to that assumed at the start of the year. The differences between actual assumption changes and estimated assumption changes are reported to the Board audit committee.¹



¹ Further detail regarding the critical accounting estimates and judgements relating to the measurement of policyholder liabilities can be found in note G2 of the Annual Financial Statements.



Group effective tax rate

Due to the combination of an IFRS pre-tax loss and actual tax charge/payment, the Group IFRS and cash effective tax rates reflect as negative. Notwithstanding that the effective tax rate is negative, this is in effect an increase in the rate as the IFRS pre-tax loss creates an inverse relationship (Refer to Reconciliation of Group Statutory Tax Charge to Cash Tax for an explanation).

*IFRS effective tax rate¹

The Group IFRS effective tax rate as at 31 December 2020 is -63.4% (December 2019: 30.8%). This is 91.4% higher than the statutory tax rate of 28%. The key drivers of the higher IFRS effective tax rate (as compared to the statutory rate of 28%) are as follows:

- The impairment of the strategic equity investment in Nedbank and the impairment of goodwill related to our investment in Old Mutual Finance, against which no corresponding deferred tax is recognised. This accounts for a 86.6% increase in the effective rate
- Income tax (including deferred tax) attributable to policyholder taxes contributed a 25.8% increase to this rate; and
- These increases were partially offset by the full year, elimination of fair value losses on OML treasury shares, accounting for a 18.4% decrease in the effective tax rate.

* Refer to page 16 of the 2020 Old Mutual Limited Annual Financial Statements.

Cash tax rate³

The Group cash tax rate as at 31 December 2020 of -73.8%*** (December 2019: 31.4%) is in fact higher than the Group statutory tax rate of 28.0%. The key drivers of the higher cash tax rate, relate mainly to the following:

- The impairment of the strategic equity investment in Nedbank and the impairment of goodwill related to our investment in Old Mutual Finance. This accounts for a 86.6% increase in the cash tax rate;
- Income tax attributable to policyholder taxes contributed a 14.8% increase to this rate; and
- These increases were partially offset by the full year, elimination of fair value losses on OML treasury shares, accounting for a 18.4% decrease in the cash tax rate.

*** Cash tax excludes: deferred income tax, prior year tax adjustments and tax provisions.

1 IFRS effective tax rate is defined as the IFRS Income tax charge as a percent of pre-tax IFRS profits of the Group

3 Cash tax rate is defined as the cash taxes paid/payable in respect of current year income as a percent of pre-tax IFRS profits/losses of the Group

**Adjusted Headline Earnings (AHE) effective tax rate²

The Group effective AHE tax rate as at 31 December 2020 of 32.0% (December 2019: 22.3%) is lower than the Group effective IFRS tax rate of -63.4%. The key drivers of the lower effective tax rate on an AHE basis, as compared to the IFRS basis, relates to the following:

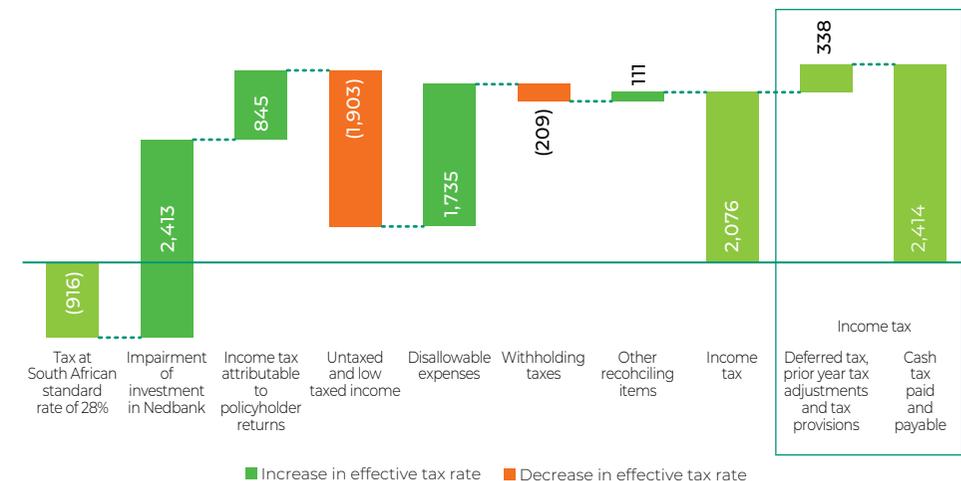
- The income tax attributable to policyholder taxes which are excluded from the tax on the AHE basis; and
- The earnings on the AHE basis excludes the impairment of the investment in Nedbank and other non-core earnings.

** Refer to page 18 of the 2020 Old Mutual Limited Annual Financial Statements.

2 Adjusted Headline Earnings (AHE) effective tax rate is defined as the AHE Income tax charge as a percent of pre-tax AHE profits of the Group. AHE is an alternative non-IFRS profit measure used alongside IFRS profit to assess performance of the Group. The basis of preparation of Adjusted Headline Earnings is defined under A1 on page 27 of the Annual Financial Statements

Reconciliation of Group Statutory Tax Charge to Cash Tax

The graph from the left starts with the statutory tax payable on the IFRS pre-tax loss (note this is negative due to the loss) and then illustrates the various adjustments to achieve the IFRS tax charge and the cash tax payable. The IFRS tax charge and the cash tax payable is higher than the theoretical statutory tax charge, hence the increase in the effective tax rate:





Effective tax rate reconciliation

A detailed computation of the IFRS effective tax rate reconciliation and graphical representation of a three year trend of tax rates is presented below:

	2020 Rm	2019 Rm	2020 %	2019 %
(Loss)/profit before tax	(3,272)	13,796		
Tax at South African standard rate of 28% (2019: 28%)	(916)	3,863	28.0%	28.0%
Different tax rate or basis on foreign operations	(60)	66	1.8%	0.5%
1 Untaxed and low taxed income	(1,903)	(1,785)	58.2%	(12.9%)
2 Disallowable expenses	4,148	954	(126.8%)	6.9%
Adjustments to current tax in respect of prior years	46	(116)	(1.4%)	(0.9%)
Net movement on deferred tax assets not recognised	53	124	(1.6%)	0.9%
Adjustments to deferred tax in respect of prior years	72	(81)	(2.2%)	(0.6%)
Withholding taxes	(209)	50	6.4%	0.4%
Income tax attributable to policyholder returns	845	1,161	(25.8%)	8.4%
Other	-	9	0.0%	0.1%
Income tax expense/IFRS effective tax rate	2,076	4,245	(63.4%)	30.8%

1

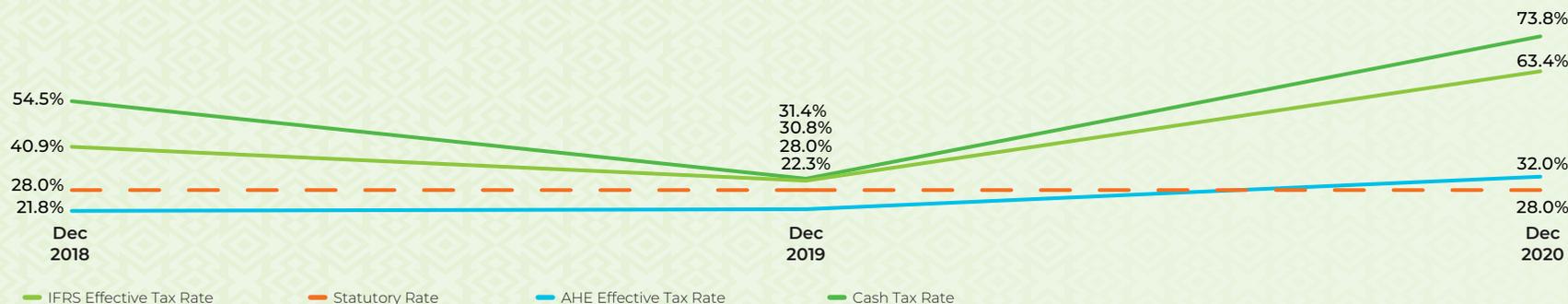
Includes exempt income, capital gains taxed at lower than the corporate tax rate and non-taxable fair value movements

2

Disallowable expenses include impairment on Nedbank, provisions and expenses incurred in the production of non-taxable income (e.g. dividend income) and are therefore non-deductible for tax purposes

Note

Due to the inverse relationship caused by the IFRS loss before tax these percentages (except for the AHE Effective Tax Rate and statutory rate) have been inverted to correctly depict the trend in the Effective Tax Rates. The AHE Effective Tax Rate as well as the statutory rate has not been inverted, as on the AHE basis the Group has made a profit.



Commentary and trends

IFRS effective tax rates and cash tax rates have increased significantly mainly due to the impairment of the strategic equity investment in Nedbank, the impairment of goodwill related to our investment in Old Mutual Finance and the base effects caused by the trading losses.

AHE effective tax rate has increased significantly mainly due to the de-recognition of prior year deferred tax on assessed losses and the non-recognition in the current year of deferred tax on assessed losses.



Supplementary information

In the following table, we share an overview of our tax information by region guided by the disclosure requirements in GRI 207

Region ¹	Primary activities				Profit/(loss) before tax Rm ²	Corporate income tax paid on a cash basis Rm ³	Corporate income tax accrued on profit/(loss) Rm ⁴	Cash tax rate ⁵	Number of staff ⁶	Total Tax Contribution			
	Life and Savings	Asset Management	Banking and Lending	Property and Casualty						Total Tax Contribution 2020 Rm	Total Tax Contribution 2019 Rm	Percentage Total Tax Contribution 2020	Percentage Total Tax Contribution 2019
South Africa	✓	✓	✓	✓	(6,247)	(3,496)	(2,176)	(34.8%)	22,603	10,963	10,978	88.7%	84.9%
Southern Africa (excl. South Africa)	✓	✓	✓	✓	2,352	(242)	(258)	11.0%	2,832	772	785	6.3%	6.1%
East Africa	✓	✓	✓	✓	(524)	(298)	(210)	(40.2%)	3,312	569	432	4.6%	3.3%
West Africa	✓	✓	✓	✓	(36)	(13)	(11)	(31.8%)	720	37	27	0.3%	0.2%
Other	✓	✓			1 183	314	242	(20.5%)	45	13	707	0.1%	5.5%
TOTAL					(3,272)	(3,735)	(2,414)	(73.8%)	29,512	12,354	12,929	100%	100%

¹ Note 1 of the 2020 Annual Financial Statements contains a list of names of principal subsidiaries, associates and joint ventures

² Consolidated IFRS loss before tax for the Group per the 2020 Annual Financial Statements

³ Corporate income tax paid in 2020

⁴ Corporate income tax accrued on profit or loss excludes deferred income tax, prior year tax adjustments and tax positions

⁵ Cash tax rate is calculated as the cash taxes paid/payable in respect of current year income as a percent of pre-tax IFRS profits/losses of the Group

⁶ Number of staff is calculated as the head count at the end of the reporting period 31 December 2020

Commentary and Trends

Whilst there has been a swing from IFRS profit in 2019 to losses before tax in 2020 the total tax contribution for the Group has only decreased by 4.4% from R12.9 billion in 2019 to R12.4 billion in 2020. The relative tax contributions of the various countries to the total tax contribution has remained relatively stable. The largest movements being a 5.4% reduction in the Other region primarily due to winding down of operations in the UK and LATAM.

South Africa – Our effective tax rate was largely driven by the impairment in the investment in Nedbank and the inclusion of policyholder tax. Whilst the total tax contribution has been virtually flat on prior year, notwithstanding the IFRS loss in the current year, the percentage contribution by South Africa has increased due to the relative decrease in the overall tax contribution by the other countries in the Group.

Southern Africa (excluding South Africa) – The effective tax rates were largely driven by the impact of differing Life industry and Banking specific tax regimes together with the impact of exempt income in Malawi, Namibia and Zimbabwe. The overall Total Tax Contribution is largely made up of corporate tax payments in Zimbabwe and Namibia.

East Africa – The effective tax rates were largely driven by a combination of non-deductible expenditure across the region together with losses for which no tax relief was enjoyed. The Kenya businesses contributed 57% to the East Africa Total Tax Contribution. Kenya had a significant payroll tax contribution due to high headcount. Uganda contributed a material portion of tax by way of indirect taxes. Both Kenya and Uganda had domestic transactional withholding taxes on payments to suppliers.

West Africa – The effective tax rates are mainly driven by the minimum tax rule in Nigeria (calculated at 0.5% of gross premiums/income payable where the tax on profits are lower than the minimum tax) together with non-deductible expenditure. The Total Tax Contribution is driven by corporate income tax payments, notwithstanding that the Nigerian Corporate income tax has reduced due to amendments to the tax legislation.

Other – The majority of the income relates to income earned by the Isle of Man. The legacy operations in the Isle of Man (and other low tax jurisdictions such as Guernsey and Mauritius) were established in response to our customers' needs for offshore licensed investment services and products. In establishing a presence in these jurisdictions, where appropriate, the Group has ensured that the operations have substance and are suitably equipped and staffed to make the required business decisions. The income of the Isle of Man, Guernsey and Hong Kong branches are taxable in South Africa. For subsidiaries in Guernsey, Mauritius and Bermuda, the income of these subsidiaries are taxed in South Africa in terms of South Africa's 'Controlled Foreign Company' rules. The effective tax rates for this region are negative (note this region has an IFRS profit) as the tax in respect of the branches are included in the South African tax payable and the tax has been reduced as a consequence of a dividend withholding tax refund. The total tax contribution for this region has declined significantly due to the winding down of operations in UK and LATAM as part of the Old Mutual managed separation process.