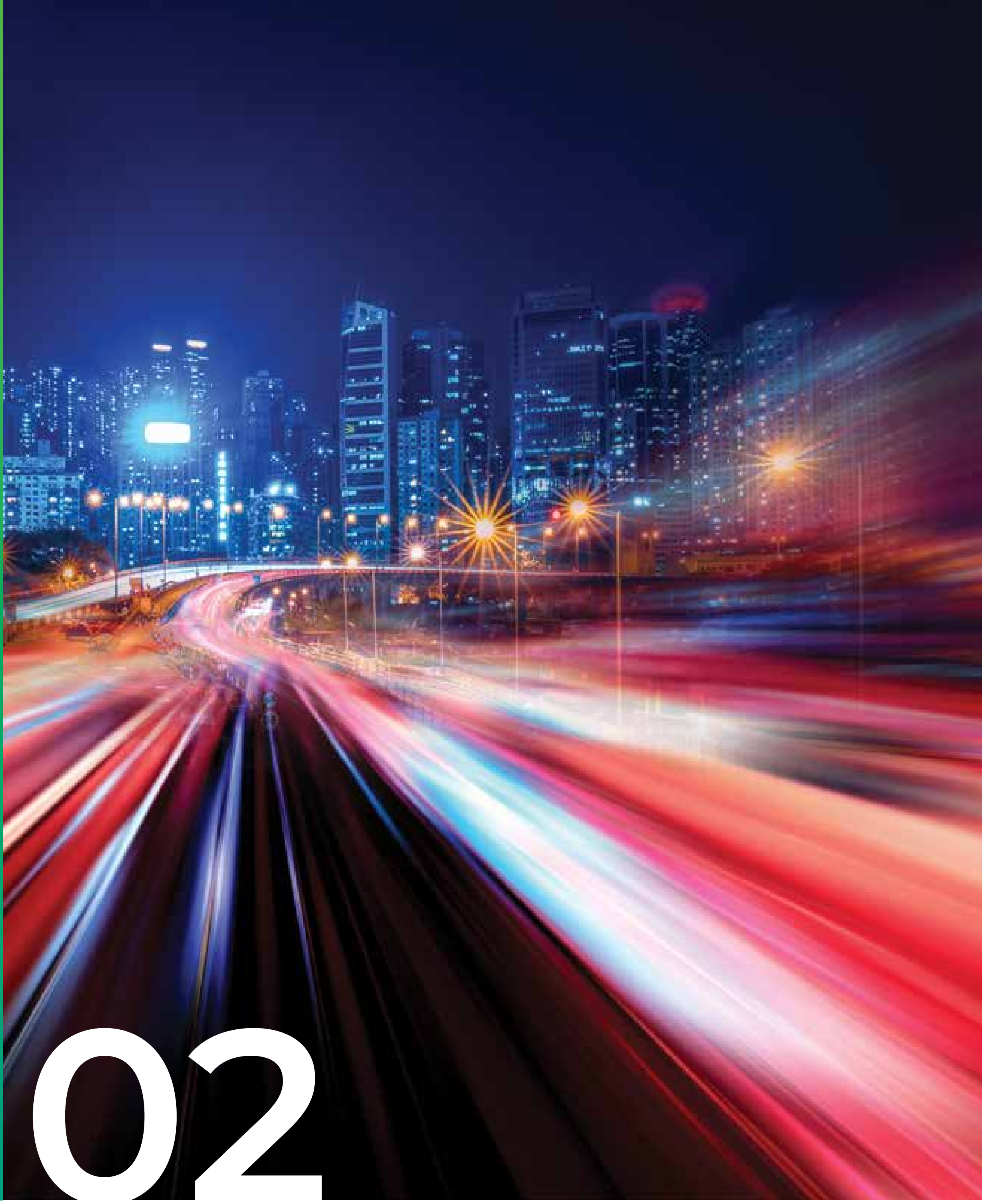


OLDMUTUAL

02

RESULTS COMMENTARY

DO GREAT THINGS EVERY DAY

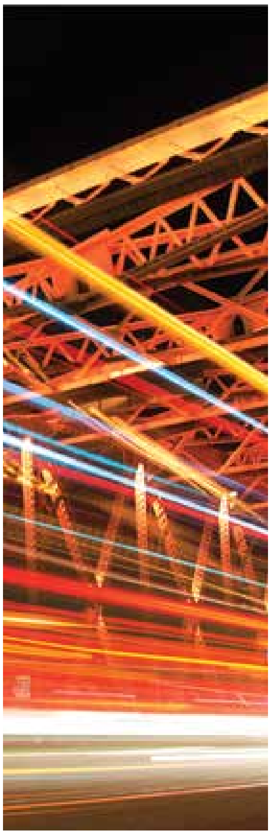
A year in review

IFRS profit after tax up 34%, on a comparable basis

R9.8 billion Adjusted Headline Earnings

220 cents[1] capital return per share

R1.2 billion of cost savings, exceeding our target



More than **3.2 million customers** serviced in **368 branches** across **South Africa**

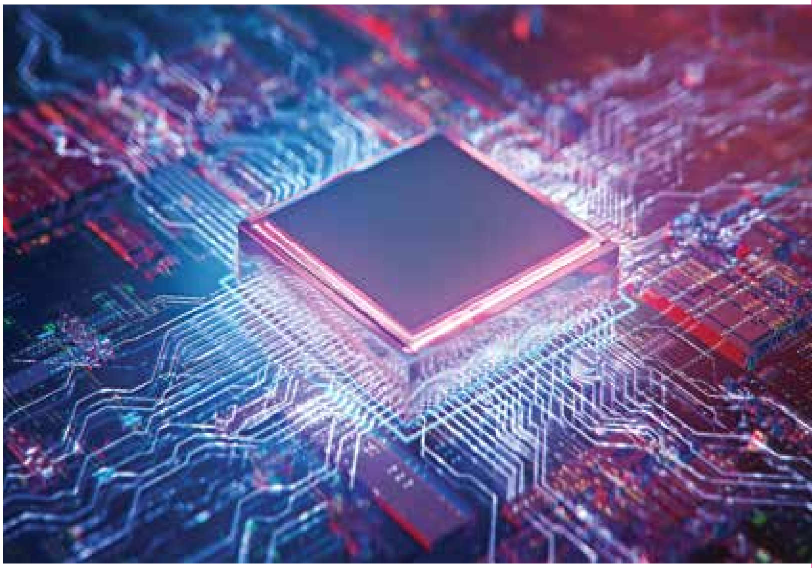
More than **500 000 Old Mutual Rewards members** with more than **500 million points earned to date**

Revamped our **sponsorships** to **reflect** our **brand's vibrant, new spirit** and **energy**

1 *Calculated as the per share equivalent of share buybacks and an interim ordinary dividend of 45 cents per share and a final ordinary dividend of 75 cents per share.*

More than **R300 million invested** in our Old Mutual **Education Flagship Project** since inception in 2013

We have **invested R131 billion in the green economy**[2]



Awarded the **BCX Digital Innovation Award** for Robotics and Cognitive Automation

Winner of **Sunday Times Top Brand** in the **long term insurance** category

151 active robots deployed in various processes, **saving 5.2 million** minutes in processing time to date

Launched **Workday** in certain countries across Rest of Africa, to **empower** and **digitally enable** our **employees** for **growth**

2 *The green economy measures investments into socially inclusive, low carbon and resource efficient investments.*

Results Commentary

Our business was resilient against significant headwinds in 2019. We faced challenging macroeconomic conditions in South Africa, our largest market, and many of our operating countries in the Rest of Africa. This put pressure on the disposable income levels of our customers and on the ability of our businesses to grow value for our customers and investors. We remain confident that our diversified business allows us to protect value for stakeholders in tough economic times.

> We remain confident that our diversified business allows us to protect value for stakeholders in tough economic times.

After careful consideration of the relevant facts and actions, our Board took the difficult decision to dismiss our former chief executive, Peter Moyo. We remained focused on reassuring our customers, investors and employees during the heightened media attention and scrutiny that followed, through transparent and regular communication. The Board remains confident that the decision made was in the best interests of our stakeholders and that their duties were discharged in line with the high standard of governance and ethics expected of an established and respected organisation like ours.

Our financial results were resilient after taking into account the impact of external factors in our operating environment. Results from Operations (RFO) decreased by 2% reflecting positive assumption changes offset by a decrease in Old Mutual Insure's underwriting result. Adjusted Headline Earnings (AHE) was up 5% mainly due to stronger shareholder investment returns in South Africa, partially offset by reductions in the fair value of properties in East Africa. We delivered positive Net Client Cash Flow (NCCF) which is commendable in the tough macroeconomic environment and Funds under Management (FUM) increased by 2% in line with the increase in average market levels.

Our business in China showed good growth in 2019 and is well positioned to penetrate the life insurance market which is relatively new and underpenetrated.

Previously, we offered primarily investment products, but have since expanded our offering to include protection solutions such as life, disability and critical illness.

Despite tough external factors, we have made great strides to be more operationally efficient so we remain relevant to our customers of the future. Since listing in 2018, we have been deliberate and focused on making what we believe to be essential culture shifts to champion positive futures for our customers every day and to attract top talent. We have been working relentlessly to become a digitally enabled business. We have made good progress on simplifying our legacy systems and processes, transforming the business to be more agile and able to meet our customers' needs and expectations.

2019 was a year in which our customers and communities were vulnerable and we remained dedicated to make an impact to their everyday lives through our responsible business efforts. Embedding a culture of being a responsible business has been a key focus since listing. We continue to create awareness amongst our employees to act responsibly, as we believe this will positively impact our ways of working and interactions with customers and the communities we serve. We have organised ourselves to make an impact through specific focus areas which align with the needs of our stakeholders and we are in the process of refining targets to track desired outcomes in each focus area.

> Despite tough external factors, we have made great strides to be more operationally efficient so we remain relevant to our customers of the future.

We returned significant levels of capital to our shareholders, including share buybacks totalling R4.9 billion and total ordinary dividends of 120 cents per share, an increase of 3% from last year.

We continue to monitor the impact COVID-19 (Coronavirus) is having on global markets and remain confident that our solvency and liquidity levels will remain resilient in this environment.

Results Commentary

Operating Environment

Global economic growth slowed down in 2019 due to trade tensions between the United States and China. Emerging Markets, being sensitive to global growth and heavily reliant on exports, were affected by this. Even though phase one of the trade agreement between the world's biggest economies was signed early in 2020, the global economy still faces significant growth challenges including rising debt levels around the world and sluggish productivity growth, evidenced by China's GDP growth of 6.1% in 2019, the lowest since 1990.

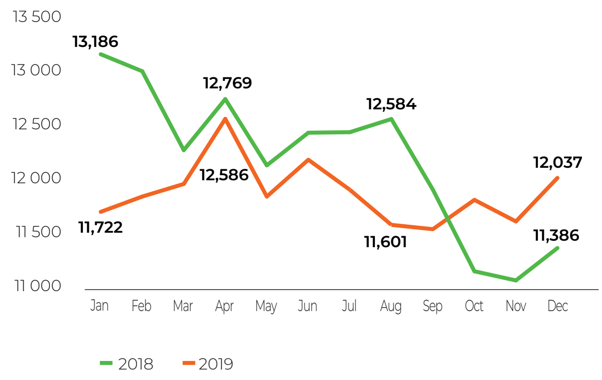
The equity markets in South Africa showed improved levels with the JSE SWIX up 5.7%, although average market levels remained below the prior year for most of the year. Economic growth was negatively impacted by rising public debt, inefficient state owned entities and rising unemployment levels.

In Zimbabwe, the rapid increase in inflation continued and at the end of 2019 inflation was 512%, compared to 42% at the end of 2018. This impact, combined with, severe currency shortages, drought conditions, high unemployment, increasing fuel prices and prolonged power outages contributed to further economic decline in this region. These severe economic conditions continue to increase the cost of living for our customers and create a difficult trading environment for businesses operating in this country.

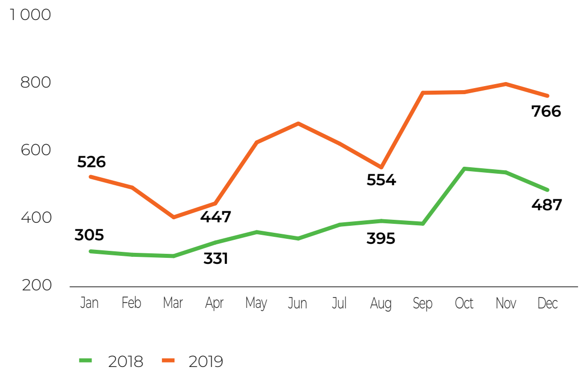
Namibia's economy continued to contract in 2019. Absent structural reforms, growth is expected to converge to a long term level of about 3%, which is too low to deliver meaningful improvements in per capita income and reduced unemployment. Malawi's growth was robust in the first half of 2019, supported by improved agricultural performance. GDP growth prospects for the next few years are positive, due to the rebound in agriculture and improved electricity supply from the Zambia–Malawi interconnector.

The stable macroeconomic environment and positive investor confidence in Kenya is placing it as one of the fastest growing economies in Sub Saharan Africa. Growth is expected to be 6% for 2020, with business activity receiving a boost from the loan rate cap removal and recent central bank easing. Nigeria's GDP grew by 2.3% in 2019, after the crude oil production in Q3 2019 rose to a three-year high. Nigerian equity markets were down 15% due to negative investor sentiment as a result of poor growth prospects.

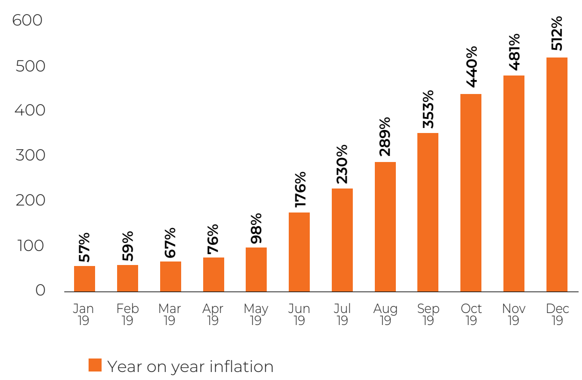
South Africa – Equity market levels (SWIX)



Zimbabwe – Equity market levels (ZSE Industrial Index)



Zimbabwe – Inflation rate (%)



Results Commentary

Group Highlights

Rm (unless otherwise stated)	FY 2019	FY 2018	% change
Gross flows	**170,689**	175,509	(3%)
Life APE sales	**12,268**	11,898	3%
NCCF (Rbn)	**2.2**	9.0	(76%)
FUM (Rbn)	**1,048.5**	1,026.0	2%
Results from Operations (RFO)	**8,972**	9,139	(2%)
Adjusted Headline Earnings (AHE)	**9,856**	9,396	5%
Adjusted Headline Earnings per share (cents)[1]	**209.3**	195.1	7%
Profit after tax attributable to equity holders of the parent[2]	**9,386**	36,566	(74%)
Basic Earnings per share (cents)[2]	**208.3**	788.1	(74%)
Headline Earnings (HE)[2]	**10,641**	14,241	(25%)
Headline Earnings per share (cents)[2]	**236.1**	306.9	(23%)
Return on Net Asset Value (RoNAV) (%)	**15.2%**	16.2%	(100 bps)
Free Surplus Generated from Operations	**6,794**	6,585	3%
% of AHE converted to Free Surplus Generated	**69%**	70%	(100 bps)
Group Solvency ratio (%)	**161%**	168%	(700 bps)
Final dividend per share (cents)	**75**	72	4%

1 *WANS used in the calculation of the Adjusted Headline Earnings per share is 4,709 million (FY 2018: 4,815 million).*

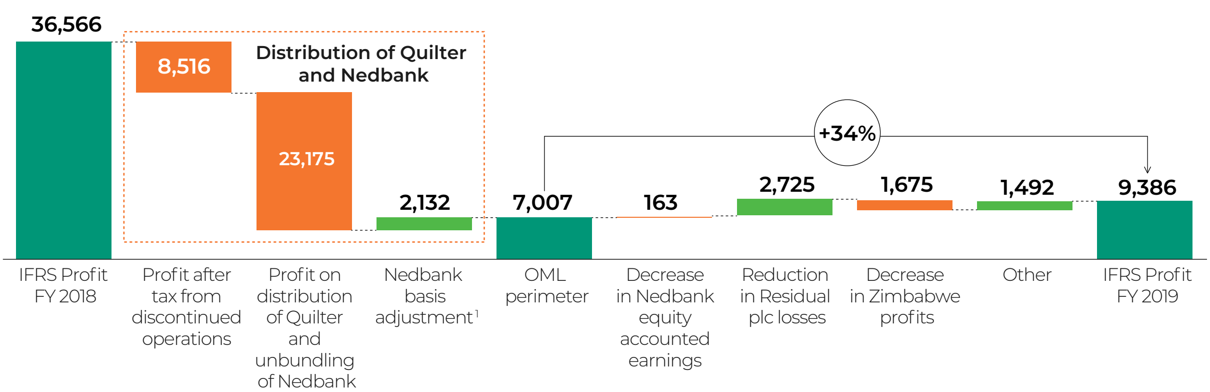
2 *These metrics include the results of Zimbabwe. All other key performance indicators have been re-presented to exclude Zimbabwe.*

IFRS Profit After Tax

IFRS profit after tax for the comparative period includes the accounting impacts of the transactions executed to complete the Managed Separation. These included the distribution of Quilter plc and the unbundling of Nedbank. IFRS profit after tax for the comparative period therefore included the consolidated profits in respect of Quilter plc and Nedbank, both of these were classified as profit from discontinued operations. IFRS profits for the comparative period also included the profit recognised on the distribution of Quilter plc and Nedbank of R23,175 million. IFRS profit after tax for the current period no longer includes the impact of these items, which is the main driver of the decrease. IFRS profit after tax attributable to equity holders of the parent on a comparable basis increased by 34% from the prior year. IFRS profit after tax attributable to equity holders on a comparable basis is derived by adjusting the comparative to remove the impact of Managed Separation transactions and to reflect Nedbank as if it had been accounted for as an associate for the full year in 2018.

The increase of 34% is driven by material Residual plc losses in 2018 which did not recur, partially offset by a decrease in Zimbabwe earnings.

IFRS Profit Impacted by the distribution of Quilter and Nedbank (R million)



1 *This adjustment aligns the IFRS profit for FY 2018 to what it would have been if Nedbank was accounted for as an associate for the full year as it is in 2019.*

Actuarial Basis Changes

	FY 2019					FY 2018				
Rm	Group	Mass and Foundation Cluster	Personal Finance	Old Mutual Corporate	Rest of Africa	Group	Mass and Foundation Cluster	Personal Finance	Old Mutual Corporate	Rest of Africa
Non economic basis changes	**(81)**	**1,330**	**(1,447)**	**74**	**(38)**	43	363	(355)	(21)	56
Economic basis changes	**1,013**	**–**	**772**	**217**	**24**	(1)	–	(1)	–	–
Total basis changes	**932**	**1,330**	**(675)**	**291**	**(14)**	42	363	(356)	(21)	56

During the year we concluded several experience reviews across our life business in South Africa, the results of which were captured in our year end basis change process. We have also implemented several model and methodology improvements.

Overall, the net impact of these basis changes to our life profits were R932 million. Although positive at a total level, there were some significant impacts due at a segment level to the differing outcomes of the experience reviews.

The non-economic basis change reflects the net impact of changes to morbidity, mortality, persistency and expense assumptions and associated modelling. In Mass and Foundation Cluster, where we have experienced recent periods of mortality profit, this resulted in a release of reserves, partially offset by an allocation of a portion of the value to our customers, consistent with our historic treatment of similar releases. In Personal Finance, the mortality basis change was negative, reflecting both poor mortality experience in certain cohorts over recent periods and the impact of removing worsening cross subsidies across cohorts.

Changes were also made to the persistency basis to recognise observed changes in persistency. In Mass and Foundation Cluster there was a negative impact from increasing lapse assumptions, while in Personal Finance there was a negative impact from reducing longer duration lapse assumptions in our Greenlight product.

The Personal Finance mortality and persistency impact was partially offset by the positive impact of reserving for expected future premium increases on policies that reach the end of their premium guarantee term.

The economic basis changes mostly reflect the impact of a release from our investment guarantee reserves, supported by the introduction of an improved and recalibrated economic scenario generator (ESG), which is a key component in the modelling of our investment guarantee reserves.

Results Commentary

Supplementary Income Statement

Rm	Note	FY 2019	FY 2018[1]	% change
Mass and Foundation Cluster		**3,527**	3,129	13%
Personal Finance		**1,730**	2,021	(14%)
Wealth and Investments		**1,447**	1,611	(10%)
Old Mutual Corporate		**1,816**	1,703	7%
Old Mutual Insure		**233**	670	(65%)
Rest of Africa		**496**	430	15%
Net expenses from central functions	A	**(277)**	(425)	35%
Results from Operations		**8,972**	9,139	(2%)
Shareholder investment return	B	**2,102**	1,188	77%
Finance costs	C	**(737)**	(601)	(23%)
Income from associates[2]	D	**2,528**	2,593	(3%)
Adjusted Headline Earnings before tax and non-controlling interests		**12,865**	12,319	4%
Shareholder tax		**(2,874)**	(2,686)	(7%)
Non-controlling interests		**(135)**	(237)	43%
Adjusted Headline Earnings		**9,856**	9,396	5%

1 *Due to the lack of ability to access capital by way of dividends, our business in Zimbabwe is managed on a ring fenced basis. It has been excluded from the Group's key performance indicators for the current period and comparatives have been re-presented to reflect this.*

2 *Income from associates includes our remaining stake in Nedbank and our investment in China.*

Net Expenses from Central Functions

Rm	FY 2019	FY 2018	% Change
Shareholder operational costs	**(792)**	(532)	(49%)
Interest income earned on shareholder bank accounts	**445**	167	>100%
Net income or expense from charitable structures	**70**	(60)	>100%
Net expenses from central functions	**(277)**	(425)	35%

A Net expenses from central functions

Central expenses of R277 million decreased by 35% from R425 million in the prior year. Shareholder operational costs have increased in line with our expectation, reflecting the full run rate of the standalone cost base. Interest income earned on shareholder bank accounts increased largely due to cash from the sale of our Latin America business and dividends remitted from Residual plc, that earned interest prior to being utilised for share buybacks and dividend payments during the year. We generated net income of R70 million from charitable structures due to higher investment return earned while donation expenses remained in line with the prior year.

B Shareholder investment return

Shareholder investment return of R2,102 million increased by 77% from R1,188 million in the prior year. Stronger equity market performance in South Africa, where the majority of the shareholder assets are held, and a higher average invested shareholder asset base compared to the prior year assisted these returns. Shareholder investment return in Rest of Africa decreased by 63% from the prior year largely due to a reduction in the fair value of investment properties in East Africa in the second half of the year. This was more than offset by strong returns generated in Namibia on certain listed and unlisted equities and improved performance of the property sector when compared to the prior year.

C Finance costs

Finance costs on long term debt increased by 23% to R737 million from R601 million in the prior year. The increase is largely due to finance costs in East Africa that have been designated to support the capital structure of the business and therefore reported as finance costs. Old Mutual Life Assurance Company South Africa (OMLACSA) issued additional unsecured subordinated debt of R2 billion during the year which contributed to an increase in finance costs, with a repayment of R1 billion that took place towards the end of the year. This was partially offset by higher fair value gains on derivative instruments related to borrowed funds.

D Income from associates

Income from associates decreased by 3% to R2,528 million from R2,593 million in the prior year, mostly due to the decrease in earnings from Nedbank. Nedbank's headline earnings decreased by 7%, reflecting the challenging macroeconomic environment, the impact of applying hyperinflation accounting for their operations in Zimbabwe and the cost of exercising their option to increase their stake in Banco Único.

Associate earnings in China were R9.9 million compared to a loss of R88 million in the prior year. The increase in earnings is largely attributable to an increase in fair value gains on financial assets, supported by growth in equity markets in Shanghai.

Results Commentary

Reconciliation of AHE to IFRS Profit After Tax

Rm	Note	FY 2019	FY2018	% change
Adjusted Headline Earnings[1]		**9,856**	9,396	5%
Investment return for Group equity and debt instruments in life funds		**474**	(219)	>100%
Impact of restructuring	A	**(580)**	(700)	17%
Discontinued operations	B	**74**	8,129	(99%)
Income from associates[2]		**–**	(2,132)	100%
Operations in hyperinflationary economies	C	**441**	2,116	(79%)
Residual plc	D	**376**	(2,349)	>100%
Headline Earnings		**10,641**	14,241	(25%)
Impairment of goodwill, other intangible assets and property, plant and equipment		**(395)**	(627)	37%
Impairment of associated undertakings		**(869)**	(265)	(>100%)
Profit on disposal of property, plant and equipment		**–**	51	(100%)
Profit on disposal of subsidiaries, associated undertakings and strategic investments		**9**	23,166	(100%)
Profit after tax for the financial period attributable to ordinary equity holders of the parent		**9,386**	36,566	(74%)

1 *Due to the lack of ability to access capital by way of dividends, our business in Zimbabwe is managed on a ring fenced basis. It has been excluded from the Group's key performance indicators for the current period and comparatives have been re-presented to reflect this.*

2 *This adjustment is no longer required due to the fact that there is no longer a mismatch in the presentation of our stake in Nedbank between AHE and Profit after tax attributable to ordinary equity holders of the parent.*

A Impact of restructuring

Restructuring costs largely relate to the completion of the migration of the IT platform and administration processes of Old Mutual International from Quilter plc to Wealth and Investments, a consequence of Managed Separation. The migration project identified potential data differences between the accounting system and underlying administration systems, a provision has been created to cover the potential accounting impacts that could arise as these differences are resolved. The migration costs incurred and the data provision expense have been excluded from the Group's profit measures, and reflected as restructuring costs.

B Discontinued operations

As disclosed in our interim results, the Group disposed of its Latin American business during 2019 for a cash consideration of R4,144 million, net of transaction costs, realising a profit on disposal after tax of R30 million. Profits from discontinued operations include R91 million of profit from Latin America for the three months ended 31 March 2019. Refer to Note A2 in annual audited financial statements.

C Operations in hyperinflationary economies

The profit represents the results of our Zimbabwe operations for 2019. Due to the volatility that hyperinflation introduces to Zimbabwe's outlook and the barriers to access capital by way of dividends, we have excluded the results of our Zimbabwe business from Adjusted Headline Earnings.

D Residual plc

We continue to successfully unwind the operations of Residual plc. Residual plc generated a profit of R376 million compared to a loss of R2,349 million in the prior year. The profit in 2019 is largely due to the release of a provision for tax risk associated with Managed Separation which is no longer required.

Results Commentary

Accounting Impact of Zimbabwe

Following our conclusion to apply hyperinflation accounting in June 2019, and the subsequent confirmation by the Zimbabwe Public Accountants and Auditors Board during the second half of the year, we have used the Zimbabwe Consumer Price Index (CPI) to adjust reported numbers for inflation. The impact of applying hyperinflation accounting resulted in an increase in profit after tax of R187 million, with a corresponding increase in the net asset value. The results, net assets and cash flows of our business in Zimbabwe have been translated at the closing exchange rate of 1 ZWL $ to 0.835 ZAR, in line with the requirements of the provisions of IAS 21 for the translation of hyperinflationary economies. The translation of the results of Zimbabwe at closing rate rather than average rate has reduced the profit after tax by R312 million. As the presentation currency of the Group is that of a non-hyperinflationary economy, comparative amounts in the Group financial statements have not been restated.

As reported in our interim results, due to high inflation levels, rapidly deteriorating economic conditions and lack of ability to access capital by way of dividends, we have decided to manage Zimbabwe on a ring fenced basis. We removed the results of this business from Adjusted Headline Earnings, effective 1 January 2019, and we have re-presented our comparatives to reflect this decision. Separate targets have been set for our executive management and the management team in Zimbabwe in respect of the performance of the business.

We have focused on preserving value for our customers and employees through this challenging economic cycle. We tried to relieve our employees from the pressures of these economic conditions through the grant of special allowances. Reviews of our product offerings were conducted to ensure they remain relevant and allow more flexibility for customers in the current environment. We reviewed our investment strategy and weighted our portfolio towards asset classes that have been observed to better preserve value during periods of hyperinflation, and we continue to invest and transact in foreign currency where permissible as a natural hedge to the fast depreciating Zimbabwe dollar.

Free Surplus Generated from Operations

	FY 2019			FY 2018		
Rm	**Free Surplus Generated**	**AHE**	**%**	Free Surplus Generated	AHE	%
Gross operating segments	**6,826**	**7,338**	**93%**	6,926	6,715	103%
Capital requirements	**(1,432)**	**–**	**–**	(1,682)	–	–
Net operating segments	**5,394**	**7,338**	**74%**	5,244	6,715	78%
Nedbank	**1,400**	**2,518**	**56%**	1,341	2,681	50%
Free Surplus Generated from Operations	**6,794**	**9,856**	**69%**	6,585	9,396	70%

Operating segments generated gross free surplus of R6,826 million, representing 93% of AHE for the period. Our operating segments continue to generate high levels of cash earnings despite the free surplus conversion decreasing from a conversion rate of 103% in the prior year. The cost of the platform migration in Old Mutual International has contributed to lower free surplus which drove the lower conversion rate as this cost is excluded from AHE.

The reduction in capital requirements from the prior year was mainly due to capital optimisation initiatives implemented during the year. Initiatives related to pooling of credit assets have improved our overall risk profile and therefore reduced capital requirements.

The lower cash conversion rate in respect of Nedbank earnings is in line with dividends received in respect of 2019 earnings, further reducing our conversion rate to 69% of AHE.

Capital Management

We have made good progress in managing our balance sheet to create shareholder value. We focused on the continuous optimisation of the capital structure through new debt issuances and repayments and active management of excess shareholder assets.

We concluded share repurchase programmes to the value of R4.9 billion during 2019. A total of 4.7% of the Group's issued share capital, which amounts to 233 million shares, was repurchased. Following the total share repurchase we have 4,708,553,649 ordinary shares in issue.

OMLACSA successfully completed the issuance of unsecured subordinated debt to the value of R2 billion at improved rates (floating rate of 155 bps above the 3 month JIBAR). The subordinated debt is guaranteed by Old Mutual Limited. R1 billion of OMLACSA's subordinated debt matured in November 2019 and was repaid. A further R2.3 billion will be redeemed in tranches in March and September of 2020.

The execution of our asset allocation strategy has resulted in a deliberate allocation to lower risk asset classes in an effort to reduce regulatory capital requirements and thereby support our strong solvency capital levels. Whilst regulatory uncertainty has constrained our ability to manage capital levels more deliberately, we seek to maximise our return on capital which in conjunction with operational results will enable us to achieve our RoNAV target, being cost of equity plus 4%.

Our dividend cover range was amended from 1.75x to 2.25x to 1.5x to 2.0x to more closely reflect cash generated by our operations, after the exclusion of Zimbabwe earnings from AHE. In line with this policy we have declared a final dividend of 75 cents per share. The dividends, share buybacks and bond issuances have been in line with reducing equity and increasing our debt levels to move closer to our optimal capital structure.

We implemented the Three Manager Model framework effective 1 January 2020. We expect this model to consolidate related risks to improve risk management and resource allocation. Under this framework, the Middle Manager function, reported as part of Other Group Activities, will manage market and liquidity risk for OMLACSA's guaranteed product set. The Middle Manager will not aim to generate profit but rather to mitigate the risk as effectively as possible, with no material market risk impact expected due to the existing hedging programs in place. Specialised Finance in the Wealth and Investments segment will be responsible for managing the assets that were previously managed by the segments. We expect this to result in lower investment variances reported in RFO of Old Mutual Corporate and Personal Finance. These profits will now emerge in Wealth and Investments.

Balance Sheet Metrics

Rbn (unless otherwise stated)	Note	FY 2019	FY 2018	% change
Operating Segments[1]		**48.3**	43.7	11%
Non-core operations[2]		**3.0**	4.9	(39%)
Investment in Associates[3]		**24.3**	24.8	(2%)
Assets held for sale or distribution[4]		**–**	4.1	(100%)
Operations in hyperinflationary economies[5]		**0.4**	2.3	(83%)
Consolidation adjustments[6]		**(1.2)**	(1.8)	33%
Equity attributable to ordinary shareholders of the parent		**74.8**	78.0	(4%)
South Africa		**39.9**	36.3	10%
Rest of Africa		**8.4**	7.4	14%
Equity attributable to operating segments		**48.3**	43.7	11%
Nedbank at 19.9%[3]		**19.2**	18.6	3%
Closing Adjusted IFRS Equity		**67.5**	62.3	8%
South Africa		**57.2**	51.4	11%
Rest of Africa		**7.8**	6.8	15%
Average Adjusted IFRS Equity		**65.0**	58.2	12%
South Africa		**16.3%**	17.8%	(150 bps)
Rest of Africa		**6.6%**	3.5%	310 bps
RoNAV[5]	A	**15.2%**	16.2%	(100 bps)
South Africa		**29.5**	23.2	27%
Rest of Africa		**8.0**	7.8	3%
Invested Shareholder Assets[5]	B	**37.5**	31.0	21%
Gearing ratio[7]	C	**13.6%**	13.0%	60 bps
Interest cover (times)[5]		**18.5**	21.5	(14%)

1 *Comprises of the net asset value of the operating segments of the Group. This net asset value forms the basis for key balance sheet metrics on which the Group is managed from a capital perspective, and is the same perimeter on which AHE is presented.*

2 *Comprises the net asset value of Residual plc of R3.0 billion at 31 December 2019 (R4.9 billion at 31 December 2018) and Old Mutual Bermuda of R33 million at 31 December 2019 (R50 million at 31 December 2018).*

3 *Per IFRS requirements, we recorded our remaining stake in Nedbank at fair value on the date of unbundling. For purposes of calculating RoNAV, our stake in Nedbank is included at net asset value in Closing Adjusted IFRS equity.*

4 *No assets classified as held for sale in FY 2019. Nedbank, Quilter and Latin America's net asset values are included in the comparative period.*

5 *Due to the lack of ability to access capital by way of dividends, our business in Zimbabwe is managed on a ring fenced basis. It has been excluded from the Group's key performance indicators for the current period and comparatives have been re-presented to reflect this.*

6 *Consolidation adjustments reflect own shares held by consolidated investment funds, which are treated as treasury shares under IFRS.*

7 *Gearing ratios are calculated based on the IFRS equity attributable to operating segments.*

Results Commentary

A RoNAV

RoNAV decreased by 100 bps to 15.2% from 16.2% in 2018. RoNAV in South Africa decreased 150 bps to 16.3% from 17.8% in the prior year. AHE attributable to South Africa increased marginally by 2% from the prior year, with higher shareholder investment return from improved equity markets partially offset by negative RFO growth. The increase of 11% in Average Adjusted IFRS Equity, calculated on a three point average, is driven by large cash inflows in H1 2019 related to the sale of our Latin American business and dividends received from Residual plc and retained profits. The increase in equity was in excess of amounts utilised to pay dividends and share buybacks during the year.

RoNAV in Rest of Africa increased by 310 bps to 6.6% from 3.5% in the prior year. AHE for Rest of Africa increased 117% to R512 million mainly as a result of a tax income position of R75 million compared to a tax expense of R254 million in the prior year. The increase of 15% in Average Adjusted IFRS Equity was mainly driven by operating profits earned during 2019 and a capital injection into the Rest of Africa business from the South African business.

B Invested shareholder assets

Invested shareholder assets of R37.5 billion increased by 21% from R31.0 billion in the prior year. The asset base in South Africa increased by R6.3 billion or 27% during the period, reflecting growth in shareholder investment returns earned on a higher average invested shareholder asset base compared to the prior year and improved performance of local equity markets. Cash proceeds from the new debt issuance in OMLACSA net of repayments, as well as cash from operations and Residual plc that was in excess of dividend payments and share buybacks further contributed to the increase in shareholder assets. Invested shareholder assets of R8 billion for Rest of Africa (excluding Zimbabwe), was up 3% from the prior year due to the inclusion of certain shareholder properties in East Africa not previously included. This was partially offset by impairments to shareholder properties in East Africa recognised in the current year.

For South African listed equities in the shareholder portfolio, excluding Nedbank, we aim to limit capital losses through the use of a hedged equity strategy. The hedging strategies are executed in the form of zero cost collars where the exposure is limited to 5% – 15% of the investment value whilst underlying equities track the SWIX40 index. The interest bearing assets aim to outperform the STEFi 3 month NCD index.

C Gearing ratio

The gearing ratio of the Group is calculated with reference to IFRS equity attributable to operating segments. The increase in equity of R4.6 billion or 11% reflects net retained profits earned and cash inflows in excess of amounts utilised to pay dividends and share buybacks during the period. The gearing ratio increased by 60 bps from the prior year mainly due to the issuance of unsecured subordinated debt to the value of R2 billion issued in the first half of the year, partly offset by existing subordinated debt of R1 billion maturing during the second half of the year.

Interest cover decreased to 18.5 times, mainly driven by the inclusion of finance costs in Rest of Africa not previously included and the new debt issuance in the second half of the year.

Results Commentary

Embedded Value

Rm (unless otherwise stated)	FY 2019	FY 2018	% change
Adjusted net worth (ANW)	**38,248**	32,789	17%
Value in force (VIF)	**34,049**	31,357	9%
Embedded value	**72,297**	64,146	13%
Operating EV earnings	**8,115**	7,364	10%
Return on embedded value (%)	**12.7%**	12.5%	20 bps
Value of new business (VNB)	**1,865**	2,123	(12%)

The return on embedded value increased to 12.7% from 12.5% in the prior year, supported by the increase in Operating EV earnings. Operating EV earnings increased by 10% to R8,115 million from R7,364 million in the prior year due to basis and other methodology changes, partly offset by a reduction in experience variances and lower levels of new business.

A review of mortality assumptions across the retail book had a positive impact on Operating EV earnings, partly offset by a strengthening of persistency assumptions. The reduction in experience variances was mainly due to higher one off expenses, partly offset by improved claims experience in Mass and Foundation Cluster, and although this remained negative, persistency improved as a result of strengthening the basis at the end of the prior year.

The value of new business reduced by 12% to R1,865 million from the prior year as a result of a shift towards lower margin business, as well as sales volumes not keeping pace with distribution expense inflation. VNB margin accordingly reduced to 2.6% from 3.2% in the prior year.

Overall embedded value benefitted from improved economic variances mainly due to improvements made in the investment guarantee reserve calculations, partly offset by actual shareholder investment returns for the year being below the expected returns. Embedded value was negatively impacted by migration costs and a data provision incurred in Wealth and Investments, relating to the Old Mutual International platform migration.

Solvency

Rm (unless otherwise stated)	Optimal target range	FY 2019	FY 2018[1]	% change
OMLACSA				
Eligible own funds		**79,168**	76,080	4%
Solvency capital requirement (SCR)		**36,685**	33,362	10%
Solvency ratio (%)	175% to 210%	**216%**	228%	(1 200 bps)
Group				
Eligible own funds		**98,877**	100,959	(2%)
Solvency capital requirement (SCR)		**61,298**	60,039	2%
Solvency ratio (%)	155% to 175%	**161%**	168%	(700 bps)

1 *Amounts differ from the previously reported Solvency Ratio of 170% to align to the final submission made to the Prudential Authority.*

The solvency ratio for OMLACSA decreased to 216% from 228% in the prior year, mainly due to the decrease in the Nedbank share price and the write down of policyholder participations from fair value to tangible net asset value, as prescribed by the Prudential Standards. The latter treatment is inconsistent with the valuation of related policyholder liabilities which are measured at fair value, and the economic approach followed in the calculation of the solvency capital requirements. These negative adjustments were partially offset by the net impact of the issuance and redemption of subordinated debt during the year.

Results Commentary

The Group Solvency ratio decreased to 161% from 168% in the prior year, due to the requirement to include the stake in Nedbank held through policyholder funds when calculating the Group's Solvency ratio on the more onerous Basel III basis. The higher prescribed equity shocks applied to the net asset value of our unregulated entities and the decrease in the OMLACSA solvency ratio further contributed to the decrease from the prior year.

The difference between the Group and OMLACSA solvency ratios is driven by the basis of inclusion for Nedbank and fungibility restrictions in respect of the surpluses arising in Residual plc and Zimbabwe. The Group Solvency ratio is presented on a basis consistent with the prior year. The process of confirming our insurance group designation and obtaining methodology approvals with the Prudential Authority for the Group's proposed basis remains ongoing. As at 31 December 2019, the Group was and is expected to remain financially sound on a regulatory basis for the foreseeable future.

Outlook

South Africa GDP is projected to be 0.8% in 2020 as electricity supply constraints are expected to continue to impact investor sentiment and supress economic activity. Growth remains very dependent on the government's ability to address high unemployment rates as well as the remediation of state owned enterprises, and the implementation of structural reforms.

In Sub Saharan Africa, the economy is expected to continue strengthening to 3.5% in 2020 despite relatively subdued economic activity that will persist in the region's largest and resource rich economies of Nigeria and South Africa. Significant downside risks weighing on the outlook include weak external demand, growing public debt vulnerabilities, food security challenges and extreme weather events.

GDP forecast for 2020 (%)

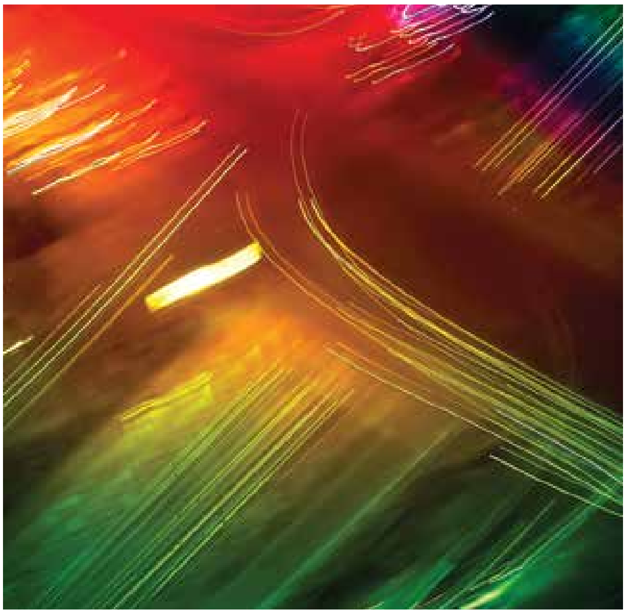
South Africa	0.8%
Zimbabwe	2.7%
Nigeria	2.5%
Kenya	6.0%
Sub Saharan Africa	3.5%
East Africa	6.1%

Source: International Monetary Fund and African Development Bank.

On 11 March 2020, COVID-19 (coronavirus) was declared as a pandemic due to the rising rate and scale of infection observed. The rapid spread of this virus since the start of 2020, and particularly in recent weeks, has caused significant disruption in global equity markets. The volatility of movements on global exchanges such as NYSE and FTSE is comparable to previous crises. In South Africa, the JSE SWIX has decreased by 23% since the start of the year to date. In China and Italy, significant proportions of the populations have been quarantined to prevent the spread of the virus, with other countries responding to the risk with increased screenings and travel restrictions.

We are monitoring this situation on a daily basis. We have established a dedicated committee to ensure that our employees in all of our locations can continue to work safely, whether that is from our premises or from their homes. We have placed restrictions on all cross border business and personal travel to ensure we limit the risk of infection to our employees and customers. We also model the impact of 'perfect storm' scenarios on our solvency capital and liquidity levels. These stress tests have shown we remain sufficiently capitalised with appropriate liquidity levels through these scenarios. We remain confident that the benefits of our well diversified business, strong balance sheet and stable cash generating ability will stand us in good stead, in what is anticipated to be a difficult year.

The achievement of our RFO target of nominal GDP+2% CAGR is dependent on an improvement in the macroeconomic environment in South Africa, which remains our largest operating country, and higher equity market levels. Given the anticipated disruption in global equity markets and significant downward pressure on GDP growth rates we do not anticipate being able to achieve this target for the 2020 financial year.



Results Commentary

	KPI	Financial target	Performance FY 2019	Outlook
RETURNS	RoNAV	**Average COE + 4%** (weighted average COE of 13.4% for 2019)	15.2%	Challenging
GROWTH	Results from Operations	**CAGR of Nominal GDP + 2% over the three years to 2020** (average nominal GDP growth for 2019: 4.3%)	R8,972 million ▼ 2%	Challenging
EFFICIENCY	Cost efficiencies	**R1 billion by the end of 2019** Pre-tax run rate cost savings, net of costs to achieve. Based off 2017 IFRS operating and administrative cost base. Expect to maintain cost growth within inflation thereafter	R1.2 billion of cost savings, exceeding our target	Expense growth in line with inflation
EFFICIENCY	Underwriting result	Old Mutual Insure **underwriting margin of 4% – 6%**	0.4%	Improving
CAPITAL	Solvency ratio	Old Mutual Limited: 155% – 175%	161%	Within target range
CAPITAL	Solvency ratio	OMLACSA: 175% – 210%	216%	Within target range
CASH RETURNS	Dividend cover	Full year ordinary dividends covered by AHE between **1.5 to 2.0 times. Interim dividend of 40% of AHE.**	Final dividend of 75 cents	Within range

Final Dividend Declaration

The Board of directors has approved and declared a final dividend of 75 cents per ordinary share.

The final dividend of 75 cents per share, results in a full dividend cover of 1.74 times for the 2019 year which is in line with Old Mutual Limited's dividend cover target of 1.5 times to 2.0 times. The final dividend will be paid out of distributable reserves and is payable on 04 May 2020 to all ordinary shareholders recorded on the record date.

Shareholders on the London, Malawian, Namibian and Zimbabwean registers will be paid in the local currency equivalents of the final dividends.

Old Mutual Limited's income tax number is 9267358233. The number of ordinary shares in issue in the company's share register at the date of declaration is 4,708,553,649.

Declaration date	Monday, 16 March 2020
Transfers suspended between registers	Close of business on Monday, 23 March 2020
Exchange rates announced	Monday, 23 March 2020 by 11.00 am SA
Last day to trade cum dividend for shareholders on the South African Register and Malawi, Namibia and Zimbabwe branch registers	Tuesday, 31 March 2020
Ex-dividend date for shareholders on the South African Register and Malawi, Namibia and Zimbabwe branch registers	Wednesday, 01 April 2020
Last day to trade cum dividend for shareholders on the UK register	Wednesday, 01 April 2020
Ex-dividend date for shareholders on the UK register	Thursday, 02 April 2020
Record date (all registers)	Close of business on Friday, 03 April 2020
Transfers between registers restart	Opening of business on Monday, 06 April 2020
Payment date	Monday, 04 May 2020

Share certificates for shareholders on the South African register may not be dematerialised or rematerialised between Wednesday, 01 April and Friday, 03 April 2020, both dates inclusive. Transfers between the registers may not take place between Tuesday, 24 March and Friday, 03 April 2020, both dates inclusive. Trading in shares held on the Namibian section of the principal register through Old Mutual (Namibia) Nominees (Pty) Limited will not be permitted between Monday, 23 March and Friday, 03 April 2020, both dates inclusive.

Shareholders that are tax resident in jurisdictions other than South Africa may qualify for a reduced rate under a double taxation agreement with South Africa. To apply for this reduced rate, non-SA taxpayers should complete and submit a declaration form to the respective registrars. The declaration form can be found at:
https://www.oldmutual.com/investor-relations/dividend-information/dividend-tax-considerations

OLDMUTUAL

03

SEGMENT REVIEWS

DO GREAT THINGS EVERY DAY

Segment Reviews

MASS AND FOUNDATION CLUSTER

DEFEND AND GROW OUR SHARE OF THE SOUTH AFRICAN MASS MARKET

2019 was characterised by muted economic activity, high unemployment rates, retrenchments, social unrest and load shedding which continued to affect our already financially constrained customers. These factors had a negative impact on sales volumes and persistency in our Life and Savings business, and led to worsening credit losses and collections in our Banking and Lending business.

We have improved the value to customers through enhancements to our savings proposition, which includes better early surrender terms. One of the key features remains the ability for customers to save through smoothed bonus funds which protects their investment from market volatility. Old Mutual Protect expected to be launched for this segment in 2020, will be a more flexible and comprehensive risk offering giving customers a more personalised experience as their needs change over time. We believe that this will improve the competitiveness of our risk offering, both in terms of sales and customer retention. We have made good progress on our funeral services offering aimed at providing customers with an end to end service experience, in an effort to meet their needs for more than just a funeral claim payout.

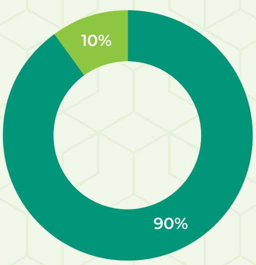
Our branch network and related ATM infrastructure remains a key priority for us to ensure we are able to interact with and serve our customer base effectively. During 2019 we interacted with 3.2 million customers in our branches. We opened 20 new branches and installed 57 new branded ATMs, bringing our physical footprint to 368 branches and 132 ATMs in total.

Active Money Accounts have grown by 41% to 296,387. We continue to enhance the Money Account proposition, the latest feature being the addition of Easiplus funeral plans. This addition increases the range of platforms through which our customers can access products. Old Mutual Rewards members are now able to redeem rewards points for cash deposited directly into their Money Accounts, in addition to vouchers at selected retail partners.

Rm (except where otherwise indicated)	FY 2019	FY 2018	% change
Results from Operations	**3,527**	3,129	13%
Gross flows	**13,336**	12,668	5%
Life APE sales[1]	**4,191**	4,348	(4%)
NCCF (Rbn)	**7.0**	6.5	8%
FUM (Rbn)	**13.3**	12.7	5%
VNB	**1,102**	1,222	(10%)
VNB margin (%)	**8.7%**	10.3%	(160 bps)
Loans and advances	**18,491**	16,518	12%
Net lending margin (%)	**10.7%**	13.7%	(300 bps)
Credit loss ratio (%)	**8.9%**	5.9%	300 bps

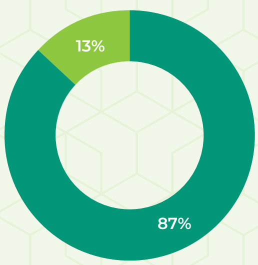
1 *We have identified a portion of our book where cancellations were not treated in line with our Group policies. Life APE sales for the comparative period have been adjusted to reflect this.*

FY 2019 – RFO by LOB (%)



Life and Savings
Banking and Lending

FY 2018 – RFO by LOB (%)



PERFORMANCE HIGHLIGHTS

Gross flows of R13,336 million increased by 5% from the prior year largely due to growth in the life in-force book following annual premium increases which more than offset lower sales and worse persistency during the year. Growth in gross flows contributed to positive NCCF of R7 billion, an increase of 8% from the prior year.

Life APE sales of R4,191 million decreased by 4% from the prior year due to lower sales largely driven by the negative impact of the contracting economy which adversely affected the purchasing power of our customers in our retail market. Management actions taken in the second half of the year to slow down loan disbursements adversely affected credit life sales and more stringent take on criteria for our group business in the foundation market also contributed to lower life sales.

Gross loans and advances increased by 12% to R18,491 million, despite price increases implemented in the third quarter, which will lead to a slowdown of growth in our loan book in 2020. We continue to deliberately reduce our credit risk exposure to mitigate the impact of deteriorating credit experience in the current economic environment.

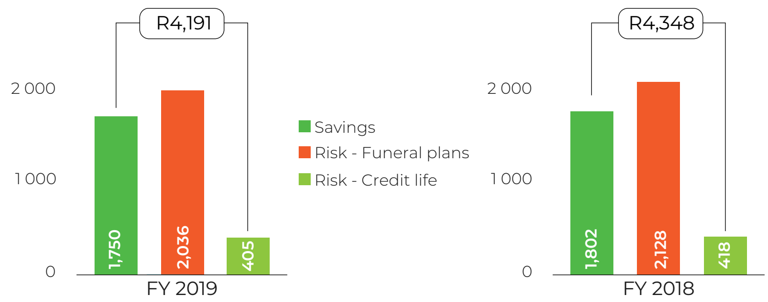
Net lending margin of 10.7% decreased by 300 bps from the prior year due to the slowdown in the growth of disbursements and faster than anticipated pace of credit deterioration for certain cohorts of customers, leading to more loans being fully impaired. New loans advanced typically carry lower impairment charges than older vintages of the book. Our credit loss ratio increased by 300 bps to 8.9% due to worse collection experience, partly a function of pricing too aggressively in certain risk cohorts in the depressed macroeconomic environment. We have deliberately slowed growth of disbursements through pricing changes in the third quarter of 2019 to mitigate risk in these cohorts. Even though we expect these actions to improve our experience going forward, the deterioration in the current book is not yet fully reflected in our results.

RFO of R3,527 million increased by 13% from the prior year. Growth of 16% in Life and Savings profit, reflecting the net positive impact of higher assumption changes relative to assumption changes in prior years. This is mainly due to a significant positive mortality assumption change, partially offset by a negative persistency assumption change to reflect the deterioration in the retention experience which is expected to continue over the short term. Growth in RFO was partially offset by lower new business profits as a result of lower sales volumes and the enhancements to our savings product resulting in lower margins.

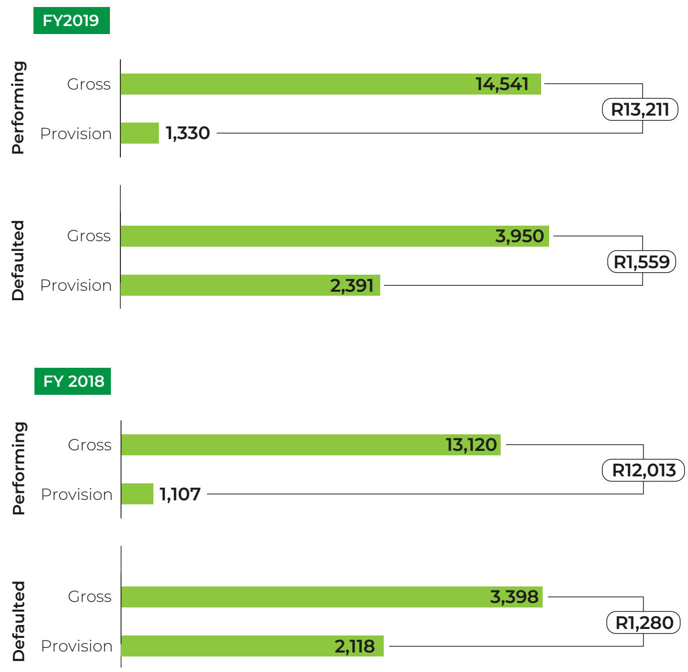
Banking and Lending profits decreased by 7% mainly due to lower net lending margins in the poor macroeconomic environment and the underperformance of certain cohorts of the loan book. This was partially offset by the one off benefit of the sale of a portion of loans previously written off.

VNB decreased by 10% to R1,102 million from the prior year with a VNB margin of 8.7%, a decline of 160 bps. The decrease in margin is largely attributable to lower sales volumes and enhancements made to our savings product that created better value for customers, partially offset by the positive impact of mortality basis changes on the risk margin. Under the methodology for the previous savings product, 2-IN-ONE, the short term portion of this product was excluded in the calculation of PVNBP (Present value of new business premiums). In the replacement product, launched in 2019, all flows are included in the calculation of PVNBP.

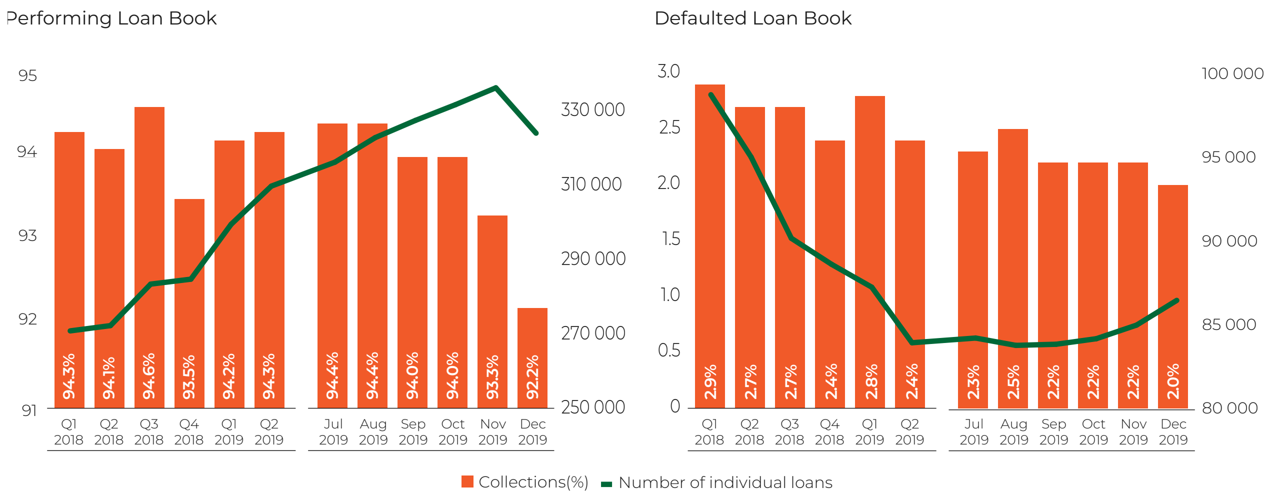
Life APE Sales by product (R million)



Loans and Advances (R million)



24 Months Rolling Collection (%)



OUTLOOK FOR 2020

In our Banking and Lending business we will continue to cautiously manage our credit exposure in the tough economic environment. We expect the tail effect of the lower net lending margin and the difficult economic environment to weigh on short term outcomes, but we are confident that the necessary management actions have been taken to ensure medium to long term growth. Life and Savings RFO in 2019 benefitted from significantly higher levels of positive assumption changes, which is not expected to recur in 2020.

Despite a competitive environment, we believe growth opportunities still exist in the transactional market as we continue to expand our reach and offering. We will continue to leverage and scale initiatives like Old Mutual Rewards rewards to incentivise customers for good financial behaviour, in an effort to improve growth and retention that will remain under pressure in the current economic and competitive environment. We saw strong growth in our underwritten product set, which remains an underpenetrated market opportunity in this segment. The launch of Old Mutual Protect featuring improved underwriting capability and increased flexibility, will help us grow our share of this market segment.

We expect some VNB margin decrease as we increase the competitiveness and scope of our risk offering through the deployment of Old Mutual Protect.

PERSONAL FINANCE

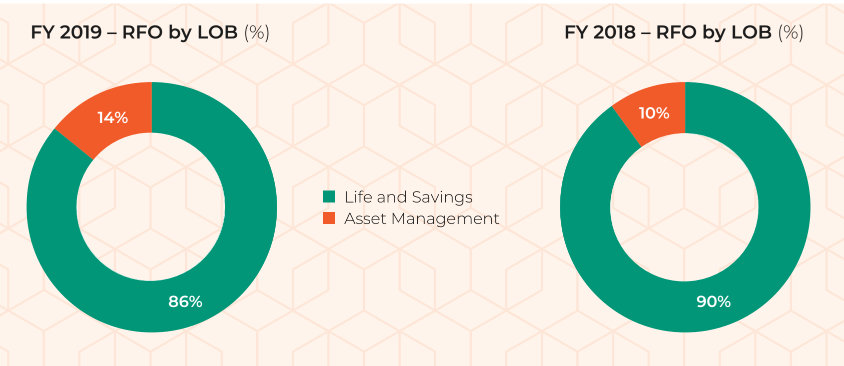
DEFEND AND GROW IN THE SOUTH AFRICAN PERSONAL FINANCE MARKET

Continued pressure on the disposable income of our customers had an impact on adviser productivity, resulting in flat sales during the year. The total adviser headcount decreased in 2019, a consequence of lower activity and volumes in a challenging macroeconomic environment compounded by the impact of a change in remuneration structure to incentivise improved persistency.

Adviser headcount in Old Mutual Finance branches and worksites has grown by 29%, the result of a specific strategy to place experienced advisers in areas of high customer concentration to compensate for the anticipated slowdown in traditional channels. Growth of 88% in iWYZE risk sales coupled with the addition of an online retirement annuity at the end of the year that expanded our digital product offering, highlights the diversification of our distribution channels.

Our distribution channels remain a significant contributor to the Group's gross flows. During 2019 approximately R68.0 billion of gross flows were generated with a contribution of R35.9 billion to Wealth and Investments and R5.2 billion to Corporate. To ensure these channels are able to continue to effectively serve our customers we invested in uninterrupted power supply infrastructure to protect our branches from power interruptions.

Rm (except where otherwise indicated)	FY 2019	FY 2018	% change
Results from operations	**1,730**	2,021	(14%)
Gross flows	**26,890**	26,165	3%
Life APE sales	**2,580**	2,556	1%
NCCF (Rbn)	**(3.9)**	(3.6)	(8%)
FUM (Rbn)	**188.6**	181.4	4%
VNB	**271**	418	(35%)
VNB margin (%)	**1.7%**	2.6%	(90 bps)



PERFORMANCE HIGHLIGHTS

Gross flows increased by 3% to R26,890 million due to stable recurring premium risk flows and strong single premium flows from annuity sales, up 38% from the prior year.

Life APE sales of R2,580 million increased marginally as our customers' disposable income levels continued to contract and customer acquisition slowed in a difficult economic environment. Strong single premium annuity sales continued in the second half of the year, partially offset by lower sales on recurring premium savings products.

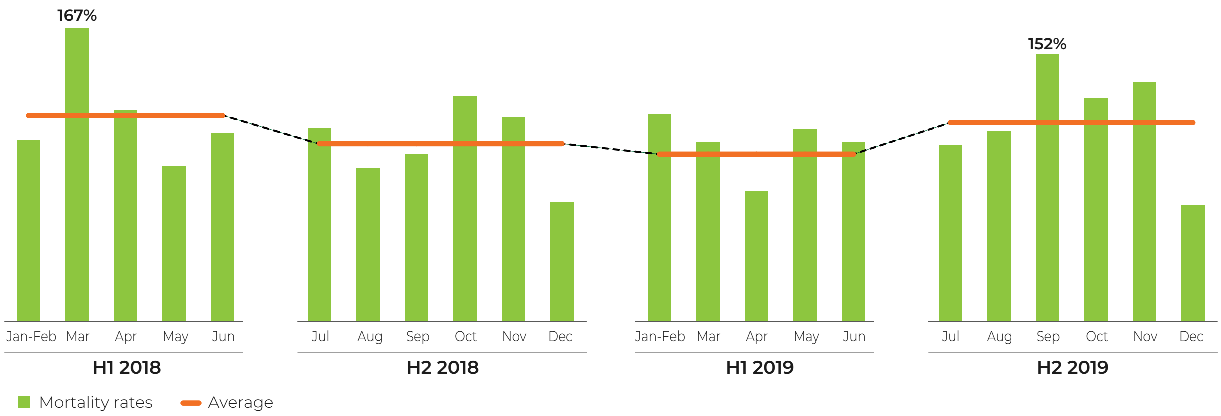
NCCF decreased by R0.3 billion from the prior year due to higher disinvestments, despite lower maturities reflecting the run-off of the legacy book. Legacy NCCF was negative R8.7 billion (R1.1 billion better than the prior year) while NCCF related to new generation products was R4.8 billion (R1.4 billion behind the prior year). FUM of R188.6 billion was up 4% from the prior year, the improvement in local equity markets largely contributed to the increase, partially offset by lower NCCF.

RFO of R1,730 million decreased by 14% from the prior year. Although we noted some improvements in mortality experience in the first half of the year, this experience weakened in the second half and the occurrence of large claims increased. After monitoring the mortality experience closely for the last two years, we made a basis change that has strengthened the actuarial basis, particularly for our largest rating group. Changes were also made to the persistency basis to recognise an observed reduction in lapse rates for longer duration Greenlight policies. These changes were partially offset by the positive impact of reserving for expected future premium increases on certain policies where those policies have reached the end of their premium guarantee term. Profits also benefitted from a reduction in the investment guarantee reserve, which was supported by the introduction of an improved economic scenario generator, a key input into the modelling of our investment guarantee risk.

Profits were further impacted by lower sales levels and one off costs which had a negative impact on distribution channel efficiency. One off costs included the investment in uninterrupted power supply infrastructure, and cost of transitioning advisers to the new remuneration basis, which is expected to result in operational efficiencies going forward.

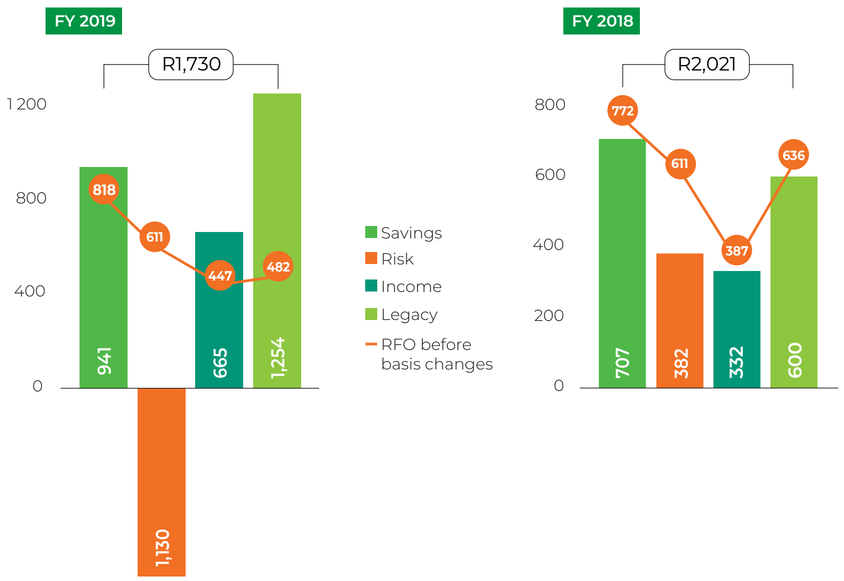
VNB of R271 million decreased by 35% with a corresponding decrease of 90 bps in the VNB margin. Our risk margins were adversely affected by lower sales volumes and the impact of risk basis changes, which more than offset increased volumes of high margin guaranteed annuities sales.

Claims experience (%)[1]



1 Calculated as actual claims over expected claims in absolute values.

RFO split by product (R million)



The RFO by product for 2019 is distorted by the impact of basis changes. We have shown the RFO split by product before basis changes. In this view, risk profits are flat year on year whilst profits from savings and income products have improved. Legacy profits have reduced, reflecting the run-off of this book.

OUTLOOK FOR 2020

Our key focus will be to improve productivity levels by increasing adviser time in the market to drive new business sales. We have tactically started placing more trainee advisers in worksites and branches, where productivity rates are higher and could create larger pools of leads. We continue to enhance data sources to allow for increased use of data driven leads that will improve our advisers' experience and efficiency. We will continue to identify opportunities to free up sales management from administrative tasks to allow them to focus on customer acquisition. We are using platforms like Old Mutual Rewards and 22seven to attract potential customers and drive engagement with them.

The deployment of Old Mutual Protect will offer online advice tools which are simple and easy to use, and this coupled with seamless customer application and faster underwriting with the use of technology will shorten the sales process. The flexibility of the proposition is market leading and provides an enhanced opportunity for cross and upsell.

We will closely monitor our actuarial basis relative to experience. While the ongoing review of our basis may result in periodic material positive or negative impacts, we believe that our revised risk product basis is appropriate for the foreseeable future.

WEALTH AND INVESTMENTS

IMPROVE THE COMPETITIVENESS OF WEALTH AND INVESTMENTS

Muted growth in the economy, lower average equity market levels and continued weak investor sentiment made for a challenging operating environment in 2019. Despite this, we managed to deliver positive NCCF, driven largely by retail inflows.

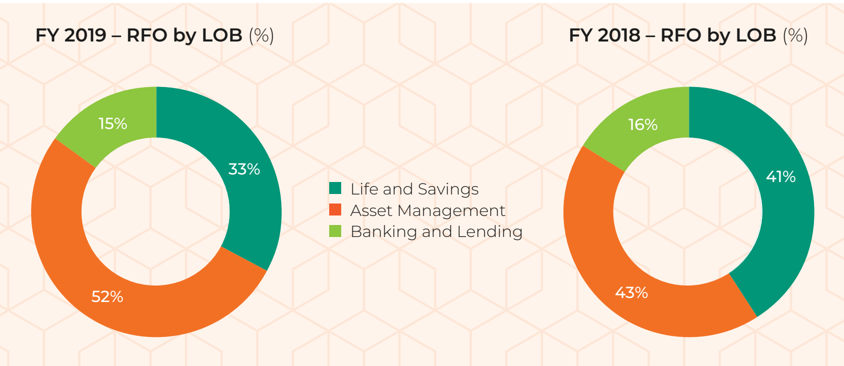
Initiatives to increase operational efficiencies and improve our customer and intermediary value propositions remained a key priority. We revamped the Wealth Integrator tool to enhance ease of doing business and facilitate more targeted customer conversations that will improve their overall experience. The Old Mutual Unit Trust shopper went live during the year, targeting younger customers by offering a seamless digital offering free of the hassle of uploading signed documents. Customer inflows through advice tools was 51% in 2019 compared to 28% in 2018.

We have substantially completed the migration of the IT platform and administration processes of Old Mutual International from Quilter plc to our Wealth business, a consequence of Managed Separation. The migration project identified potential data differences and as result a provision has been created to cover the potential accounting impacts. The migration costs incurred and the data provision expense have been excluded from RFO and AHE as part of the restructuring costs adjusting item. Despite the challenges of a large and complex migration, we remain positive about leveraging this market leading proposition in our Wealth business.

Rm (except where otherwise indicated)	FY 2019	FY 2018	% change
Results from Operations	**1,447**	1,611	(10%)
Gross flows	**81,439**	89,214	(9%)
NCCF (Rbn)	**3.5**	10.8	(68%)
Assets under management (AUM)[1](Rbn)	**766.5**	724.4	6%
FUM	**541.5**	502.7	8%
Intergroup assets	**358.6**	334.3	7%
Assets under management and administration (AuMA)[2]	**900.1**	837.0	8%
Assets under administration	**(133.6)**	(112.6)	(19%)
Total revenue	**5,039**	5,013	1%
Annuity	**4,536**	4,498	1%
Non-annuity	**503**	515	(2%)

1 *AUM comprises FUM as defined for the Group, as well as funds managed on behalf of other entities in the Group, which is reported as FUM of these respective segments. Assets under administration that are managed externally is not included in AUM.*

2 *AuMA is AUM including assets under administration.*



PERFORMANCE HIGHLIGHTS

AUM grew 6% from the prior year, with the average AUM increasing by 2.5% during the year.

Gross flows of R81,439 million decreased by 9% from the prior year as tough economic conditions persisted, impacting investor sentiment and leading to lower institutional and retail inflows. NCCF of R3.5 billion remained positive despite a decline from the prior year. Lower inflows to the local retail platform and institutional outflows coming under pressure resulted in the decline. Our offshore retail platform continued to show good net inflows and the institutional business finished the year strongly with a solid pipeline of business secured to flow. Investment performance has been disappointing over the past year across our flagship strategies. Whilst market conditions remained volatile and challenging, our funds were positioned for a recovery in South Africa with a preference for local assets over global assets. Over the medium term our relative peer investment performance remains credible with 63% of our funds above median over 3 years.

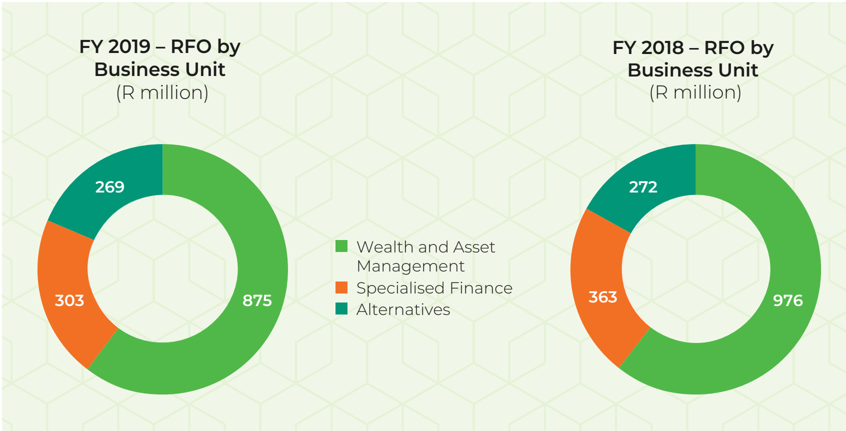
Annuity revenue recorded an increase of 1% from the prior year. Growth in asset based fees driven by the increase in average AUM was partially offset by lower interest income in Specialised Finance due to lower levels of market credit spreads. Non-annuity revenue delivered a solid result, despite a 2% decrease, due to lower income in Alternatives compared to a high base in 2018. The diversification of our business model again provided protection, as can be seen from the performance of non-annuity revenue which delivered resilient results.

RFO was R1,447 million, a decrease of 10% from the prior year. Marginally flat revenue levels, coupled with one off costs incurred in Asset Management related to the restructuring of subscale boutiques and the rationalisation of funds contributed to the decline in profit.

Segment Reviews

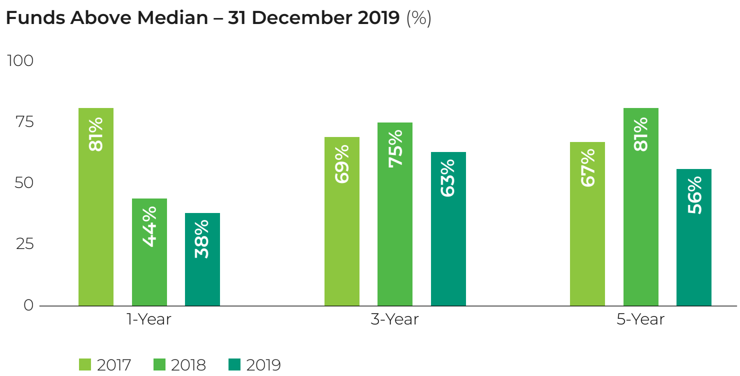
Wealth and Asset Management

RFO for the Wealth and Asset Management business decreased by 10% from the prior year. The Asset Management business was mostly affected by one off costs incurred to finalise the restructure of their boutiques and rationalisation of the fund structure. Excluding these costs RFO was 7% down from the prior year. These changes will drive expense efficiencies going forward. The decline in RFO of our Wealth business is largely due to lower revenue, a consequence of weak investor markets.



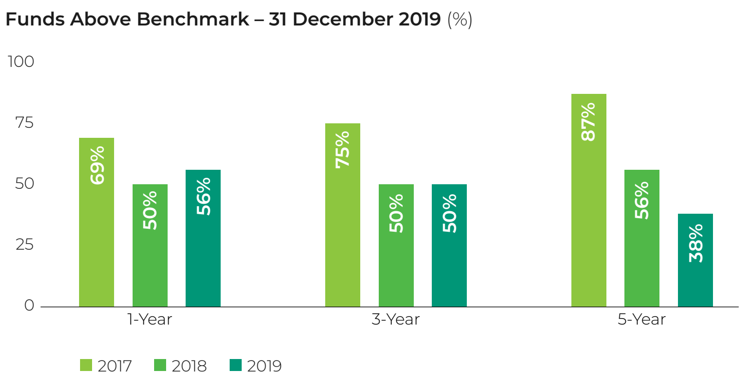
Alternatives

A commendable performance in 2019 when considering the exceptional results of 2018, with RFO marginally decreasing by 1%. Growth in annuity revenue of 6% was a result of the conclusion of fund raising for African Infrastructure Investment Fund 3 (AIIF 3). Non-annuity revenue declined by 17% mainly due to the non-recurrence of fair value gains in the prior year. NCCF outflows that were less than the prior year, largely represents asset realisations, demonstrating value realisation and distribution to investors.



Specialised Finance

Specialised Finance originated R8.6 billion of credit assets during the period despite increased transaction complexity and elevated levels of demand for limited credit assets. RFO declined by 17% due to the contraction of market credit spreads and an increase in the cost of funding as the result of revisions to the internal funds pricing methodology by the Group.



OUTLOOK FOR 2020

The weak macroeconomic environment coupled with poor investor sentiment is likely to create challenges given intense competition for flows. Subdued economic activity and lower credit spreads are likely to put further pressure on valuations and non-annuity revenue in weak investment markets.

The completion of the platform migration of Old Mutual International was a key milestone. Management will focus on further operational improvements in 2020 and we are confident that new technology and processes provide an opportunity to improve profitability and attract new business.

OLD MUTUAL CORPORATE

DEFEND AND GROW OUR SHARE OF THE SOUTH AFRICAN CORPORATE MARKET

SuperFund, our umbrella offering, delivered a robust performance in 2019, attracting record high new recurring premiums from both standalone fund conversions and transfers from competitor umbrella offerings. We have a healthy pipeline of single premium deals that have been secured and are going through the Section 14 of the Pensions Funds Act transfer process. These are in respect of umbrella fund deals for which future service recurring premiums have already been recognised in the 2019 reporting period, but there is uncertainty on when the asset transfer processes will be completed.

Old Mutual Corporate Consultants (OMCC) expanded its client base by securing new consulting appointments. It also launched OnTrack®, a tool that assists trustees and employers with fund design and helps to improve the retirement outcomes for their members, which will further strengthen our customer proposition. It has already been rolled out to more than 40 of our largest customers.

We continue to build a strong value proposition that is well recognised in the industry, demonstrated by best practice certificates awarded by the Institute of Retirement Funds. As thought leaders, we provide financial and business content through our Mindspace magazine to corporate customer, leading to two awards at the 2019 SA Publications Forum Awards. This included Best Publication Cover for a special Mindspace edition called AfricaSpace in celebration of Old Mutual anchoring in Africa.

Rm (except where otherwise indicated)	FY 2019	FY 2018	% change
Results from Operations	**1,816**	1,703	7%
Gross flows	**39,699**	42,669	(7%)
Life APE sales	**3,636**	3,133	16%
NCCF (Rbn)	**(6.4)**	2.0	(>100%)
FUM (Rbn)	**267.3**	254.6	5%
VNB	**351**	309	14%
VNB margin (%)	**1.0%**	1.1%	(10 bps)

OUTLOOK FOR 2020

We continue to invest in our SuperFund umbrella offering to improve customer experience and strengthen our proposition in the institutional retirement fund market. Investment in robotics process automation and other operating model improvements have enabled us to increase the speed of service delivery and improve customer experience. The processes that we are optimising include customer communication and claims processes.

We have a healthy pipeline of deals, however the weak macroeconomic outlook negatively impacts employment prospects in South Africa and therefore the growth outlook in the employee benefits industry. This will continue to put pressure on growth of asset based revenue and place strain on withdrawals as customers try to meet their immediate financial needs.

The FSCA published the 2nd draft Conduct Standard for Smoothed Bonus funds in December 2018. We are well prepared to comply with these changes as soon as the regulations become effective.

PERFORMANCE HIGHLIGHTS

Gross flows decreased by 7% to R39,699 million mainly due to a decline in pre-retirement single premium flows. Life APE sales increased by 16%, largely driven by strong recurring premium umbrella fund sales, despite the decrease in single premium sales compared to the prior year.

Negative NCCF of R6.4 billion is largely a function of terminations, higher retrenchment benefits in the mining industry and lower single premiums.

FUM of R267.3 billion, representing an increase of 5% from the prior year, is due to the improvement in local equity markets and offshore assets, which more than offset the negative NCCF.

VNB improved substantially in the second half of the year, resulting in an increase of 14% from the prior year. The growth is primarily attributable to persistency assumption changes and higher sales volumes.

RFO of R1,816 million increased by 7% from the prior year, largely due to the positive impact of basis changes that mainly related to a release of discretionary margins for reserves held in respect of investment guarantees following modelling improvements. Improved underwriting experience in the Group Income Protection book following continued management actions was partially offset by worse claims experience in larger schemes in the Group Life Assurance book due to an increase in the number of claims from high income earners. We continue to strengthen our Group Risk underwriting, pricing and claims management processes to improve underwriting performance.

OLD MUTUAL INSURE

CONTINUED TURNAROUND OF OLD MUTUAL INSURE

Our total gross loss ratio has improved significantly over the last 3 years, the outcome of ongoing remediation efforts across our book and the optimisation of our claims processes across most of our lines of business. Despite catastrophe losses reaching the highest levels since 2015, the number of large losses decreased significantly as a result of prudent risk selection through skilled underwriting and improved pricing methodologies implemented over the past few years. The remediation of our Specialty book yielded a large gross underwriting profit in 2019 resulting in a total gross underwriting margin of 6.2% compared to 1.8% in the prior year.

We have focused on improving our customer experience through the roll out of behavioural training to call centre agents, strengthening broker and key account relationships and enhancements to the MyOMInsure digital platform. These efforts led to significant improvements in our customer satisfaction metrics, recognised by the 2019 SA Customer Satisfaction Index awarding us with the highest Net Promoter Score rating for the short term insurance segment. Product enhancements to existing products in personal and commercial lines, ensure that we remain competitive and aligned with market practices. Other sales and service enhancements include the implementation of an Electronic Communication Module to improve engagement and formal communications to business partners.

iWYZE became the first South African insurer to use drone technology for assessing accident damage. After a rigorous two year planning and pre registration process, iWYZE recently passed the operational audit and demonstration flights, required by the South African Civil Aviation Authority (SACAA) and obtained the final certification for a remotely piloted aircraft systems (RPAS) operator licence. Commercial drone use is revolutionary for the South African insurance industry and Old Mutual iWYZE is proud to be at the forefront of this innovation and new 'flight path'.

PERFORMANCE HIGHLIGHTS

Gross written premiums increased by 11% to R14,699 million, delivering strong growth in a challenging economic environment. Most of our business lines showed double digit growth, further benefitting from premium growth in strategic partnerships concluded in 2018 in the Commercial and Specialty divisions. CGIC delivered 5% growth despite the tough trading environment experienced in the credit and bond insurance market during 2019.

Gross underwriting result of R904 million increased by 281% from the prior year due to a large gross underwriting profit in the Specialty division, the result of continued remediation of this book. This was partially offset by a high volume of catastrophe losses in Personal and Commercial, with a spike in crop claims due to severe frost and hail. Attritional claims, although higher than 2018 due to a benign claims environment, were well below our 10 year average. The optimisation of the claims process throughout the value chain resulted in continued efficiency improvements. Expenses increased from the prior year driven by costs incurred related to the relocation of our head office premises and policy administration costs that can no longer be recovered from customers after a change in regulation.

Net underwriting result of R35 million decreased by 93% from the prior year, with the large number of catastrophe losses below the reinsurance threshold being the significant driver of this decrease. The cost of reinsurance in 2019 was R350 million driven by a number of claims falling below the reinsurance threshold. Despite seeing improved risk selection in Specialty premiums during the year, high facultative reinsurance costs had a negative impact on the net underwriting result. These factors had an adverse impact on the net underwriting margin of 0.4%, a decrease of 490 bps from the prior year and well below the target range of between 4% and 6%.

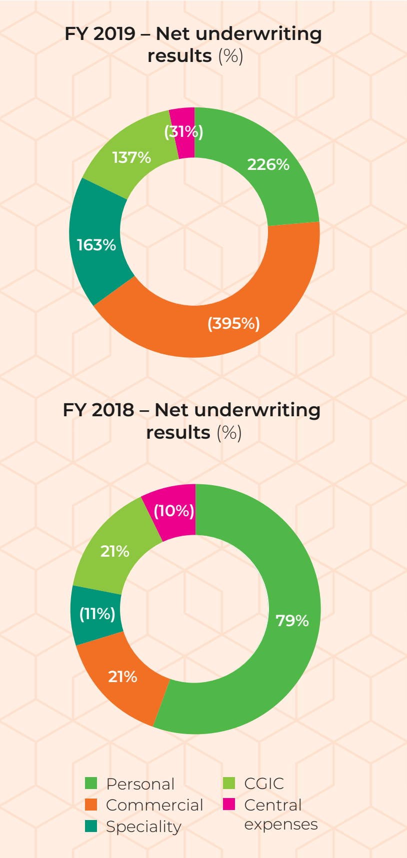
RFO of R233 million decreased by 65% following poor underwriting experience and lower shareholder investment returns on insurance funds due to alignment with Group policies.

Our Personal division recorded gross written premium growth of 8%, driven by product enhancements to existing products and the launch of the Elite product in the prior year. Although attritional losses increased when compared to 2018, the experience is still better than the 10 year average. Net underwriting profit of R79 million, a decrease of 79% from the prior year, was largely due to heightened levels of catastrophe losses. iWYZE delivered a resilient performance in a challenging economic environment with weather related losses, with an increase of 16% in gross written premiums and 9% in net underwriting margin.

The performance of our Commercial division was significantly affected by high levels of catastrophe losses in the agriculture portfolio with severe hail and frost claims during the year. Higher attritional losses were experienced compared to the prior year largely due to the benign claims environment in 2018. This led to a net underwriting loss of R138 million and negative margin of 3.8%, a decrease of more than 100% from the prior year. Management continues to assess the sustainability of this division taking into account scale and diversification of our offering.

Our Specialty division delivered a strong performance in 2019 with an increase of 15% in gross written premiums enabled by strategic partnerships that were formed to mitigate contraction in the construction industry and general economic downturn. Deliberate focus to reduce exposure to corporate property has changed the underlying risk profile of the book to more acceptable risk appetite levels, which led to a significant improvement in the large loss experience within the corporate property portfolio. As a result the net underwriting margin was 6.5% in 2019, a material improvement from the negative 12.9% in the prior year. Despite the impact of improved risk selection in Specialty premiums during the year higher reinsurance cost negatively impacted net underwriting result.

The direct correlation between the state of the South African economy, deteriorating credit environment and CGIC's performance continues to be visible in our results. A volatile claims environment and increased catastrophe losses continue to place pressure on the net underwriting result of R48 million, a decrease of 53% from the prior year despite management actions taken in the second half of the year resulting in an underwriting profit following the loss reported in H1 2019.



Rm (except where otherwise indicated)	FY 2019	FY 2018	% change
Gross written premiums	**14,699**	13,218	11%
Net earned premiums	**9,986**	9,048	10%
Personal	**181**	420	(57%)
Commercial	**(225)**	222	(>100%)
Speciality	**821**	(488)	>100%
CGIC	**138**	132	5%
Central expenses	**(11)**	(49)	78%
Gross underwriting result	**904**	237	>100%
Personal	**79**	380	(79%)
Commercial	**(138)**	102	(>100%)
Speciality	**57**	(55)	>100%
CGIC	**48**	102	(53%)
Central expenses	**(11)**	(49)	78%
Net underwriting result	**35**	480	(93%)
Investment return on insurance funds	**233**	244	(5%)
Other income and expenses	**(35)**	(54)	35%
Results from Operations	**233**	670	(65%)
Gross underwriting margin (%)	**6.2%**	1.8%	440 bps
Net underwriting margin (%)	**0.4%**	5.3%	(490 bps)
Insurance margin (%)	**2.3%**	7.4%	(510 bps)

OUTLOOK FOR 2020

In 2019 we focused on extracting growth from strategic partnerships, initiated in 2018. These partnerships strongly contributed to premium generation, exceeding the planned growth by large margins. Despite a well diversified portfolio of insurance businesses, opportunities to expand still exist and areas targeted for growth include the direct distribution business, iWYZE, and Specialty insurance. Growth in these channels will see the business becoming less dependent on the more traditional insurance classes and intermediary distribution channels.

In our Speciality division, we will develop customer unique solutions through strong underwriting practices and optimal reinsurance structures. In our Personal division, we will focus on improving our operational excellence to improve our customer offering and profitability.

Our continued investment in new generation product administration systems will enable us to develop and deploy digital solutions that will make it easier for our customers and intermediaries to engage and manage their portfolios.

The effects of climate change have made the prediction and modelling of weather patterns as well as resultant catastrophe losses extremely unreliable. We remain focused on finding a balance between the cost of reducing this volatility through reinsurance and the impact thereof on margins.

We are committed to delivering on the turnaround and growth of Old Mutual Insure through continued focus on building strong relationships with key stakeholders throughout the value chain as well as the execution and delivery of our business imperatives with a highly skilled and experienced team.

REST OF AFRICA

TURNAROUND EAST AFRICAN BUSINESS AND IMPROVE RETURNS ACROSS THE REST OF AFRICA

Southern Africa remains a strong contributor to profits with solid performance in Namibia and Malawi showing improvement in most financial KPIs. Our journey to turn around our business in East Africa was hampered by adverse claims experience in the medical business and lower premium growth in the general insurance business as a result of increased competition. Our businesses in West Africa delivered strong RFO growth, with good corporate sales and cost management in Ghana, while Nigeria benefitted from better claims experience in 2019.

We have made notable strides in our digital transformation journey as part of our effort to continuously improve our customers' experience. In this regard we launched the following digital tools in many of the countries we operate in:

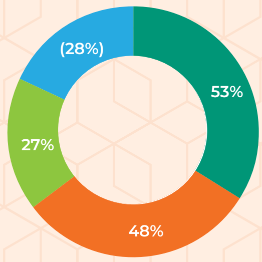
- TNM Mpamba, a mobile money service in Malawi that customers can use to pay their premiums.
- A mobile money payment platform in Ghana that expedites the receipt of claims proceeds by customers.
- Use of network initiated USSD for customer consent in Namibia to reduce the paper trail and simultaneously improve our customers' experience.
- Online travel insurance enabling customers to buy cover wherever they are
- Launched new public websites that enable E-commerce in Botswana and Nigeria that has enhanced customer journeys.

Clement Chinaka, former Managing Director of Old Mutual Corporate, was appointed as the new Managing Director for Rest of Africa effective 1 November 2019, replacing Jonas Mushosho who retired from the Group after 30 years of service. The Board has commissioned a strategic review of our Rest of Africa business, which will inform its strategic ambition and objectives over the next decade.

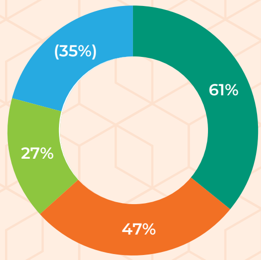
Rm (except where otherwise indicated)	FY 2019	FY 2018[1]	% change
Results from Operations	**496**	430	15%
Gross flows	**17,593**	15,600	13%
Life APE sales	**977**	946	3%
NCCF (Rbn)	**3.7**	2.2	68%
FUM (Rbn)	**79.5**	79.8	(0.4%)
VNB	**65**	57	14%
VNB margin (%)	**1.6%**	1.3%	30 bps
Loans and advances	**4,193**	3,666	14%
Net lending margin (%)	**13.1%**	13.2%	(10 bps)
Gross written premiums	**3,235**	3,080	5%
Underwriting margin (%)	**(5.5%)**	(4.6%)	(90 bps)

1 *Due to the lack of ability to access capital by way of dividends, our business in Zimbabwe is managed on a ring fenced basis. It has been excluded from the Group's key performance indicators for the current period and comparatives have been re-presented to reflect this.*

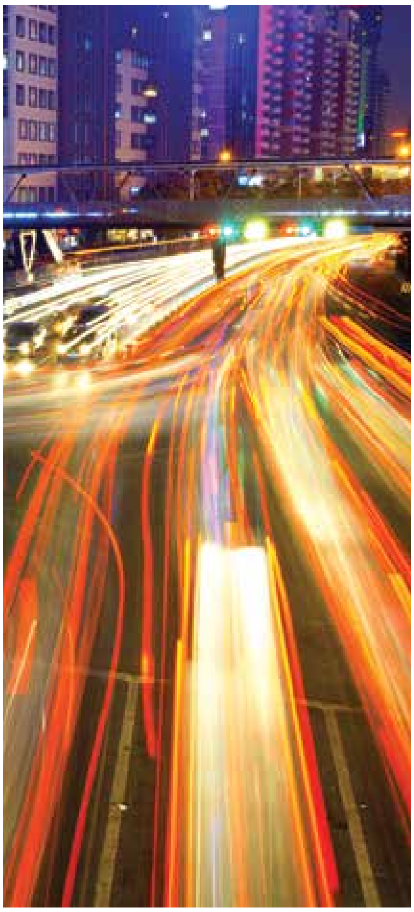
FY 2019 – RFO by LOB (%)



FY 2018 – RFO by LOB (%)



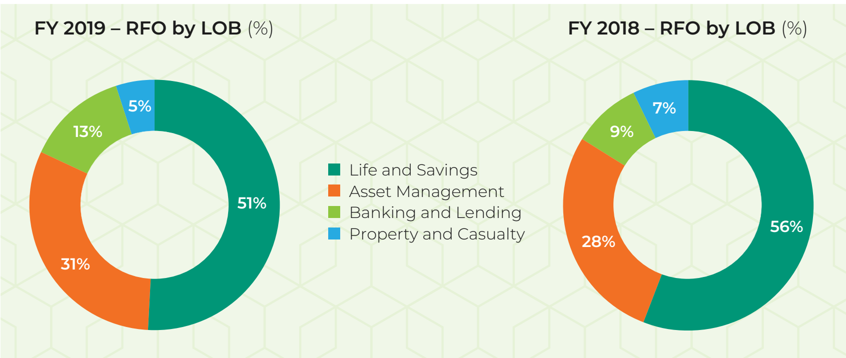
- Life and Savings
- Asset Management
- Banking and Lending
- Property and Casualty



Southern Africa (excl Zimbabwe)

Rm (except where otherwise indicated)	FY 2019	FY 2018[1]	% change
Results from Operations	**866**	765	13%
Gross flows	**12,948**	12,024	8%
Life APE sales	**739**	732	1%
NCCF (Rbn)	**2.3**	1.3	77%
FUM (Rbn)	**49.5**	49.3	0.4%
VNB	**119**	129	(8%)
VNB margin (%)	**3.2%**	3.4%	(20 bps)
Loans and advances	**1,285**	962	34%
Net lending margin (%)	**14.2%**	13.0%	120 bps
Gross written premiums	**927**	875	6%
Underwriting margin (%)	**7.7%**	8.7%	(100 bps)

1 *Due to the lack of ability to access capital by way of dividends, our business in Zimbabwe is managed on a ring fenced basis. It has been excluded from the Group's key performance indicators for the current period and comparatives have been re-presented to reflect this.*



	LIFE AND SAVINGS	ASSET MANAGEMENT	BANKING AND LENDING	PROPERTY AND CASUALTY
Botswana	✓			✓
Malawi	✓	✓		
Namibia	✓	✓	✓	✓
eSwatini	✓	✓		

PERFORMANCE HIGHLIGHTS

Gross flows increased by 8% to R12,948 million due to strong unit trust inflows from retail and corporate customers in Namibia, as the tough economic environment increased the demand for liquid investments, and strong growth in eSwatini's income product offering. NCCF increased by 77% to R2.3 billion largely due to improved gross flows and the non repeat of large outflows that occurred in the prior year when the Namibian government underwent a portfolio rebalancing following regulatory changes. This more than offset the impact of higher outflows from Malawi's corporate business.

Life APE sales increased marginally by 1% due to good corporate and retail sales in Malawi and strong credit life sales in Namibia. These increases were partially offset by lower single premium sales in Namibia and a decline in corporate sales in Botswana. VNB decreased by 8% to R119 million due to a less profitable mix of business sold in Namibia with a move towards lower margin products to meet customers' needs in a tough economic environment. Malawi's VNB was lower than the prior year, due to a large single premium flow in 2018 that did not repeat in 2019. This was partially offset by positive assumption changes and the closing down of an unprofitable retail tied channel in eSwatini, which contributed positively to VNB.

Loans and advances increased by 34% to R1,285 million as Old Mutual Finance Namibia continues to penetrate low risk state owned enterprises offering payroll linked disbursements to employees. We continue to pay close attention to the quality of the loan book, especially in the tough macroeconomic conditions that have now plagued the Namibian economy for over 3 years. This focus on building a quality book has resulted in an improvement in non-performing loans to 3.2% from 3.4%.

Gross written premiums increased by 6% to R927 million driven by good performance in Namibia as a result of growth in risk finance sales, annual premium increases and good growth in personal lines driven by sales campaigns. Botswana was 9% up on prior year driven by higher renewals in the second half of the year. Underwriting margin of 7.7% decreased by 100 bps due to an adverse claims experience and an increase in reinsurance in Namibia, partly offset by improved margins in Botswana due to cost efficiencies.

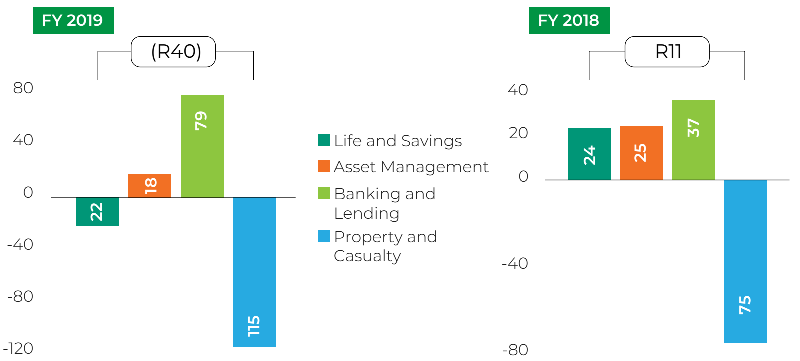
RFO increased by 13% to R866 million driven by a strong contribution from our Banking and Lending and Asset Management businesses. The Banking and Lending performance in Namibia was a result of higher interest income from the increased loan book, a 120 bps improvement in the net lending margin, an increase in non-interest revenue and lower credit losses. RFO for the Asset Management business showed strong growth driven by improved investment performance in Malawi. The growth in Life and Savings profits in Namibia was mainly due to a fee correction in the corporate business. The decrease in Property and Casualty RFO was driven by adverse claims experience in Namibia, partly offset by lower expenses in Botswana.

Segment Reviews

East Africa

Rm (except where otherwise indicated)	FY 2019	FY 2018	% change
Results from Operations	**(40)**	11	(>100%)
Gross flows	**4,255**	3,259	31%
Life APE sales	**127**	123	3%
NCCF (Rbn)	**1.2**	0.7	71%
FUM (Rbn)	**29.0**	29.3	(1%)
VNB	**(25)**	(25)	–
VNB margin (%)	**(11.7%)**	(11.8%)	10 bps
Loans and advances	**2,908**	2,704	8%
Net lending margin (%)	**12.6%**	13.2%	(60 bps)
Gross written premiums	**2,224**	2,101	6%
Underwriting margin (%)	**(6.0%)**	(1.8%)	(420 bps)

RFO split by LOB (R million)



	LIFE AND SAVINGS	ASSET MANAGEMENT	BANKING AND LENDING	PROPERTY AND CASUALTY
Kenya	✓	✓	✓	✓
Rwanda				✓
South Sudan	✓	✓		✓
Tanzania				✓
Uganda	✓	✓		✓

PERFORMANCE HIGHLIGHTS

Gross flows increased by 31% to R4,255 million driven by higher unit trust inflows in the Asset Management business in Uganda and large inflows of new pension scheme business. These strong inflows were partially offset by the increase in maturities from an ageing retail book, disinvestments and death claims in Kenya leading to NCCF of R1.2 billion, an increase of 71%.

Life APE sales increased by 3% to R127 million, this was mainly as a result of the kenyan shilling's appreciation against the rand during the year. On a constant currency basis, life sales were 5% down from prior year due to lower new business in South Sudan, whose economy continues to suffer from the effects of the political turmoil and lower endowment sales in Uganda as a result of product changes made during the year.

Gross written premiums increased by 6% to R2,224 million mostly due to favourable impact of foreign exchange movements. On a constant currency basis, gross written premiums decreased by 2% due to lower new business volumes and renewal rates in our general insurance businesses across most markets in the region. This adverse performance was partly offset by good retention in our medical insurance business and new business growth in Kenya and Uganda. Higher claims in the medical business and increased central costs had an adverse impact on net underwriting margin which decreased by 420 bps to a negative 6.0%.

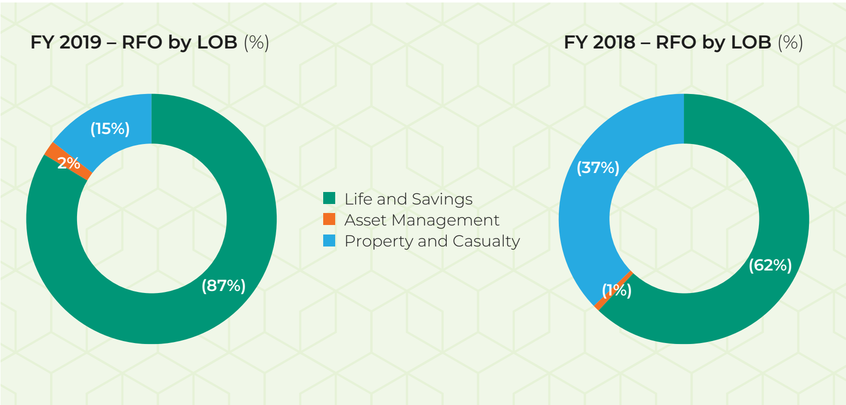
Loans and advances increased by 8% to R2,908 million driven by higher disbursements in the retail and community loan books. Credit quality has improved due to better early stage and post default collections, together with improved underwriting through tightened credit criteria. The net lending margin decreased by 60 bps as a result of reduced pricing in the retail space necessitated by competitive pressures.

East Africa recorded a loss of R40 million for the full year after a disappointing performance in the second half of the year. The adverse performance was driven largely by the lower new business volumes in the general insurance business and the adverse claims experience in the medical business. RFO in our Life and Savings business decreased from the prior year due to lapse and interest rate assumption changes which more than offset good claims due to low mortality in Uganda. Asset Management profits declined from prior year as a result of lower asset based fees in the unit trust business in Kenya, as customers withdrew funds due to uncompetitive money market yields. Our Banking and Lending business recorded strong RFO growth due to higher net interest income earned from growth in the Faulu loan book, as well as an increase in commission fees earned on transactional banking. Higher holding company costs in East Africa in 2019 also contributed to the adverse performance against prior year.

VNB and VNB margin remained negative and in line with the prior year as the mix of products sold continue to be weighted to retail products, where sufficient scale does not yet exist to offset high initial expenses.

West Africa

Rm (except where otherwise indicated)	FY 2019	FY 2018	% change
Results from Operations	**(124)**	(255)	51%
Gross flows	**390**	317	23%
Life APE sales	**111**	91	22%
NCCF (Rbn)	**0.2**	0.2	–
FUM (Rbn)	**1.0**	1.2	(17%)
VNB	**(29)**	(47)	38%
VNB margin (%)	**(12.0%)**	(17.3%)	530 bps
Gross written premiums	**84**	104	(19%)
Underwriting margin (%)	**(65.0%)**	(246.4%)	18 140 bps



	LIFE AND SAVINGS	ASSET MANAGEMENT	PROPERTY AND CASUALTY
Ghana	✓	✓	
Nigeria	✓		✓

OUTLOOK FOR 2020

The Namibian economy is expected to recover in 2020, however growth will remain too low to stimulate meaningful per capita income and reduce unemployment. We expect the nullification of 2019 election results in Malawi to impact the economy negatively. The economic outlook is positive in East Africa, however a recent locust outbreak could adversely impact agriculture. The recent agreement between the key parties in South Sudan to form a transitional government is a meaningful step towards lasting peace and should positively impact the economy as funding becomes accessible to the country. Growth in Ghana is expected to continue although the risk of fiscal slippage clouds the outlook and modest growth is expected in Nigeria driven by quickening activity in the non oil economy.

Management have initiated certain actions to address the challenges that have slowed down the turnaround of East Africa, most notably exploring the underwriting of specialist risk by leveraging the Group's underwriting capabilities, as there is less competition in this class of business. In the medical business, the Go Plus reward program has been launched to drive behavioural lifestyle changes in an effort to reduce claims. The business will also be partnering with hospitals and other insurers to better manage claims.

PERFORMANCE HIGHLIGHTS

Gross flows increased by 23% to R390 million due to growth in the life in-force book and good inflows in the pension administration business in Ghana that supported NCCF growth. Life APE sales increased by 22% to R111 million as a result of higher value savings products sold to retail customers and increased credit life sales as we expanded our offering to other banks in Nigeria.

Gross written premiums of R84 million are 19% below the prior year primarily due to the suspension of specialist aviation and oil and gas risk business. Oil and gas risk is the largest contributor to premiums written in the Nigerian market. This business took significant strain due to adverse industry wide claims experience in 2018 and a decision was made in 2019 to suspend the writing of new business in these classes of risk. During the year we bolstered our underwriting capabilities, improved our control environment and put in place improved reinsurance treaties. Early in 2020, we started underwriting this class of business again.

A reserving methodology review resulted in long outstanding claims reserves being released during the year. This, coupled with the catastrophic oil and gas claims experience in the prior year which did not repeat in 2019, led to a significant improvement in underwriting margin in our Property and Casualty business in Nigeria. In Ghana good corporate sales, change in the commission rates and cost savings drove the improvement in RFO. As a result, West Africa's RFO loss of R124 million in 2019 is significantly lower than the loss in the prior year. The impact of leadership changes and ongoing cost rationalisation in both of our markets in West Africa are expected to contribute positively to the turnaround of these businesses.

Negative VNB reduced to R29 million, an improvement of 38% from the prior year, due to a decline in sales of low margin savings products in Nigeria and the associated expenses, as well as prudent expense management and increased sales in Ghana.

04

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

DO GREAT THINGS EVERY DAY

Notes

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Independent auditors' report on summary consolidated financial statements

TO THE SHAREHOLDERS OF OLD MUTUAL LIMITED

Opinion

The summary consolidated financial statements of Old Mutual Limited, contained in the accompanying abridged report, which comprise the summary consolidated statement of financial position as at 31 December 2019, the summary consolidated income statement, the summary consolidated statement of comprehensive income, the summary consolidated statement of changes in equity and the summary consolidated statement of cash flows for the year then ended, and related notes (including the summary consolidated supplementary income statement), are derived from the audited consolidated financial statements of Old Mutual Limited for the year ended 31 December 2019.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Old Mutual Limited, in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in Note A1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other Matter

We have not audited future financial performance and expectations by the directors included in the accompanying summary consolidated financial statements and accordingly do not express any opinion thereon.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Old Mutual Limited and the auditors' report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 15 March 2019. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements for the current year.

Directors' Responsibility for the Summary Consolidated Financial Statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in note A1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the consolidated audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Deloitte & Touche
Per: Alex Arterton
Registered Auditor
Charted Accountant (SA)
Partner

15 March 2020

1st Floor, The Square
Cape Quarter
27 Somerset Rd
Green Point
8005

KPMG Inc.
Per: Pierre Fourie
Registered Auditor
Charted Accountant (SA)
Director

15 March 2020

85 Empire Road
Parktown
2193

Summary consolidated income statement

For the year ended 31 December 2019

Rm	Notes	2019	2018
Continuing operations			
Revenue			
Gross insurance premium revenue		**80,758**	78,729
Outward reinsurance		**(7,998)**	(6,683)
Net earned premiums		**72,760**	72,046
Investment return (non-banking)		**86,696**	20,511
Banking interest and similar income		**5,074**	4,532
Banking trading, investment and similar income		**187**	90
Fee and commission income, and income from service activities		**10,548**	11,031
Other income		**851**	1,667
Total revenue and other income	D1	**176,116**	109,877
Expenses			
Gross claims and benefits (including change in insurance contract provisions)		**(93,654)**	(65,488)
Reinsurance recoveries		**6,324**	5,607
Net claims and benefits incurred		**(87,330)**	(59,881)
Change in investment contract liabilities		**(29,756)**	5,855
Credit impairment charges		**(1,878)**	(1,060)
Finance costs		**(737)**	(1,338)
Banking interest payable and similar expenses		**(1,275)**	(1,005)
Fee and commission expenses, and other acquisition costs		**(10,713)**	(9,773)
Change in third-party interest in consolidated funds		**(8,603)**	(8,928)
Other operating and administrative expenses		**(23,407)**	(25,845)
Total expenses		**(163,699)**	(101,975)
Share of gains of associated undertakings and joint ventures after tax		**2,269**	550
Impairment of investments in associated undertakings		**(869)**	–
Loss on disposal of subsidiaries and associated undertakings		**(21)**	(2)
Profit before tax		**13,796**	8,450
Income tax expense		**(4,245)**	(3,453)
Profit after tax from continuing operations		**9,551**	4,997
Discontinued operations			
Profit after tax from discontinued operations		**104**	37,711
Profit after tax for the financial year		**9,655**	42,708
Attributable to			
Equity holders of the parent		**9,386**	36,566
Non-controlling interests			
Ordinary shares		**269**	5,641
Preferred securities		**–**	501
Profit after tax for the financial year		**9,655**	42,708
Earnings per ordinary share			
Basic earnings per share – continuing operations (cents)		**206.0**	105.1
Basic earnings per share – discontinued operations (cents)		**2.3**	683.0
Basic earnings per ordinary share (cents)	C1(a)	**208.3**	788.1
Diluted earnings per share – continuing operations (cents)		**202.9**	104.0
Diluted earnings per share – discontinued operations (cents)		**2.3**	674.1
Diluted earnings per ordinary share (cents)	C1(b)	**205.2**	778.1

Summary consolidated statement of comprehensive income

For the year ended 31 December 2019

Rm	2019	2018
Continuing operations		
Profit after tax for the financial year	**9,655**	42,708
Other comprehensive income for the financial year		
Items that will not be reclassified to profit or loss		
Gains on property revaluations	**448**	176
Remeasurement gains on defined benefit plans	**112**	46
Fair value movements related to own credit risk on borrowed funds[1]	**(62)**	250
Share of other comprehensive income from associated undertakings and joint ventures	**68**	(5)
Shadow accounting[2]	**(168)**	(201)
Income tax on items that will not be reclassified to profit or loss	**(67)**	10
	331	276
Items that may be reclassified to profit or loss		
Fair value adjustments on net investment hedges	**–**	44
Debt Instruments at FVOCI – Net change in fair value	**–**	(62)
Currency translation differences on translating foreign operations	**(3,872)**	(253)
Exchange differences recycled to profit or loss on disposal of businesses	**(135)**	(1,352)
Share of other comprehensive income from associated undertakings and joint ventures	**(284)**	(150)
Other movements	**–**	243
	(4,291)	(1,530)
Total other comprehensive loss for the financial year from continuing operations	**(3,960)**	(1,254)
Discontinued operations		
Total other comprehensive income for the financial year from discontinued operations after tax	**98**	496
Total other comprehensive loss for the financial year	**(3,862)**	(758)
Total comprehensive income for the financial year	**5,793**	41,950
Attributable to		
Equity holders of the parent	**5,596**	35,707
Non-controlling interests		
Ordinary shares	**197**	5,742
Preferred securities	**–**	501
Total comprehensive income for the financial year	**5,793**	41,950

1 *Amounts relating to own credit risk are released through equity when the financial liability is derecognised.*
2 *Shadow accounting is an adjustment, permitted by IFRS 4 'Insurance contracts', to allow for the impact of recognising unrealised gains or losses on insurance assets and liabilities in a consistent manner to the recognition of the unrealised gain or loss on financial assets that have a direct effect on the measurement of the related insurance assets and liabilities.*

Summary consolidated supplementary income statement

For the year ended 31 December 2019

Rm		2019	2018 (Re-presented)[1]
Mass and Foundation Cluster		**3,527**	3,129
Personal Finance		**1,730**	2,021
Wealth and Investments		**1,447**	1,611
Old Mutual Corporate		**1,816**	1,703
Old Mutual Insure		**233**	670
Rest of Africa[1]		**496**	430
Net expenses from central functions		**(277)**	(425)
Results from Operations		**8,972**	9,139
Shareholder investment return[1]		**2,102**	1,188
Finance costs		**(737)**	(601)
Share of gains of associated undertakings and joint ventures after tax		**2,528**	2,593
Adjusted Headline Earnings before tax and non-controlling interests		**12,865**	12,319
Shareholder tax[1]		**(2,874)**	(2,686)
Non-controlling interests[1]		**(135)**	(237)
Adjusted Headline Earnings after tax and non-controlling interests[2]		**9,856**	9,396
Adjusted weighted average number of ordinary shares (millions)	C1(a)	**4,709**	4,815
Adjusted Headline Earnings per share (cents)[1]		**209.3**	195.1

Reconciliation of Adjusted Headline Earnings to IFRS profit after tax

Rm	Notes	2019	2018
Adjusted Headline Earnings after tax and non-controlling interests[1]		**9,856**	9,396
Investment return on Group equity and debt instruments held in policyholder funds	A1.2(a)	**474**	(219)
Impact of restructuring	A1.2(b)	**(580)**	(700)
Discontinued operations	A1.2(c)	**74**	8,129
Share of gains of associated undertakings after tax	A1.2(d)	**–**	(2,132)
Operations in hyperinflationary economies[1]	A1.2(e)	**441**	2,116
Non-core operations	A1.2(f)	**376**	(2,349)
Headline Earnings		**10,641**	14,241
Impairment of goodwill and other intangible assets and property, plant and equipment		**(395)**	(627)
Impairment of associated undertakings		**(869)**	(265)
Profit on disposal of property, plant and equipment		**–**	51
Profit on disposal of subsidiaries and associated undertakings		**9**	23,166
Profit after tax for the financial year attributable to ordinary equity holders of the parent		**9,386**	36,566

1 *The Rest of Africa Segment, Results from Operations, Adjusted Headline Earnings and Adjusted Headline Earnings per share (cents) for the year ended 31 December 2018 have been re-presented to remove Zimbabwe. Refer to note A1.2(e) for more information.*
2 *Refer to note A1.2 for more information on the basis of preparation of Adjusted Headline Earnings (AHE) and the adjustments applied in the determination of AHE.*

Summary consolidated statement of financial position

At 31 December 2019

Rm	Notes	2019	2018
Assets			
Goodwill and other intangible assets		**6,276**	5,831
Mandatory reserve deposits with central banks		**141**	145
Property, plant and equipment		**9,892**	7,741
Investment property		**34,992**	34,512
Deferred tax assets		**1,155**	938
Investments in associated undertakings and joint ventures		**26,251**	26,679
Deferred acquisition costs		**1,978**	1,925
Loans and advances		**21,007**	21,243
Investments and securities		**744,965**	708,638
Reinsurers' share of policyholder liabilities	F1	**8,385**	7,902
Current tax receivable		**309**	429
Trade, other receivables and other assets		**21,082**	20,567
Derivative financial instruments		**3,221**	2,779
Cash and cash equivalents		**30,474**	32,339
Assets held for sale		**774**	12,787
Total assets		**910,902**	884,455
Liabilities			
Life insurance contract liabilities	F1	**141,156**	143,926
Investment contract liabilities with discretionary participating features	F1	**198,483**	188,355
Investment contract liabilities	F1	**314,071**	287,774
Property and Casualty liabilities	F1	**8,860**	9,099
Third-party interests in consolidated funds		**80,814**	80,855
Borrowed funds	F2	**18,989**	16,888
Provisions and accruals		**2,060**	1,799
Deferred revenue		**513**	472
Deferred tax liabilities		**4,134**	4,059
Current tax payable		**1,635**	1,385
Trade, other payables and other liabilities		**52,520**	47,167
Amounts owed to bank depositors		**4,908**	7,213
Derivative financial instruments		**4,834**	5,327
Liabilities held for sale		**–**	8,716
Total liabilities		**832,977**	803,035
Net assets		**77,925**	81,420
Shareholders' equity			
Equity attributable to equity holders of the parent		**74,763**	78,021
Non-controlling interests			
Ordinary shares		**3,162**	3,399
Total non-controlling interests		**3,162**	3,399
Total equity		**77,925**	81,420

Summary consolidated statement of cash flows

For the year ended 31 December 2019

Rm	Notes	2019	2018
Cash flows from operating activities			
Profit before tax		**13,796**	8,450
Non-cash movements in profit before tax		**(12,905)**	21,841
Net changes in working capital		**15,405**	(787)
Taxation paid		**(4,144)**	(3,979)
Net cash inflow from operating activities – continuing operations		**12,152**	25,525
Cash flows from investing activities			
Acquisition of financial investments		**(7,924)**	(5,196)
Acquisition of investment properties		**(1,072)**	(2,352)
Proceeds from disposal of investment properties		**35**	427
Dividends received from associated undertakings		**1,513**	29
Acquisition of property, plant and equipment		**(935)**	(550)
Proceeds from disposal of property, plant and equipment		**150**	209
Acquisition of intangible assets		**(989)**	(53)
Acquisition of interests in subsidiaries, associated undertakings and joint ventures		**(149)**	(1,213)
Proceeds from the disposal of interests in subsidiaries, associated undertakings and joint ventures		**4,258**	4,206
Net cash outflow from investing activities – continuing operations		**(5,113)**	(4,493)
Cash flows from financing activities			
Dividends paid to			
Ordinary equity holders of the parent	C3	**(5,383)**	(9,965)
Non-controlling interests and preferred security interests		**(69)**	(272)
Interest paid (excluding banking interest paid)		**(804)**	(899)
Proceeds from issue of ordinary shares		**–**	251
Net disposal of treasury shares – ordinary shares		**289**	1,137
Share buyback transactions		**(4,900)**	–
Proceeds from issue of subordinated and other debt		**5,739**	5,736
Subordinated and other debt repaid		**(3,211)**	(8,625)
Net cash outflow from financing activities – continuing operations		**(8,339)**	(12,637)
Net cash (outflow)/inflow – continuing operations		**(1,300)**	8,395
Net cash outflow from discontinued operations		**(375)**	(76,420)
Effects of exchange rate changes on cash and cash equivalents		**(588)**	569
Cash and cash equivalents at beginning of the year		**32,878**	100,334
Cash and cash equivalents at end of the year		**30,615**	32,878
Comprising			
Mandatory reserve deposits with central banks		**141**	145
Cash and cash equivalents		**30,474**	32,339
Included in assets held for sale and distribution			
Cash and cash equivalents		**–**	394
Total		**30,615**	32,878

Cash and cash equivalents comprise cash balances and highly liquid short term funds, mandatory reserve deposits held with central banks, cash held in investment portfolios awaiting reinvestment and cash and cash equivalents subject to the consolidation of funds.

Except for mandatory reserve deposits with central banks of R141 million (2018: R145 million) and cash and cash equivalents consolidated as part of the consolidation of funds of R8,731 million (2018: R7,058 million), management do not consider that there are any material amounts of cash and cash equivalents which are not available for use in the Group's day-to-day operations.

Summary consolidated statement of changes in equity

For the year ended 31 December 2019

Rm	Notes	Millions Number of shares issued and fully paid	Share capital	Merger reserve
Shareholders' equity at beginning of the year		**4,942**	**89**	**1,133**
Total comprehensive income for the financial year		**–**	**–**	**–**
Transactions with the owners of the Company				
Contributions and distributions				
Dividends for the year	C3	**–**	**–**	**–**
Share-based payment reserve movements		**–**	**–**	**–**
Transfer between reserves		**–**	**–**	**–**
Merger reserve transferred from sale of Latin American businesses		**–**	**–**	**(1,133)**
Share buyback transactions		**(233)**	**(4)**	**–**
Other movements in share capital[2]		**–**	**–**	**–**
Total contributions and distributions		**(233)**	**(4)**	**(1,133)**
Changes in ownership and capital structure				
Change in participation in subsidiaries		**–**	**–**	**–**
Total changes in ownership and capital structure		**–**	**–**	**–**
Total transactions with the owners of the Company		**(233)**	**(4)**	**(1,133)**
Shareholders' equity at end of the year		**4,709**	**85**	**–**

For the year ended 31 December 2018

Rm	Notes	Millions Number of shares issued and fully paid	Share capital	Share premium	Merger reserve
Shareholders' equity at beginning of the year		4,933	10,150	19,324	20,639
Impact of adopting IFRS 9 and IFRS 15, net of tax		–	–	–	–
Restated opening balance		4,933	10,150	19,324	20,639
Total comprehensive income for the financial year		–	–	–	
Transactions with the owners of the Company					
Contributions and distributions					
Dividends for the year	C3	–	–	–	–
Share-based payment reserve movements		–	–	–	–
Transfer between reserves		–	–	–	–
Demerger of Quilter plc from Old Mutual plc		–	–	–	–
Merger reserve released from demerger of Quilter plc		–	–	–	(19,506)
Unbundling of Nedbank		–	–	–	–
Other movements in share capital		9	18	233	–
Total contributions and distributions		9	18	233	(19,506)
Changes in ownership and capital structure					
Capital reduction of Old Mutual plc		–	(10,079)	(19,557)	–
Unbundling of non-controlling interests in Nedbank			–	–	–
Change in participation in subsidiaries		–	–	–	–
Total changes in ownership and capital structure		–	(10,079)	(19,557)	–
Total transactions with owners of the Company		9	(10,061)	(19,324)	(19,506)
Shareholders' equity at end of the year		4,942	89	–	1,133

1 *Included in the closing balance for other reserves is a R180 million (2018: R442 million) liability credit reserve on borrowed funds. The Group recognises fair value gains and losses on the borrowed funds designated at fair value through profit or loss. The cumulative fair value gains and losses as a result of changes in the credit risk of the issued bonds are recognised in other comprehensive income and not in profit or loss. The Group released R13 million of the liability credit reserve directly to retained earnings on the repayment of the R1,000 million unsecured subordinated debt. Refer to note A2 for more information.*

2 *Other movements in share capital includes a movement in retained earnings of R960 million relating to own shares held by consolidated investment funds, employee share trusts and policyholder funds. These shares are treated as treasury shares in the consolidated financial statements.*

3 *The fair value reserve comprises all fair value adjustments relating to investments in debt and equity instruments of equity accounted associated undertakings that are subsequently measured of FVOCI within the financial statements of these associated undertakings.*

Fair-value reserve[3]	Property revaluation reserve	Share-based payments reserve	Other reserves[1]	Foreign currency translation reserve	Retained earnings	Attributable to equity holders of the parent	Total non-controlling interests	Total equity
14	**758**	**1,162**	**(690)**	**(3,608)**	**79,163**	**78,021**	**3,399**	**81,420**
(94)	**271**	**–**	**262**	**(4,017)**	**9,174**	**5,596**	**197**	**5,793**
–	**–**	**–**	**–**	**–**	**(5,383)**	**(5,383)**	**(69)**	**(5,452)**
–	**–**	**(122)**	**–**	**–**	**–**	**(122)**	**–**	**(122)**
–	**(414)**	**(277)**	**248**	**221**	**222**	**–**	**–**	**–**
–	**–**	**–**	**–**	**–**	**1,133**	**–**	**–**	**–**
–	**–**	**–**	**–**	**–**	**(4,896)**	**(4,900)**	**–**	**(4,900)**
–	**–**	**–**	**–**	**–**	**1,578**	**1,578**	**(31)**	**1,547**
–	**(414)**	**(399)**	**248**	**221**	**(7,346)**	**(8,827)**	**(100)**	**(8,927)**
–	**–**	**–**	**–**	**–**	**(27)**	**(27)**	**(334)**	**(361)**
–	**–**	**–**	**–**	**–**	**(27)**	**(27)**	**(334)**	**(361)**
–	**(414)**	**(399)**	**248**	**221**	**(7,373)**	**(8,854)**	**(434)**	**(9,288)**
(80)	**615**	**763**	**(180)**	**(7,404)**	**80,964**	**74,763**	**3,162**	**77,925**

Fair-value reserve	Property revaluation reserve	Share-based payments reserve	Other reserves	Foreign currency translation reserve	Retained earnings	Attributable to equity holders of the parent	Total non-controlling interests	Total equity
190	2,744	3,813	969	(3,932)	82,781	136,678	46,767	183,445
620	–	–	(914)	–	(2,384)	(2,678)	(1,659)	(4,337)
810	2,744	3,813	55	(3,932)	80,397	134,000	45,108	179,108
(446)	(107)	–	340	(625)	36,545	35,707	6,243	41,950
–	–	–	–	–	(9,965)	(9,965)	(3,938)	(13,903)
–	–	674	–	–	–	674	–	674
(350)	(1,879)	(3,325)	(1,085)	949	5,690	–	–	–
–	–	–	–	–	(42,935)	(42,935)	–	(42,935)
–	–	–	–	–	19,506	–	–	–
–	–	–	–	–	(38,867)	(38,867)	–	(38,867)
–	–	–	–	–	(466)	(215)	222	7
(350)	(1,879)	(2,651)	(1,085)	949	(67,037)	(91,308)	(3,716)	(95,024)
–	–	–	–	–	29,636	–	–	–
–	–	–	–	–	–	–	(44,532)	(44,532)
–	–	–	–	–	(378)	(378)	296	(82)
–	–	–	–	–	29,258	(378)	(44,236)	(44,614)
(350)	(1,879)	(2,651)	(1,085)	949	(37,779)	(91,686)	(47,952)	(139,638)
14	758	1,162	(690)	(3,608)	79,163	78,021	3,399	81,420

Notes to the summary consolidated financial statements

For the year ended 31 December 2019

A: Significant accounting policies

A1: Basis of preparation

1.1 Statement of compliance

Old Mutual Limited (the Company) is a company incorporated in South Africa.

The summary consolidated annual financial statements have been extracted from the audited consolidated annual financial statements of the Company and its subsidiaries (the Group) for the year ended 31 December 2019.

The Old Mutual Limited audited consolidated and separate annual financial statements (Consolidated Financial Statements) for the year ended 31 December 2019 are available at https://www.oldmutual.com/investor-relations/reporting-centre/reports, at our registered offices and upon request.

The consolidated annual financial statements for the year ended 31 December 2019 have been audited by KPMG Inc and Deloitte & Touche, who expressed an unmodified opinion thereon. The auditors' report does not necessarily report on all information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditors' engagement they should obtain a copy of that report together with the accompanying financial information from the issuer's registered office.

The summary consolidated financial statements comprise the summary consolidated statement of financial position at 31 December 2019, summary consolidated income statement, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year ended 31 December 2019 and selected explanatory notes (including the summary consolidated supplementary income statement), but do not include the information required pursuant to paragraph 16A(j) of IAS 34.

The summary consolidated financial statements and the consolidated financial statements have been prepared under the supervision of Casper Troskie CA(SA) (Group Chief Financial Officer). The directors take full responsibility for the preparation of the summary consolidated financial statements and that the financial information has been correctly extracted from the underlying consolidated annual financial statements.

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the Companies Act, No 71 of 2008 of South Africa. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the summary consolidated annual financial statements are in terms of IFRS and are consistent with those applied in the preparation of the 2018 audited consolidated annual financial statements of the Group, except for changes arising from the adoption of IFRS 16, as set out in the notes to the consolidated financial statements.

1.2 Basis of preparation of Adjusted Headline Earnings

Purpose of Adjusted Headline Earnings

Adjusted Headline Earnings (AHE) is an alternative non-IFRS profit measure used alongside IFRS profit to assess performance of the Group. It is one of a range of measures used to assess management performance and performance based remuneration outcomes. In addition, it is used in setting the dividend to be paid to shareholders. Non-IFRS measures are not defined by IFRS, are not uniformly defined or used by all entities and may not be comparable with similarly labelled measures and disclosures provided by other entities.

Due to the complexity introduced into IFRS profit by the transactions required to execute Managed Separation and the long term nature of the Group's operating businesses, management considers that AHE is an appropriate alternative basis by which to assess the operating results of the Group and that it enhances the comparability and understanding of the financial performance of the Group. It is calculated as headline earnings in accordance with JSE Listings Requirements and SAICA circular 01/2019 adjusted for items that are not considered reflective of the long term economic performance of the Group. AHE is presented to show separately the Results from Operations, which measure the operational performance of the Group from items such as investment return, finance costs and income from associated undertakings. The adjustments from headline earnings to AHE are explained below.

The Group Audit committee regularly reviews the determination of AHE and the use of adjusting items to confirm that it remains an appropriate basis against which to analyse the operating performance of the Group. The Committee assesses refinements to the policy on a case-by-case basis, and seeks to minimise such changes in order to maintain consistency over time.

The adjustments applied in the determination of AHE are:

(a) Investment return on Group equity and debt instruments held in policyholder funds

Represents the shareholder investment returns on policyholder investments in Group equity and debt instruments held by the Group's policyholder funds. This includes investments in the Company's ordinary shares and the subordinated debt and ordinary shares issued by subsidiaries of the Group. These shareholder investment returns are eliminated within the consolidated income statement in arriving at profit before tax, but are added back in the calculation of AHE. This ensures consistency with the measurement of the related policyholder liability.

(b) **Impact of restructuring**

Represents the elimination of non-recurring expenses or income related to material acquisitions, disposals or a fundamental restructuring of the Group. This adjustment would therefore include items such as the costs or income associated with completed acquisitions or disposals and the release of any acquisition date provisions. These items are removed from AHE as they are not representative of the operating activity of the Group and by their nature they are not expected to persist in the long term. For the period ended 31 December 2019 this adjustment includes costs associated with the migration of IT systems and administrative processes of Old Mutual International from Quilter plc to our Wealth and Investments business.

(c) **Discontinued operations**

Represents the removal of the profit after tax associated with discontinued operations. These businesses are not considered part of the Group's principal operations due to the fact they have been or are in the process of being sold or distributed and therefore will not form part of the Group going forward. The profit attributable to these businesses, included the profit or loss recognised on the ultimate distribution or disposal of the business, is removed from AHE. For the period ended 31 December 2019 this adjustment includes the profit attributable to Latin America and Old Mutual Bermuda. The comparative period includes the profit attributable to Quilter plc, Nedbank, Latin America and Old Mutual Bermuda.

(d) **Share of gains of associated undertakings after tax**

This adjustment is no longer required due to the fact that there is no longer a mismatch in the presentation of our 19.9% stake in Nedbank between AHE and IFRS profit after tax attributable to equity holders of the parent.

(e) **Operations in hyperinflationary economies**

Until such time as we are able to access capital by way of dividends from the business in Zimbabwe, we will manage it on a ring fenced basis and exclude its results from AHE. The lack of ability to access capital by way of dividends is exacerbated by the volatility that a hyperinflationary economy and the reporting thereof introduces. This adjustment has been applied from 1 January 2019 and we have restated comparatives to reflect this decision.

(f) **Non-core operations**

Represents the elimination of the results of businesses or operations classified as non-core. This adjustment represents the net losses associated with the operations of the Residual plc. Residual plc is not considered part of the Group's principal operations due to the fact that it is in the process of winding down and therefore the associated costs are removed from AHE.

1.3 Basis of preparation of other non IFRS measures

The Group uses AHE in the calculation of various other non IFRS measures which are used by management, alongside IFRS metrics, to assess performance. Non IFRS measures are not defined by IFRS, are not uniformly defined or used by all entities and may not be comparable with similarly labelled measures and disclosures provided by other entities. The basis of preparation of each is outlined below.

(a) **AHE per share**

AHE per share is calculated as AHE divided by the Adjusted weighted average number of shares. The weighted average number of shares is adjusted to reflect the Group's BEE shares and the shares held in policyholder funds and consolidated investment funds as being in the hands of third parties, consistent with the treatment of the related revenue in AHE. Refer to note C1 for more information.

AHE per share is used alongside IFRS earnings, to assess performance of the Group. It is also used in assessing and setting the dividend to be paid to shareholders.

A2: Significant corporate activity and business changes during the year

Disposals completed during the year

Disposal of the Latin American businesses

On 1 April 2019, the Group completed the disposal of the Latin American businesses to Lily Bermuda Capital Limited (SPV domiciled in Bermuda), owned by CMIG International Holding Private Limited for a cash consideration of R4,144 million, net of transaction costs. A profit on disposal after tax of R30 million has been recognised in profit or loss, including a gain of R135 million from the recycling of foreign currency translation reserves. Merger reserves of R1,133 million created on the original acquisition of the Latin American businesses was transferred to retained earnings and are no longer classified as non- distributable.

Consistent with prior period reporting, the Latin American businesses have been classified as discontinued operations for the period from 1 January 2019 until disposal on 1 April 2019.

An analysis of assets and liabilities that the Group has disposed of, is presented in note A2 of the Annual Financial Statements:

A: Significant accounting policies

A2: Significant corporate activity and business changes during the year

Acquisitions during the year

On 4 July 2019, Old Mutual Real Estate Holding Company (Proprietary) Limited, through its subsidiaries Lions Head Investments E.A.D and Lions Head Romania Holdco EOOD, purchased 100% of the equity of Portland Trust Developments Three s.r.l for a total cash consideration of €10 million (R158 million). The transaction has been accounted for in terms of IFRS 3 'Business Combinations' and a full purchase price allocation will be performed within twelve months.

The fair value of the net assets purchased was €12 million (R191 million). Consequently, a gain on bargain purchase of €2 million (R25 million) has been recognised in profit or loss. Included in the net assets acquired are investment properties with a fair value of €58 million (R923 million), other assets of €6 million (R96 million), cash and cash equivalents of €3 million (R44 million), bank and other loan liabilities of €48 million (R761 million) and other liabilities of €7 million (R111 million).

This acquisition consists largely of investment property that will form part of the Group's long term insurance policyholder investment portfolio, backing linked investments and with profit investment contract liabilities.

Share buybacks

During the year ended 31 December 2019, the Company repurchased 233,494,706 of its issued ordinary shares on the Johannesburg Stock Exchange (JSE) as part of two separate share repurchase programmes announced on 11 March 2019 and 2 September 2019 respectively.

The first tranche of share buybacks concluded on 21 May 2019. The aggregate number of shares repurchased amounted to 110,783,507 at prices ranging between 2,118 cents and 2,399 cents per share, resulting in a total cash outflow of R2.5 billion.

The second tranche of share buybacks concluded on 8 October 2019. The aggregate number of shares repurchased amounted to 122,711,199 at prices ranging between 1,767 cents and 2,019 cents per share, resulting in a total cash outflow of R2.4 billion.

The repurchased shares have been cancelled as issued shares and have reverted back to authorised but unissued share capital status.

Financing activities during the period

On 11 June 2019, Old Mutual Life Assurance Company (South Africa) Limited (OMLACSA) issued R2 billion floating rate subordinated debt instruments under the R10 billion Unsecured Subordinated Note Programme as guaranteed by Old Mutual Limited dated 23 May 2019. These instruments have a coupon rate of 3 month Johannesburg Interbank Average Rate (JIBAR) plus 155 bps, payable quarterly in arrears. The maturity date of these instruments is 11 June 2024.

On 27 November 2019, OMLACSA repaid a R300 million unsecured subordinated callable fixed rate note, including a final coupon of R16 million and a R700 million unsecured subordinated callable floating rate note, including a final coupon of R14 million. Both these instruments had a first call date of 27 November 2019. The Group released R13 million of the liability credit reserve directly to retained earnings on repayment of this debt.

A3: Critical accounting estimates and judgements

(a) Measurement of policyholder liabilities

The policyholder liabilities are generally calculated using discounted probability weighted projected cashflows, relying on a number of assumptions about future experience (e.g. policyholder mortality and persistency rates). These assumptions are monitored regularly against actual experience, both through the reported variances in the analysis of profits, as well as through more formal experience investigations (based on statistical analysis of historical policyholder data).

Assumptions are set on a long term basis, and are not expected to be changed frequently. Based on the analysis of past experience, and actuarial judgement around likely future trends, a current long term assumption may be an inappropriate representation of future expected experience. In this case a change is made to the long term assumption to set it at a more appropriate level. There may also be instances where a short term change in assumptions is indicated (e.g. if persistency rates over the next 3 years are likely to deviate from the long term assumptions, but is then expected to revert to the assumed long term level). A short term reserve will be created to ensure appropriate total reserves are held over this period of shortfall. This short term reserve will be released to offset the expected short term unusual experience as it emerges. The expected results of any future management interventions will also be taken into account where relevant. There is a strict governance process for making changes to the valuation assumptions (both short and long term). This process runs in the months before and after a valuation date, to ensure that only appropriate assumptions are included in that reporting period's policyholder liability calculations.

During the year we concluded several experience reviews across our life business in South Africa, the results of which were captured in our year end basis change process. We have also implemented several model and methodology improvements. Overall, the net impact of these basis changes to the Group's profits was R932 million. Although positive at a total level, there were some significant segment profit impacts due to the differing outcomes of the experience reviews at a segment level.

The table below summarises the basis and assumption changes made in 2019.

Rm	Year ended 31 December 2019 Group	Mass and Foundation Cluster	Personal Finance	Old Mutual Corporate	Rest of Africa	Year ended 31 December 2018 Group	Mass and Foundation Cluster	Personal Finance	Old Mutual Corporate	Rest of Africa
Non economic basis changes	**(81)**	**1,330**	**(1,447)**	**74**	**(38)**	43	363	(355)	(21)	56
Economic basis changes	**1,013**	**–**	**772**	**217**	**24**	(1)	–	(1)	–	–
Total basis changes	**932**	**1,330**	**(675)**	**291**	**(14)**	42	363	(356)	(21)	56

The non economic basis change reflects the net impact of changes in our mortality, persistency and expense assumptions and associated modelling.

We completed a review of our mortality basis across the South African life business. In Mass and Foundation Cluster, where we have seen recent periods of mortality profit, this resulted in a release of reserves, partially offset by an allocation of a portion of the value to our customers, consistent with our historic treatment of similar profits in the past. In Personal Finance, the mortality basis change was negative, reflecting both poor mortality experience in certain cohorts over recent periods and the impact of removing worsening cross-subsidies across cohorts.

Changes were also made to the persistency basis to recognise observed changes in persistency. In Mass and Foundation Cluster there was negative impact from increasing lapse assumptions, while in Personal Finance there was a negative impact from reducing longer duration lapse assumptions in our Greenlight product.

The Personal Finance mortality and persistency impact was partially offset by the positive impact of reserving for expected future premium increases on policies that reach the end of their premium guarantee term.

The economic basis changes mostly reflect the impact of a release from our investment guarantee reserves, supported by the introduction of an improved and recalibrated economic scenario generator (ESG), which is a key component in the modelling of our investment guarantee risk.

(b) Accounting matters relating to Zimbabwe

Assessment of Zimbabwe as a hyperinflationary economy

During the first half of 2019 the Group concluded that Zimbabwe was a hyperinflationary economy. This decision was made after careful assessment of the relevant factors including the rapid increase in official inflation rates and fuel prices as well as significant deterioration in the interbank ZWL exchange rate during the period. Subsequent to this, the Zimbabwe Public Accountants and Auditors Board have confirmed that Zimbabwe is a hyperinflationary economy, thereby confirming the appropriateness of this treatment.

Application of hyperinflationary accounting

The results of our operations with a functional currency of ZWL have been prepared in accordance with IAS 29 – 'Financial Reporting in Hyperinflationary Economies' (IAS 29) as if the economy had been hyperinflationary from 1 October 2018. This date coincided with the date on which the functional currency for our businesses in Zimbabwe changed from a US dollar (as stable currency) to the ZWL and the official inflation rate was low and stable up to that point. Hyperinflationary accounting requires transactions and balances to be stated in terms of the measuring unit current at the end of the reporting period in order to account for the effect of loss of purchasing power during the period. The Group has elected to use the Zimbabwe Consumer Price Index (CPI) of 551.8 at 31 December 2019 as the general price index to restate amounts as CPI provides an official observable indication of the change in the price of goods and services.

The carrying amounts of non-monetary assets and liabilities carried at historic cost have been remeasured to reflect the change in the general price index from 1 October 2018 to the end of the reporting period. An impairment loss has been recognised in profit or loss where the remeasured amount of a non-monetary item exceeds its estimated recoverable amount. No adjustment has been made for those non-monetary assets and liabilities carried at fair value.

Gains or losses on the net monetary position have been recognised in the income statement. All items recognised in the income statement are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred unless they relate to items already accounted for at fair value, with the corresponding adjustment presented in the income statement. All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

Comparative amounts in the Group financial statements have not been restated for changes in the price level from 1 October 2018 as the presentation currency of the Group is that of a non-hyperinflationary economy.

The impact of applying IAS 29 in the current year resulted in an increase in net asset value and profit after tax of R187 million.

A: Significant accounting policies

A3: Critical accounting estimates and judgements

(b) Accounting matters relating to Zimbabwe

Exchange rate applied in translating the results, net assets and cash flows of the Group's businesses in Zimbabwe

In accordance with the provisions of IAS 21 – 'The Effects of Changes in Foreign Exchange Rates' the results, net assets and cash flows have been translated at the closing rate of 1 ZWL to 0.83 ZAR. The closing rate used to translate the December 2018 results was 1 ZWL to 4.35 ZAR.

The Group applied a change in functional currency from the US dollar to the ZWL in respect of our businesses in Zimbabwe on 1 October 2018. This change was applied prospectively and an estimate of 1 ZWL to 4.35 ZAR was used as the exchange rate to translate the results, net assets and cash flows of the Group's businesses in Zimbabwe in the 2018 financial statements. The estimated exchange rate was based on an internal model. On 20 February 2019 the Reserve Bank of Zimbabwe (RBZ) announced that the ZWL would be recognised as an official currency and that an interbank foreign exchange market would be established to formalise trading in ZWL balances with other currencies. This exchange commenced trading on 22 February 2019.

The impact of applying the hyperinflationary provisions of IAS 21 in the current year was a decrease in the Group's profit after tax of R312 million reflecting the difference in applying the average versus the closing exchange rate.

Valuation of assets within Zimbabwe

In light of the economic conditions within Zimbabwe, the valuation of assets, in particular, unlisted valuations require significant judgement. The Group has exposure to property assets, unlisted and listed investments. Listed investments comprise equity shareholdings in companies listed on the Zimbabwe stock exchange and other international stock exchanges while our unlisted investment portfolio primarily comprises of private equity investments. The Zimbabwe property portfolio comprises of retail, office and industrial properties. All assets have applied valuation principles as outlined within IFRS.

Due to the subjective nature and complexity of the inputs used in the valuations, the Group has adjusted the valuation to account for uncertainty within these significant judgements.

Sensitivities

The table below illustrates the sensitivity of the summary income statement and summary statement of financial position to changes in the general price index:

Rm	As reported	+100% (CPI)	+250% (CPI)	+500% (CPI)
Summary income statement				
Profit after tax for the financial period	**489**	669	770	940
Summary statement of financial position				
Net assets	**432**	613	714	884

The table below illustrates the sensitivity of key financial measures to changes in the exchange rates:

Rm	As reported	1 ZWL$: 0.62 ZAR	1 ZWL$: 0.42 ZAR	1 ZWL$: 0.21 ZAR
Profit after tax attributable to equity holders of the parent	**442**	331	221	110
Equity attributable to the equity holders of the parent	**392**	295	197	98

(c) Fair value of property assets

The Group has exposure to property assets through its investments in investment property and owner occupied properties in South Africa, Rest of Africa and Eastern Europe. The valuation of the Group's property portfolio in East Africa and Zimbabwe, in particular, requires significant judgement due to the current economic conditions prevailing in these regions, especially around reversionary capitalisation rates and rental levels. Methodologies used to determine and assess the fair value of property assets include discounted cash flow and income capitalisation models. The fair value of each property asset is determined based on the most appropriate valuation applicable to the specific market and economy in which it is invested and the particulars of the property itself. All material property asset valuations in the Group are reviewed by the Group and independent external valuation experts on a regular basis. This could result in the Group concluding on a different valuation for the asset.

B: Segment information

B1: Basis of segmentation

1.1 Segment presentation

The executive management team of Old Mutual Limited, with the support of the Board, was responsible for the assessment of performance and the allocation of resources of the continuing business operations during the period under review. The Group has identified the Chief Operating Decision Maker (CODM) to be the executive management team of Old Mutual Limited. The Group's operating segments have been identified based on the internal management reporting structure which is reflective of the nature of products and services as well as the target customer base. The Managing Directors of the operating segments form part of the executive team. Therefore, the chief operating decision maker, being the executive team of Old Mutual Limited, is structured in a way reflective of the internal reporting structure.

The Group manages its business through the following operational segments, which are supported by central shareholder activities and enabling functions.

- **Mass and Foundation Cluster:** A retail segment that operates in Life and Savings and Banking and Lending. It provides simple financial services products to customers in the low-income and lower-middle income markets. These products are divided into four categories being (i) risk, including funeral cover, (ii) savings, (iii) lending and (iv) transactional products.

- **Personal Finance:** A retail segment that operates primarily in Life and Savings. It provides holistic financial advice and long-term savings, investment, income and risk products and targets the middle-income market.

- **Wealth and Investments:** Operates across Life and Savings and Asset Management through four distinct businesses: (i) Wealth, a retail segment targeting high income and high net worth individuals, that provides vertically integrated advice, investment solutions and funds, and other financial solutions, (ii) Asset Management comprising eight investment boutiques that provide asset management services to retirement and benefit funds and to the retail market in partnership with Wealth, (iii) Alternatives, an unlisted alternatives investment business, and (iv) Specialised Finance, a proprietary risk and investment capability which manages and supports the origination of assets.

- **Old Mutual Corporate:** Operates in Life and Savings and primarily provides Group risk, investments, annuities and consulting services to employee-sponsored retirement and benefit funds.

- **Old Mutual Insure:** Provides Property and Casualty insurance products through three operational businesses: (i) Personal (ii) Commercial, and (iii) Corporate.

- **Rest of Africa:** Operates in Life and Savings, Property and Casualty (including health insurance), Banking and Lending (including micro-lending) and Asset Management. The segment operates in 12 countries across three regions: Southern Africa, East Africa and West Africa.

- **Other Group Activities:** Comprises the activities related to the management of the Group's capital structure. This includes the management of shareholder investment assets including the associated shareholder investment return and third-party borrowings including the associated finance costs. Also included are net assets and operations of Residual plc and investments in associated undertakings. Subsequent to the Nedbank unbundling, the Group retained a minority shareholding of 19.9%, managed as part of Other Group Activities.

1.2 Presentation and disclosure

Results from Operations measures the operational performance of the Group and together with items such as investment return, finance costs and income from associated undertakings, the Group's profit measure, AHE is derived. AHE by definition excludes discontinued operations and Residual plc, which do not form part of core continuing businesses of the Group, and certain of the discontinued operations are a function of the reorganisation and the application of predecessor accounting.

The Group is in the process of a fundamental multi-year transformation of its finance function, transitioning from a legal entity view to a segment approach to better reflect the statement of financial position economics and levers to drive value.

B: Segment information

B2: Segmental income statement

Year ended 31 December 2019 Rm	Mass and Foundation Cluster	Personal Finance	Wealth and Investments	Old Mutual Corporate
Revenue				
Gross insurance premium revenue	12,366	14,018	13	30,097
Outward reinsurance	(40)	(1,278)	–	(891)
Net earned premiums	12,326	12,740	13	29,206
Investment return (non-banking)	1,615	18,302	21,067	25,847
Banking interest and similar income	3,808	1	–	–
Banking trading, investment and similar income	–	–	–	–
Fee and commission income, and income from service activities	668	3,278	6,082	348
Other income	251	38	236	197
Total revenue and other income	**18,668**	**34,359**	**27,398**	**55,598**
Expenses				
Net claims and benefits (including change in insurance contract provisions)	(6,046)	(19,109)	(173)	(45,640)
Reinsurance recoveries	30	2,011	–	818
Net claims and benefits incurred	(6,016)	(17,098)	(173)	(44,822)
Change in investment contract liabilities	(5)	(7,821)	(17,331)	(3,906)
Credit impairment charges	(1,598)	(63)	5	9
Finance costs	–	–	–	–
Banking interest payable and similar expenses	(798)	–	–	–
Fee and commission expenses, and other acquisition costs	(2,827)	(2,869)	(2,668)	(453)
Change in third-party interest in consolidated funds	–	–	–	–
Other operating and administrative expenses	(3,885)	(4,218)	(4,327)	(4,741)
Policyholder tax	(12)	(560)	(1,457)	131
Total expenses	**(15,141)**	**(32,629)**	**(25,951)**	**(53,782)**
Share of gains of associated undertakings and joint ventures after tax	–	–	–	–
Impairment of investments in associated undertakings	–	–	–	–
Loss on disposal of subsidiaries and associated undertakings	–	–	–	–
Results from Operations	**3,527**	**1,730**	**1,447**	**1,816**
Shareholder investment return	–	–	–	–
Finance costs	–	–	–	–
Income from associated undertakings	–	–	–	–
Adjusted Headline Earnings before tax and non-controlling interests	**3,527**	**1,730**	**1,447**	**1,816**
Shareholder tax	(984)	(479)	(249)	(516)
Non-controlling interests	(95)	2	(13)	–
Adjusted Headline Earnings	**2,448**	**1,253**	**1,185**	**1,300**
Investment return on Group equity and debt instruments held in policyholder funds	22	44	21	214
Impact of restructuring	(61)	–	(523)	–
Profit from discontinued operations after tax	–	–	–	–
Operations in hyperinflationary economies	–	–	–	–
Non-core operations	–	–	–	–
Headline Earnings	**2,409**	**1,297**	**683**	**1,514**
Adjustments				
Impairment of goodwill and other intangible assets and property, plant and equipment	(8)	(15)	(42)	(75)
Impairment of associated undertakings	17	33	16	164
Profit on disposal of subsidiaries and associated undertakings	–	–	–	–
Profit after tax for the financial year attributable to equity holders of the parent	**2,418**	**1,315**	**657**	**1,603**
Profit after tax for the financial year attributable to non-controlling interests	101	12	19	61
Profit after tax for the financial year	**2,519**	**1,327**	**676**	**1,664**

1 *Comprises adjustments to move from AHE to IFRS profit, and related line item reclassification to ensure the total IFRS reconciles to the face of the income statement*

	Old Mutual Insure	Rest of Africa	Other Group Activities	Adjusted Headline Earnings	Consolidation of funds	Adjusting items and reclassifications[1]	Continuing Operations	Discontinued operations	Total IFRS
	14,597	8,831	(61)	79,861	–	897	80,758	–	80,758
	(4,611)	(1,067)	36	(7,851)	–	(147)	(7,998)	–	(7,998)
	9,986	7,764	(25)	72,010	–	750	72,760	–	72,760
	233	3,570	(2,476)	68,158	10,256	8,282	86,696	–	86,696
	–	840	–	4,649	–	425	5,074	–	5,074
	–	63	–	63	–	124	187	–	187
	892	902	(2,073)	10,097	–	451	10,548	–	10,548
	5	174	(469)	432	24	395	851	–	851
	11,116	13,313	(5,043)	155,409	10,280	10,427	176,116	–	176,116
	(9,295)	(8,533)	127	(88,669)	–	(4,985)	(93,654)	–	(93,654)
	2,896	538	(71)	6,222	–	102	6,324	–	6,324
	(6,399)	(7,995)	56	(82,447)	–	(4,883)	(87,330)	–	(87,330)
	–	(365)	39	(29,389)	–	(367)	(29,756)	–	(29,756)
	–	(157)	(43)	(1,847)	–	(31)	(1,878)	–	(1,878)
	–	–	–	–	–	(737)	(737)	–	(737)
	–	(331)	–	(1,129)	–	(146)	(1,275)	–	(1,275)
	(2,486)	(804)	1,839	(10,268)	(267)	(178)	(10,713)	–	(10,713)
	–	–	–	–	(8,603)	–	(8,603)	–	(8,603)
	(1,998)	(3,075)	2,437	(19,807)	(1,410)	(2,190)	(23,407)	–	(23,407)
	–	(90)	438	(1,550)	–	1,550	–	–	–
	(10,883)	(12,817)	4,766	(146,437)	(10,280)	(6,982)	(163,699)	–	(163,699)
	–	–	–	–	–	2,269	2,269	–	2,269
	–	–	–	–	–	(869)	(869)	–	(869)
	–	–	–	–	–	(21)	(21)	–	(21)
	233	496	(277)	8,972	–	4,824	13,796	–	13,796
	188	41	1,873	2,102	–	(2,102)	–	–	–
	(46)	(98)	(593)	(737)	–	737	–	–	–
	–	–	2,528	2,528	–	(2,528)	–	–	–
	375	439	3,531	12,865	–	931	13,796	–	13,796
	(99)	75	(622)	(2,874)	–	(1,371)	(4,245)	–	(4,245)
	(26)	(3)	–	(135)	–	(134)	(269)	–	(269)
	250	511	2,909	9,856	–	(574)	9,282	–	9,282
	–	(106)	279	474	–	(474)	–	–	–
	–	4	–	(580)	–	580	–	–	–
	–	–	74	74	–	(74)	–	104	104
	–	441	–	441	–	(441)	–	–	–
	–	–	376	376	–	(376)	–	–	–
	250	850	3,638	10,641	–	(1,359)	9,282	104	9,386
	–	–	(255)	(395)	–	395	–	–	–
	–	–	(1,099)	(869)	–	869	–	–	–
	–	–	9	9	–	(9)	–	–	–
	250	850	2,293	9,386	–	(104)	9,282	104	9,386
	26	50	–	269	–	–	269	–	269
	276	900	2,293	9,655	–	(104)	9,551	104	9,655

Notes to the summary consolidated financial statements

For the year ended 31 December 2019

B: Segment information

B2: Segmental income statement (Re-presented)[1]

Year ended 31 December 2018 **Rm**	Mass and Foundation Cluster	Personal Finance	Wealth and Investments	Old Mutual Corporate
Revenue				
Gross insurance premium revenue	11,668	12,555	38	31,081
Outward reinsurance	(40)	(1,192)	–	(467)
Net earned premiums	11,628	11,363	38	30,614
Investment return (non-banking)	152	2,066	(2,036)	2,024
Banking interest and similar income	2,785	–	–	–
Banking trading, investment and similar income	17	–	–	–
Fee and commission income, and income from service activities	463	3,537	5,779	355
Other income	64	180	335	195
Total revenue and other income	15,109	17,146	4,116	33,188
Expenses				
Net claims and benefits (including change in insurance contract provisions)	(4,751)	(10,020)	109	(29,739)
Reinsurance recoveries	28	1,109	–	603
Net claims and benefits incurred	(4,723)	(8,911)	109	(29,136)
Change in investment contract liabilities	(5)	972	3,858	1,584
Credit impairment charges	(809)	(4)	(6)	(19)
Finance costs	–	–	–	–
Banking interest payable and similar expenses	(476)	–	–	–
Fee and commission expenses, and other acquisition costs	(2,514)	(2,981)	(1,982)	(370)
Change in third-party interest in consolidated funds	–	–	–	–
Other operating and administrative expenses	(3,450)	(4,146)	(4,444)	(3,413)
Policyholder tax	(3)	(55)	(40)	(131)
Total expenses	(11,980)	(15,125)	(2,505)	(31,485)
Share of gains/(losses) of associated undertakings and joint ventures	–	–	–	–
Loss on disposal of subsidiaries, associated undertakings and strategic investments	–	–	–	–
Results from Operations	3,129	2,021	1,611	1,703
Shareholder investment return	–	–	–	–
Finance costs	–	–	–	–
Income from associated undertakings	–	–	–	–
Adjusted Headline Earnings before tax and non-controlling interests	3,129	2,021	1,611	1,703
Shareholder tax	(945)	(547)	(358)	(470)
Non-controlling interests	(150)	1	(1)	–
Adjusted Headline Earnings	2,034	1,475	1,252	1,233
Investment return on Group equity and debt instruments held in policyholder funds	18	43	18	173
Impact of restructuring	(36)	(58)	(54)	(26)
Profit from discontinued operations after tax	–	–	–	–
Share of gains of associated undertakings after tax (Nedbank)	–	–	–	–
Operations in hyperinflationary economies	–	–	–	–
Non-core operations	–	–	–	–
Headline Earnings	2,016	1,460	1,216	1,380
Adjustments				
Impairment of goodwill and other intangible assets and property, plant and equipment	–	–	(45)	–
Impairment of associated undertakings	–	–	–	–
Profit on disposal of fixed assets	1	2	1	9
Profit on disposal of subsidiaries, associated undertakings and strategic investments	–	–	–	–
Profit after tax for the financial year attributable to equity holders of the parent	2,017	1,462	1,172	1,389

1 *The Rest of Africa Segment, Results from Operations and Adjusted Headline Earnings for the year ended 31 December 2018 have been re-presented to remove Zimbabwe. Refer to note A1.2(e) for more information.*

Old Mutual Insure	Rest of Africa (Re-presented)[1]	Other Group Activities	Adjusted Headline Earnings (Re-presented)[1]	Consolidation of funds	Adjusting items and reclassifications (Re-presented)[1]	Continuing Operations	Discontinued operations	Total IFRS
13,014	8,549	(407)	76,498	–	2,231	78,729	–	78,729
(3,966)	(920)	–	(6,585)	–	(98)	(6,683)	–	(6,683)
9,048	7,629	(407)	69,913	–	2,133	72,046	–	72,046
220	(801)	(1,305)	320	10,097	10,094	20,511	–	20,511
–	610	–	3,395	–	1,137	4,532	–	4,532
–	64	–	81	–	9	90	–	90
870	738	(1,604)	10,138	11	882	11,031	–	11,031
1	90	283	1,148	–	519	1,667	–	1,667
10,139	8,330	(3,033)	84,995	10,108	14,774	109,877	–	109,877
(8,814)	(4,734)	1,134	(56,815)	–	(8,673)	(65,488)	–	(65,488)
3,319	485	–	5,544	–	63	5,607	–	5,607
(5,495)	(4,249)	1,134	(51,271)	–	(8,610)	(59,881)	–	(59,881)
–	366	13	6,788	–	(933)	5,855	–	5,855
–	(80)	(3)	(921)	–	(139)	(1,060)	–	(1,060)
–	–	–	–	–	(1,338)	(1,338)	–	(1,338)
–	(277)	–	(753)	–	(252)	(1,005)	–	(1,005)
(2,265)	(776)	1,519	(9,369)	(61)	(343)	(9,773)	–	(9,773)
–	–	–	–	(8,928)	–	(8,928)	–	(8,928)
(1,709)	(2,777)	67	(19,872)	(1,119)	(4,854)	(25,845)	–	(25,845)
–	(107)	(122)	(458)	–	458	–	–	–
(9,469)	(7,900)	2,608	(75,856)	(10,108)	(16,011)	(101,975)	–	(101,975)
–	–	–	–	–	550	550	–	550
–	–	–	–	–	(2)	(2)	–	(2)
670	430	(425)	9,139	–	(689)	8,450	–	8,450
185	113	890	1,188	–	(1,188)	–	–	–
(46)	–	(555)	(601)	–	601	–	–	–
–	–	2,593	2,593	–	(2,593)	–	–	–
809	543	2,503	12,319	–	(3,869)	8,450	–	8,450
(208)	(254)	96	(2,686)	–	(767)	(3,453)	–	(3,453)
(34)	(53)	–	(237)	–	115	(122)	–	(122)
567	236	2,599	9,396	–	(4,521)	4,875	–	4,875
–	–	(471)	(219)	–	219	–	–	–
(70)	(66)	(390)	(700)	–	700	–	–	–
–	–	8,129	8,129	–	(8,129)	–	8,516	8,516
–	–	(2,132)	(2,132)	–	2,132	–	–	–
–	2,116	–	2,116	–	(2,116)	–	–	–
–	–	(2,349)	(2,349)	–	2,349	–	–	–
497	2,286	5,386	14,241	–	(9,366)	4,875	8,516	13,391
(4)	(554)	(24)	(627)	–	627	–	–	–
–	–	(265)	(265)	–	265	–	–	–
1	2	35	51	–	(51)	–	–	–
–	–	23,166	23,166	–	(23,166)	–	23,175	23,175
494	1,734	28,298	36,566	–	(31,691)	4,875	31,691	36,566

Notes to the summary consolidated financial statements

For the year ended 31 December 2019

B: Segment information

B3: Segmental statement of financial position

At 31 December 2019 Rm	Mass and Foundation Cluster	Personal Finance	Wealth and Investments	Old Mutual Corporate
Total assets	**33,807**	**199,493**	**202,529**	**277,085**
Policyholder liabilities	**(11,969)**	**(168,642)**	**(190,310)**	**(246,184)**
Life insurance contracts liabilities	**80**	**(74,643)**	**(4)**	**(60,083)**
Investment contract liabilities with discretionary participating features	**(11,969)**	**(13,299)**	**(2,530)**	**(147,869)**
Investment contract liabilities	**(80)**	**(80,700)**	**(187,776)**	**(38,232)**
Property and Casualty insurance liabilities	**–**	**–**	**–**	**–**
Other liabilities	**(17,563)**	**(28,715)**	**(6,679)**	**(30,699)**
Total liabilities	**(29,532)**	**(197,357)**	**(196,989)**	**(276,883)**
Net assets	**4,275**	**2,136**	**5,540**	**202**

At 31 December 2018 Rm	Mass and Foundation Cluster	Personal Finance	Wealth and Investments	Old Mutual Corporate
Total assets	32,669	198,155	200,623	269,910
Policyholder liabilities	(11,638)	(165,009)	(182,789)	(234,654)
Life insurance contracts liabilities	(910)	(73,861)	(3)	(62,530)
Investment contract liabilities with discretionary participating features	(10,648)	(12,796)	(2,563)	(138,651)
Investment contract liabilities	(80)	(78,352)	(180,223)	(33,473)
Property and Casualty insurance liabilities	–	–	–	–
Other liabilities	(16,266)	(30,332)	(11,561)	(33,971)
Total liabilities	(27,904)	(195,341)	(194,350)	(268,625)
Net assets	4,765	2,814	6,273	1,285

	Old Mutual Insure	Rest of Africa	Other Group Activities	Consolidation of funds	Continuing Operations	Assets held for sale	Total IFRS
	14,106	**63,418**	**36,106**	**83,584**	**910,128**	**774**	**910,902**
	–	**(37,908)**	**1,303**	**–**	**(653,710)**	**–**	**(653,710)**
	–	**(7,596)**	**1,090**	**–**	**(141,156)**	**–**	**(141,156)**
	–	**(22,816)**	**–**	**–**	**(198,483)**	**–**	**(198,483)**
	–	**(7,496)**	**213**	**–**	**(314,071)**	**–**	**(314,071)**
	(6,341)	**(2,519)**	**–**	**–**	**(8,860)**	**–**	**(8,860)**
	(4,193)	**(12,455)**	**14,707**	**(84,810)**	**(170,407)**	**–**	**(170,407)**
	(10,534)	**(52,882)**	**16,010**	**(84,810)**	**(832,977)**	**–**	**(832,977)**
	3,572	**10,536**	**52,116**	**(1,226)**	**77,151**	**774**	**77,925**

	Old Mutual Insure	Rest of Africa	Other Group Activities	Consolidation of funds	Continuing Operations	Assets held for sale	Total IFRS
	14,728	70,179	4,257	81,147	871,668	12,787	884,455
	–	(39,722)	13,757	–	(620,055)	–	(620,055)
	–	(8,109)	1,487	–	(143,926)	–	(143,926)
	–	(23,697)	–	–	(188,355)	–	(188,355)
	–	(7,916)	12,270	–	(287,774)	–	(287,774)
	(6,477)	(2,622)	–	–	(9,099)	–	(9,099)
	(4,058)	(15,153)	29,154	(82,978)	(165,165)	(8,716)	(173,881)
	(10,535)	(57,497)	42,911	(82,978)	(794,319)	(8,716)	(803,035)
	4,193	12,682	47,168	(1,831)	77,349	4,071	81,420

Notes to the summary consolidated financial statements

For the year ended 31 December 2019

C: Other key performance information

C1: Earnings and earnings per share

Cents	Source of guidance	Notes	2019	2018
Basic earnings per share	IFRS	C1(a)	**208.3**	788.1
Diluted earnings per share	IFRS	C1(b)	**205.2**	778.1
Headline earnings per share	JSE Listing Requirements SAICA Circular 1/2019	C1(c)	**236.1**	306.9
Diluted headline earnings per share	JSE Listing Requirements SAICA Circular 1/2019	C1(c)	**232.6**	301.7

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the financial year attributable to ordinary equity shareholders of the parent by the weighted average number of ordinary shares in issue during the year excluding own shares held in policyholder funds, Employee Share Ownership Plan Trusts (ESOP) and Black Economic Empowerment trusts. These shares are regarded as treasury shares.

Rm	2019	2018
Profit for the financial year attributable to equity holders of the parent from continuing operations	**9,282**	4,875
Profit for the financial year attributable to equity holders of the parent from discontinued operations	**104**	31,691
Profit attributable to ordinary equity holders of the parent	**9,386**	36,566

The following table summarises the calculation of the weighted average number of ordinary shares for the purposes of calculating basic earnings per share:

	2019	2018
Weighted average number of ordinary shares in issue (millions)	**4,828**	4,938
Shares held in charitable foundations and trusts (millions)	**(19)**	(19)
Shares held in ESOP and similar trusts (millions)	**(100)**	(104)
Adjusted weighted average number of ordinary shares (millions)	**4,709**	4,815
Shares held in policyholder and consolidated investment funds (millions)	**(192)**	(173)
Shares held in Black Economic Empowerment trusts (millions)	**(10)**	(2)
Weighted average number of ordinary shares used to calculate basic earnings per share (millions)	**4,507**	4,640
Basic earnings per ordinary share (cents)	**208.3**	788.1

(b) Diluted earnings per share

Diluted earnings per share recognises the dilutive impact of shares and options held in ESOP and similar trusts and Black Economic Empowerment trusts, to the extent they have value, in the calculation of the weighted average number of shares, as if the relevant shares were in issue for the full year.

The following table reconciles the profit attributable to ordinary equity holders to diluted profit attributable to ordinary equity holders and summarises the calculation of weighted average number of shares for the purpose of calculating diluted basic earnings per share:

	Notes	2019	2018
Profit attributable to ordinary equity holders (Rm)		9,386	36,566
Dilution effect on profit relating to share options issued by subsidiaries (Rm)		–	(98)
Diluted profit attributable to ordinary equity holders (Rm)		**9,386**	36,468
Weighted average number of ordinary shares (millions)	C1(a)	4,507	4,640
Adjustments for share options held by ESOP and similar trusts (millions)		58	45
Adjustments for shares held in Black Economic Empowerment trusts (millions)		10	2
Weighted average number of ordinary shares used to calculate diluted earnings per share (millions)		**4,575**	4,687
Diluted earnings per ordinary share (cents)		**205.2**	778.1

(c) Headline earnings per share

The Group is required to calculate headline earnings per share (HEPS) in accordance with the Johannesburg Stock Exchange (JSE) Listing Requirements, determined by reference to the South African Institute of Chartered Accountants' circular 01/2019 'Headline Earnings'. The table below sets out a reconciliation of basic EPS and HEPS in accordance with that circular. Disclosure of HEPS is not a requirement of IFRS, but it is a JSE required measure of earnings in South Africa. The following table reconciles the profit for the financial year attributable to equity holders of the parent to headline earnings and summarises the calculation of basic HEPS:

		2019		2018	
Rm	Notes	**Gross**	**Net of tax and non-controlling interests**	Gross	Net of tax and non-controlling interests
Profit attributable to ordinary equity holders			**9,386**		36,566
Adjustments:					
Impairments of intangible assets and property plant and equipment		472	395	1,196	892
Impairment of investment in associated undertakings		869	869	–	–
Profit on disposal of property and equipment		–	–	(103)	(51)
Profit on disposal of subsidiaries, associated undertakings and joint ventures		(307)	(9)	(23,173)	(23,166)
Total adjustments		**1,034**	**1,255**	(22,080)	(22,325)
Headline Earnings			**10,641**		14,241
Dilution effect on earnings relating to share options issued by subsidiaries			–		(98)
Diluted Headline Earnings			**10,641**		14,143
Weighted average number of ordinary shares (millions)	C1(a)		**4,507**		4,640
Diluted weighted average number of ordinary shares (millions)	C1(b)		**4,575**		4,687
Headline Earnings per share (cents)			**236.1**		306.9
Diluted Headline Earnings per share (cents)			**232.6**		301.7

Notes to the summary consolidated financial statements

For the year ended 31 December 2019

C: Other key performance information

C2: Net asset value per share and tangible net asset value per share

Net asset value per share is calculated as total assets minus total liabilities divided by the total number of ordinary shares in issue at year end.

Net tangible asset value per share is calculated as total assets minus goodwill and other intangible assets minus total liabilities divided by the total number of shares in issue at year end.

Rand	**2019**	2018
Net asset value per share	**16.5**	16.5
Net tangible asset value per share	**15.2**	15.3

C3: Dividends

Year ended 31 December **Rm**	Ordinary dividend payment date	**2019**	2018
2017 Second interim dividend paid 3.57p (66.50c) per 11 3/7p share	30 April 2018	**–**	3,113
2018 Interim dividend and special dividend paid – 45.00c and 100c per share respectively		**–**	6,852
2018 Final dividend paid – 72.00c per share	29 April 2019	**3,334**	–
2019 Interim dividend paid – 45.00c per share	31 October 2019	**2,049**	–
Dividend payments to ordinary equity holders for the year		**5,383**	9,965

The total dividend paid to ordinary equity holders is calculated using the number of shares in issue at the record date less own shares held in ESOP trusts, life funds of Group entities, Black Economic Empowerment trusts and related undertakings.

As a consequence of the exchange control arrangements in place in certain African territories, dividends to ordinary equity holders on the branch registers of those countries (or, in the case of Namibia, the Namibian section of the principal register) are settled through Dividend Access Trusts established for that purpose.

A final dividend of 75 cents (or its equivalent in other applicable currencies) per ordinary share in the Company has been declared by the directors and will be paid on 4 May 2020 to shareholders on all registers.

D: Other consolidated income statement notes

D1: Revenue from contracts with customers

Revenue from contracts with customers are disaggregated by primary segment and type of revenue. The Group believes it best depicts how the nature, amount, timing and uncertainty of the Group's revenue and cash flows are affected by economic factors.

The Group does not apply significant judgements to determine the costs incurred to obtain or fulfil contracts with customers, and no amortisation is required, as income directly matches costs with management charges being applied on an ongoing (or pro-rata) basis.

Year ended 31 December 2019 Rm	Mass and Foundation Cluster	Personal Finance	Wealth and Investments	Old Mutual Corporate	Old Mutual Insure	Rest of Africa	Other Group Activities	Consoli–dation of funds	Total
Revenue from contracts with customers									
Fee and commission income	**667**	**3,269**	**5,969**	**345**	**890**	**1,020**	**(2,013)**	**–**	**10,147**
Transaction and performance fees	**2**	**1**	**100**	**3**	**–**	**338**	**(62)**	**–**	**382**
Change in deferred revenue	**–**	**8**	**13**	**–**	**2**	**(4)**	**–**	**–**	**19**
Fee and commission income, and income from service activities	**669**	**3,278**	**6,082**	**348**	**892**	**1,354**	**(2,075)**	**–**	**10,548**
Non-IFRS 15 revenue									
Banking	**3,808**	**–**	**–**	**–**	**–**	**1,453**	**–**	**–**	**5,261**
Insurance	**12,326**	**12,740**	**13**	**29,206**	**9,986**	**8,514**	**(25)**	**–**	**72,760**
Investment return and other	**1,907**	**18,425**	**21,338**	**26,457**	**410**	**9,531**	**(801)**	**10,280**	**87,547**
Total revenue from other activities	**18,041**	**31,165**	**21,351**	**55,663**	**10,396**	**19,498**	**(826)**	**10,280**	**165,568**
Total revenue	**18,710**	**34,443**	**27,433**	**56,011**	**11,288**	**20,852**	**(2,901)**	**10,280**	**176,116**

Year ended 31 December 2018 (Re-presented)[1] Rm	Mass and Foundation Cluster	Personal Finance	Wealth and Investments	Old Mutual Corporate	Old Mutual Insure	Rest of Africa	Other Group Activities	Consoli–dation of funds	Total
Revenue from contracts with customers									
Fee and commission income	462	3,529	5,665	346	928	1,118	(1,608)	11	10,451
Transaction and performance fees	1	2	137	9	–	518	(9)	–	658
Change in deferred revenue	–	6	(23)	–	(57)	(4)	–	–	(78)
Fee and commission income, and income from service activities	463	3,537	5,779	355	871	1,632	(1,617)	11	11,031
Non-IFRS 15 revenue									
Banking	2,802	–	–	–	–	1,820	–	–	4,622
Insurance	11,628	11,363	38	30,614	9,048	9,762	(407)	–	72,046
Investment return and other	776	2,238	(1,739)	2,190	406	9,209	(999)	10,097	22,178
Total revenue from other activities	15,206	13,601	(1,701)	32,804	9,454	20,791	(1,406)	10,097	98,846
Total revenue	15,669	17,138	4,078	33,159	10,325	22,423	(3,023)	10,108	109,877

1 *The year ended 31 December 2018 has been re-presented to align with 2019 reporting that better reflects management's view of disaggregation of revenue.*

E: Financial assets and liabilities

E1: Disclosure of financial assets and liabilities measured at fair value

(a) Financial assets and liabilities measured at fair value, classified according to fair value hierarchy

The table below presents a summary of the financial assets and liabilities that are measured at fair value in the consolidated statement of financial position according to their IFRS 9 classification:

At 31 December 2019 Rm	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Reinsurers' share of policyholder liabilities	**3,227**	**3,227**	**–**	**–**
Investments and securities	**741,195**	**340,871**	**375,984**	**24,340**
Derivative financial instruments – assets	**3,221**	**–**	**3,221**	**–**
Total financial assets measured at fair value	**747,643**	**344,098**	**379,205**	**24,340**
Financial liabilities measured at fair value				
Investment contract liabilities	**313,109**	**140,092**	**173,017**	**–**
Third-party interests in consolidated funds	**80,814**	**–**	**80,814**	**–**
Borrowed funds	**7,122**	**–**	**7,122**	**–**
Other liabilities	**2,471**	**651**	**1,820**	**–**
Derivative financial instruments – liabilities	**4,834**	**–**	**4,834**	**–**
Total financial liabilities measured at fair value	**408,350**	**140,743**	**267,607**	**–**

At 31 December 2018 Rm	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Reinsurers' share of policyholder liabilities	3,007	3,007	–	–
Investments and securities	703,987	386,316	287,252	30,419
Derivative financial instruments – assets	2,779	–	2,779	–
Total financial assets measured at fair value	709,773	389,323	290,031	30,419
Financial liabilities measured at fair value				
Investment contract liabilities	286,710	123,873	162,837	–
Third-party interests in consolidated funds	80,855	–	80,855	–
Borrowed funds	6,581	–	6,581	–
Derivative financial instruments – liabilities	5,327	–	5,327	–
Total financial liabilities measured at fair value	379,473	123,873	255,600	–

During the current year, investment contract liabilities to the value of R661 million were reclassified from level 1 to level 2 to better reflect the valuation technique used to value these liabilities.

For the year ended 31 December 2018, investment contract liabilities to the value of R123,873 million were reclassified from level 2 to level 1 to better reflect the valuation technique used to value these liabilities.

(b) Level 3 fair value hierarchy disclosure

The tables below reconcile the opening balances of Level 3 financial assets and liabilities to closing balances at the end of the year.

Year ended 31 December Rm	2019	2018
Level 3 financial assets – Investments and securities		
At beginning of the year	**30,419**	20,426
Total net fair value gains/(losses) recognised in profit or loss	**(7,290)**	(662)
Purchases and issues	**3,487**	3,664
Sales and settlements	**(2,993)**	(1,311)
Transfers in	**1,937**	9,458
Transfers out	**(830)**	(184)
Foreign exchange and other	**(390)**	(972)
Total Level 3 financial assets	**24,340**	30,419
Unrealised fair value gains recognised in profit or loss	**134**	786

At 31 December 2019, Level 3 assets comprised unlisted private company shares, unlisted debt securities and unlisted pooled investments mainly held by policyholder funds for which the majority of the investment risk is borne by policyholders.

During the year Investments and securities to the value of R1,937 million were reclassified from Level 2 to Level 3 in the separate disclosure to better reflect the valuation technique used to value these investments.

During the year Investments and securities to the value of R830 million were reclassified from Level 3 to Level 2 in the separate disclosure to better reflect the valuation technique used to value these investments.

For all reporting periods, the Group did not have any Level 3 financial liabilities.

(c)(i) Effect of changes in significant unobservable assumptions to reasonable possible alternatives

Favourable and unfavourable changes are determined on the basis of changes in the value of the financial asset or liability as a result of varying the levels of the unobservable parameters using statistical techniques. When parameters are not amenable to statistical analysis, quantification of uncertainty is judgemental.

When the fair value of a financial asset or liability is affected by more than one unobservable assumption, the figures shown reflect the most favourable or most unfavourable change from varying the assumptions individually.

The valuations of the private equity investments are performed on an asset-by-asset basis using a valuation methodology appropriate to the specific investment and in line with industry guidelines. In determining the valuation of the investment the principal assumption used is the valuation multiples applied to the main financial indicators (such as adjusted earnings). The source of these multiples may include multiples for comparable listed companies which have been adjusted for discounts for non-tradability and valuation multiples earned on transactions in comparable sectors.

The valuations of asset-backed securities are determined by discounted cash flow models that generate the expected value of the asset, incorporating benchmark information on factors such as prepayment patterns, default rates, loss severities and the historical performance of the underlying assets. The outputs from the models used are calibrated with reference to similar securities for which external market information is available.

Structured notes and other derivatives are generally valued using option pricing models. For structured notes and other derivatives, principal assumptions concern the future volatility of asset values and the future correlation between asset values. For such unobservable assumptions, estimates are based on available market data, which may include the use of a proxy method to derive a volatility or correlation from comparable assets for which market data is more readily available, and examination of historical levels.

E: Financial assets and liabilities

E1 Disclosure of financial assets and liabilities measured at fair value

(c)(i) Effect of changes in significant unobservable assumptions to reasonable possible alternatives

For Level 3 investments and securities, the fair value measurement sensitivity to changes in unobservable inputs are R2,056 million (2018: R1,378 million) favourable and R1,848 million (2018: R1,365 million) unfavourable.

Key inputs and assumptions used in the valuation models include discount rates (with the reasonably possible alternative assumptions calculated by increasing/decreasing the discount rate by 10%) and price earnings ratio (with the reasonably possible alternative assumptions calculated by increasing/decreasing the price earnings ratio by 10%).

Level 2 instruments are valued based on discounted projected cash flows, relative yields, or cost basis with reference to market-related inputs. Main inputs used for level 2 valuations include bond curves, interbank swap interest rate curves, and the forecasted consumer price index.

(c)(ii) Analysis of investments and securities classified as Level 3 hierarchy

The following table sets out information about significant unobservable inputs used at year end in measuring financial instruments categorised as Level 3.

Valuation technique	Significant unobservable input	Range of unobservable inputs
Discounted cash flow (DCF)	**Risk adjusted discount rate:**	
	– Equity risk premium	**3.0% – 7.0%**
	– Liquidity discount rate	**5.0% – 30.0%**
	– Nominal risk free rate	**6.7% – 9.7%**
Price earnings (PE) multiple/embedded value	**PE ratio/multiple**	**1.2 – 11.2 times**
Sum of parts	**PE ratio and DCF**	**See PE ratio and DCF**

All the business segments have performed an analysis of the impact of reasonable possible assumptions for unobservable inputs based on the specific characteristics of each instrument. As all the changes in assumptions are unique to each instrument, the disclosure of the range of changes in the assumptions would not provide the reader of the financial statements with any additional useful information as this is general information and does not relate to a specific instrument.

E2: Financial instruments designated as fair value through profit or loss

Certain borrowed funds that would otherwise be categorised as financial liabilities at amortised cost under IFRS 9, have been designated as fair value through profit or loss. Information relating to the change in fair value of these items as it relates to credit risk is shown in the table below.

		Change in fair value due to change in credit risk		
Rm	**Fair value**	**Current financial year**	**Cumulative[1]**	**Contractual maturity amount**
Borrowed funds at 31 December 2019	**7,122**	**62**	**180**	**7,000**
Borrowed funds at 31 December 2018	6,581	131	131	6,000

1 *The Group released R13 million of the liability credit reserve directly to the retained earnings on the repayment of R1,000 million unsecured subordinated debt. Refer to note A2 for more information.*

The fair values of other categories of financial liabilities designated as fair value through profit or loss do not change significantly in respect of credit risk.

The change in fair value due to credit risk of financial liabilities designated at fair value through profit or loss has been determined as the difference between fair values determined using a liability curve (adjusted for credit risk) and a risk-free liability curve. This difference is cross-checked to market-related data on credit spreads, where available. The basis for not using credit default swaps to determine the change in fair value due to credit risk is the unavailability of reliable market priced instruments.

E3: Fair value hierarchy for assets and liabilities not measured at fair value

Certain financial instruments of the Group are not carried at fair value, principally investments and securities, loans and advances, certain borrowed funds and other financial assets and financial liabilities at amortised cost. The calculation of the fair value of these financial instruments represents the Group's best estimate of the value at which these financial assets could be exchanged, or financial liabilities transferred, between market participants at the measurement date. The Group's estimate of fair value does not necessarily represent the amount it would be able to realise on the sale of the asset or transfer of the financial liability in an involuntary liquidation or distressed sale.

The table below shows the fair value hierarchy only for those assets and liabilities for which the fair value is different to the carrying value and which is being estimated for the purpose of IFRS disclosure. Additional information regarding these and other financial instruments not carried at fair value is provided in the narrative following the table.

	Carrying value	Fair value			
Rm		**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities					
Borrowed funds at 31 December 2019	**11,867**	**–**	**11,867**	**–**	**11,867**
Borrowed funds at 31 December 2018	10,307	–	10,307	–	10,307

Investments and securities

For investments and securities presented within note E1 as amortised cost in terms of IFRS 9 and therefore not carried at fair value, the fair value has been determined based either on available market prices (Level 1) or discounted cash flow analysis where an instrument is not quoted or the market is considered to be inactive (Level 2).

Loans and advances

Loans and advances presented at amortised cost in terms of IFRS 9, and therefore not carried at fair value, principally comprise variable rate financial assets and are classified as Level 3. The interest rates on these variable-rate financial assets are adjusted when the applicable benchmark interest rates change.

Loans and advances are not actively traded in most markets and it is therefore not possible to determine the fair value of these loans and advances using observable market prices and market inputs. Due to the unique characteristics of the loans and advances portfolio and the fact that there have been no recent transactions involving the disposals of such loans and advances, there is no basis to determine a price that could be negotiated between market participants in an orderly transaction. The Group is not currently in the position of a forced sale of such underlying loans and advances and it would therefore be inappropriate to value the loans and advances on a forced-sale basis.

Borrowed funds

Borrowed funds presented within note F2 as financial liabilities at amortised cost in terms of IFRS 9 are not carried at fair value. The fair value is determined using either available market prices (Level 1) or discounted cash flow analysis where an instrument is not quoted or the market is considered to be inactive (Level 2).

Notes to the summary consolidated financial statements

For the year ended 31 December 2019

F: Analysis of Financial Assets and Liabilities

F1: Insurance and investment contracts

Policyholder liabilities

The Group's insurance and investment contracts are analysed as follows:

Year ended 31 December Rm	2019 Gross	2019 Reinsurance	2019 Net	2018 Gross	2018 Reinsurance	2018 Net
Life assurance policyholder liabilities						
Total life insurance contracts liabilities	**141,156**	**(1,849)**	**139,307**	143,926	(810)	143,116
Life insurance contracts liabilities	**139,046**	**(1,653)**	**137,393**	141,756	(810)	140,946
Outstanding claims	**2,110**	**(196)**	**1,914**	2,170	–	2,170
Investment contract liabilities	**512,554**	**(3,140)**	**509,414**	476,129	(3,007)	473,122
Unit-linked investment contracts and similar contracts	**312,984**	**(3,140)**	**309,844**	286,521	(3,007)	283,514
Other investment contracts	**1,087**	**–**	**1,087**	1,253	–	1,253
Investment contracts with discretionary participating features	**198,483**	**–**	**198,483**	188,355	–	188,355
Total life assurance policyholder liabilities	**653,710**	**(4,989)**	**648,721**	620,055	(3,817)	616,238
Property & casualty liabilities						
Claims incurred but not reported	**1,382**	**(407)**	**975**	1,255	(369)	886
Unearned premiums	**2,885**	**(1,359)**	**1,526**	2,870	(1,408)	1,462
Outstanding claims	**4,593**	**(1,630)**	**2,963**	4,974	(2,308)	2,666
Total property & casualty liabilities	**8,860**	**(3,396)**	**5,464**	9,099	(4,085)	5,014
Total policyholder liabilities	**662,570**	**(8,385)**	**654,185**	629,154	(7,902)	621,252

F2: Borrowed funds

At 31 December 2019 Rm	Mass and Foundation Cluster	Old Mutual Insure	Rest of Africa	Other Group Activities	Total
Term loans	**7,700**	**–**	**1,981**	**–**	**9,681**
Revolving credit facilities	**750**	**–**	**936**	**–**	**1,686**
Subordinated debt securities[1,2]	**–**	**500**	**-**	**7,122**	**7,622**
Total borrowed funds	**8,450**	**500**	**2,917**	**7,122**	**18,989**

1 *On 11 June 2019, OMLACSA issued R2 billion floating rate subordinated debt instruments under the R10 billion Unsecured Subordinated Note Programme as guaranteed by Old Mutual Limited dated 23 May 2019. These instruments have a coupon rate of 3 month Johannesburg Interbank Average Rate (JIBAR) plus 155 bps, payable quarterly in arrears. The maturity date of these instruments is 11 June 2024.*

2 *On 27 November 2019, OMLACSA repaid a R300 million unsecured subordinated callable fixed rate note, including a final coupon of R16 million and a R700 million unsecured subordinated callable floating rate note, including a final coupon of R14 million. Both these instruments had a first call date of 27 November 2019.*

At 31 December 2018 (Re-presented)[1] Rm	Mass and Foundation Cluster	Old Mutual Insure	Rest of Africa	Other Group Activities	Total
Term loans	5,700	–	2,218	–	7,918
Revolving credit facilities	1,250	–	572	600	2,422
Subordinated debt securities	–	500	-	6,048	6,548
Total borrowed funds	6,950	500	2,790	6,648	16,888

1 *Revolving credit facilities amounting to R172 million in the Rest of Africa segment were reclassified from term loans into recovery credit facility.*

G: Other notes

G1: Related parties

(a) Transactions with key management personnel, remuneration and other compensation

The Company's key management personnel include all members of the Board, (both executive and non-executive directors) and prescribed officers as defined by the Companies Act. In addition, due to the influence on the planning, direction and control over the activities of the Group, all members of the Executive committee will also be included as key management personnel.

The definition of key management personnel also includes the close family members of key management personnel and any entity over which key management exercises control or joint control. Close family members are those family members who may influence, or be influenced by that person in their dealings with the Group. These may include the person's domestic partner and children, the children of the person's domestic partner, and dependants of the person or the person's domestic partner.

The Directors' Emoluments disclosures required by the Companies Act are set out in note L. of the Annual Financial Statements. Disclosures required in terms of King IV™ will be disclosed in the Old Mutual Limited Remuneration Report which will be released on 31 March 2020 and can be accessed on https://www.oldmutual.com/investor-relators/reporting-centre/reports.

Compensation paid to the Board of directors is aggregated below, together with the aggregate compensation paid to the Executive committee members (Exco), as well as the number of share options and instruments held.

	2019		2018	
Year ended 31 December Rm	**Number of personnel**	**Rm**	Number of personnel	Rm
Directors' fees	**14**	**27**	16	28
Remuneration		**167**		324
Salaries and other benefits	**16**	**114**	15	169
Termination benefits	**3**	**19**		
Share-based payment expense	**16**	**34**	15	155
		194		352

	2019		2018	
Restricted shares	**Number of personnel**	**Number of options/ shares '000s**	Number of personnel	Number of options/ shares '000s
Outstanding at beginning of the year	**14**	**9,327**	13	8,592
Leavers	**3**	**(3,097)**	-	–
New appointments	**3**	**450**	1	533
Granted during the year		**4,127**		3,753
Lapsed during the year		**(1,364)**		(543)
Released during the year		**(2,221)**		(3,008)
Outstanding at end of the year	**14**	**7,222**	14	9,327

Share options	2019 Number of personnel	2019 Number of options/ shares	2018 Number of personnel	2018 Number of options/ shares
Outstanding at beginning of the year	–	–	1	16
Leavers	–	–	–	–
New appointments	–	–	–	–
Granted during the year	–	–	–	–
Lapsed during the year	–	–	1	(6)
Exercised during the year	–	–	1	(10)
Outstanding at end of the year	–	–	1	–

Transactions with key management personnel are made on terms equivalent to those that prevail in arm's length transactions.

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence at and for the year ended 31 December 2019 were as follows.

Year ended 31 December	2019 Number of personnel	2019 Value Rm	2018 Number of personnel	2018 Value Rm
Current accounts	9	1	9	2
Credit cards	3	4	5	–
Mortgages	3	11	3	9
Investments	13	69	16	136
Property & Casualty contracts				
Total premium paid during the year	8	1	10	1
Claims paid during the year	–	–	3	–
Life insurance products				
Total sum assured/value of investment at end of the year	12	86	13	129
Pensions				
Value of pension plans as at end of the year	12	116	13	93

Various members of key management personnel hold or have at various times during the year held, investments managed by asset management businesses of the Group. These include unit trusts, mutual funds and hedge funds. None of the amounts concerned are material in the context of the funds managed by the Group business concerned, and all of the investments have been made by the individuals concerned either on terms which are the same as those available to external customers generally or, where that is not the case, on the same terms as were available to employees of the business generally.

G: Other notes

G1: Related parties

(b) Transactions and balances with other related parties

Transactions between Old Mutual Limited and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions and balances between the Company and its subsidiaries are disclosed in the separate financial statements on page 175 of Company Financial Statements.

Rm	2019	2018
Outstanding balances with associated undertakings		
Bonds, derivatives and other financial instruments due from Nedbank	**2,031**	(604)
Loan due to Nedbank	**(622)**	(457)
Deposits owing from Nedbank to Group subsidiaries	**16,897**	7,310
Balances owing from Nedbank to Group subsidiaries	**7,810**	10,932
Transactions with associated undertakings		
Dividend received from Nedbank[1]	**1,433**	–
Interest expence to Nedbank from Group subsidiaries	**(486)**	(76)
Interest income from Nedbank to Group subsidiaries	**2,031**	1,162
Insurance premiums received from Nedbank	**157**	154
Claims paid to Nedbank	**(73)**	(88)
Commission expense paid to Nedbank by Group subsidiaries	**(28)**	(27)
Management fee expense paid to Nedbank	**(107)**	(116)
Management fee income from Nedbank	**7**	19

1 *Represents dividends received on the Group's beneficial ownership in Nedbank.*

(c) Changes in the status of certain directors

Thoko Mokgosi-Mwantembe

On 3 April 2019, the Group announced that the Board of Old Mutual Limited had considered an arms-length transaction by Ms. Mokgosi-Mwantembe in her personal capacity. Given the nature of the transaction the Group resolved that Ms Mokgosi-Mwantembe was no longer classified as an independent director on the Old Mutual Limited Board. This was effective from 3 April 2019 and her status has been reflected as a non-executive director since that date.

Peter Moyo

On 24 May 2019 the Board of Old Mutual Limited announced that it had made a decision to suspend the Chief Executive Officer, Peter Moyo and he was not appointed as a director of Old Mutual Limited at the Annual General Meeting held on that date. Subsequent to this, on 17 June 2019, the Board announced that it had given notice to Mr. Moyo to terminate his employment contract on notice. Although Mr. Moyo is currently challenging the termination of his employment contract in court proceedings, he is not required to perform any duties during his notice period.

Iain Williamson

Following the suspension of Peter Moyo, the Board of Old Mutual Limited announced that it had appointed Iain Williamson as the Interim Chief Executive Officer of Old Mutual Limited, effective 24 May 2019. Mr. Williamson was also appointed as executive director of Old Mutual Limited on 27 May 2019 and will remain in this position until such time as a suitable successor is announced.

(d) Investments in the NMT group of companies

Peter Moyo, previously an executive director of the Company, and also a non-executive director of OMLACSA, a wholly owned subsidiary of the Group, is also a non-executive director of NMT Capital (Pty) Ltd (NMT Capital) and NMT Group (Pty) Ltd (NMT Group), and holds an equity interest in both companies. OMLACSA has provided equity and preference share funding to both NMT Capital and NMT Group as well as related entities. RZT Zelpy 4971 (Pty) Ltd, RZT Zelpy 4973 (Pty) Ltd and STS Capital (Pty) Ltd are ordinary shareholders and related parties of NMT Capital. Amabubesi Capital Travelling (Pty) Ltd is a subsidiary of NMT Group.

In July 2019 and August 2019, NMT Capital repaid R47 million and R4 million respectively reflecting the full repayment of the outstanding preference shareholding in NMT Capital as well as arrear preference share dividends. During January 2020, NMT Capital bought back OMLACSA's ordinary shareholding of R14 million. In addition, the Group received R20 million as full settlement of the preference shareholding in RZT Zelpy 4971, RZT Zelpy 4973 and STS Capital. The investments in the NMT companies have been valued based on a directors' valuation. The negotiations to exit the remaining investments are in early stages and the timing and mechanism of the realisation is yet to be determined. The valuation of this investment will continue to be monitored as negotiations progress.

Year ended 31 December Rm	2019	2018
Investments held		
Ordinary shareholding – NMT Capital	**14**	14
Preference shareholding – NMT Capital	**–**	48
Preference shareholding – NMT Group	**190**	190
Preference shareholding – RZT Zelpy 4971	**7**	6
Preference shareholding – RZT Zelpy 4973	**6**	6
Preference shareholding – STS Capital	**7**	6
Preference shareholding – Amabubesi Capital Traveling	**14**	21
Transactions		
Ordinary dividend accrued – NMT Capital	**2**	23
Preference dividend accrued – NMT Capital	**6**	9
Preference dividend accrued – NMT Group	**10**	15

(e) Investments in the Kutana group of companies

Thoko Mokgosi-Mwantembe, a non-executive director of the Company and OMLACSA, a wholly owned subsidiary of the Group, is also the Chief Executive Officer and sole equity holder of Kutana Capital (Pty) Ltd (Kutana).

During the period, Old Mutual Specialised Finance provided preference share funding to Luxanio 220 (RF) (Pty) Ltd, a wholly owned subsidiary of Kutana. In light of this investment, we also reviewed where Kutana had significant influence in the wider structure and provided additional information in respect of these relationships.

The Group, through various of its operating subsidiaries has provided debt funding as part of a consortium of lenders, to In2Food Group (Pty) Ltd through an entity called Middle Road Packers (Middle Road), an entity in which Kutana has an effective ownership of 35%.

The Group indirectly holds a 31% minority stake in Middle Road alongside Kutana's 35% interest, which was acquired by the Old Mutual Private Equity Fund IV (Fund IV) prior to Thoko Mokgosi-Mwantembe having been appointed as a non-executive director of the Company and OMLACSA. Fund IV is a limited liability partnership and the Group holds c.88% of the interest in Fund IV. In line with the nature of this structure, the Group has no influence over the investment decisions of this fund. These structures within the Group ensure that the independence of our asset management businesses is maintained. The underlying assets and liabilities of Fund IV have been consolidated into the Group's results and financial position as if it were a subsidiary in compliance with IFRS 10.

G: Other notes

G1: Related parties

(e) Investments in the Kutana group of companies

The transactions concluded with the Kutana Group of companies arose in the ordinary course of business and were conducted on the same commercial terms, including interest rates and security, as comparable transactions with third party counterparties. The transactions did not involve more than the normal risk of repayment, nor do they present any other unfavourable features to the Group.

Year ended 31 December **Rm**	**2019**	2018
Debt instruments held		
Preference shareholding – Luxanio 220 (RF) (Pty) Ltd	**226**	–
Mezzanine debt – In2Food Group (Pty) Ltd	**37**	43
Term loan A – In2Food Group (Pty) Ltd	**84**	94
Term loan B – In2Food Group (Pty) Ltd	**120**	139
Income earned		
Preference dividends accrued – Luxanio 220 (RF) (Pty) Ltd	**25**	–
Mezzanine debt interest accrued – In2Food Group (Pty) Ltd	**1**	1
Term loan A interest accrued – In2Food Group (Pty) Ltd	**1**	1
Term loan B interest accrued – In2Food Group (Pty) Ltd	**1**	1

G2: Contingent liabilities

The Group has provided certain guarantees for specific client obligations, in return for which the Group has received a fee. The Group has evaluated the extent of the possibility of the guarantees being called on and has provided appropriately.

Contingent liabilities – legal proceedings

The Group operates in a legal and regulatory environment that exposes it to litigation risks. As a result, the Group is involved in disputes and legal proceedings that arise in the ordinary course of business. Legal expenses incurred in respect of these disputes and legal proceedings are expensed as incurred. Claims, if any, cannot be reasonably estimated at this time but the Group does not expect the ultimate resolution of any of the proceedings to which it is party to have a significant adverse effect on the financial position of the Group.

During the period the Group managed two ongoing litigation matters in which the Chairman of Old Mutual Limited is named. These matters had both reputational and strategic execution consequences specific to the Group and whilst the Chairman is named in these matters, the decision to incur these costs was made in the interests of the Group. Legal fees paid in respect of these matters for the year ended 31 December 2019 were approximately R930,000 (December 2018: R920,000).

The Group is currently pursuing litigation in relation to the decision made to terminate Peter Moyo's employment contract. The Group does not expect the ultimate resolution of these proceedings to have a significant adverse effect on the financial position of the Group.

Tax

The Revenue authorities in the principal jurisdictions in which the Group operates routinely review historic transactions undertaken and tax law interpretations made by the Group. The Group is committed to conducting its tax affairs in accordance with the tax legislation of the jurisdictions in which it operates. All interpretations made by management are made with reference to the specific facts and circumstances of the transaction and the relevant legislation.

There are occasions where the Group's interpretation of tax law may be challenged by the Revenue authorities. The financial statements include provisions that reflect the Group's assessment of liabilities which might reasonably be expected to materialise as part of their review. The Board is satisfied that adequate provisions have been made to cater for the resolution of tax uncertainties and that the resources required to fund such potential settlements are sufficient.

Due to the level of estimation required in determining tax provisions amounts eventually payable may differ from the provision recognised.

Consumer protection

The Group is committed to treating customers fairly and supporting its customers in meeting their lifetime goals is central to how our businesses operate. We routinely engage with customers and regulators to ensure that we meet this commitment, but there is the risk of regulatory intervention across various jurisdictions, giving rise to the potential for customer redress which can result in retrospective changes to policyholder benefits, penalties or fines. The Group monitors the exposure to these actions and makes provision for the related costs as appropriate.

Outcome of Zimbabwean Commission Enquiry

On 31 December 2016, the Zimbabwean Government concluded its enquiry into the loss in value for certain policyholders and beneficiaries upon the conversion of pension and insurance benefits after the dollarisation of the economy in 2009. On 9 March 2018, the results of the Zimbabwean Government's enquiry were made public.

Although the Commission believes that policyholders may have been prejudiced, and that government, regulators and the insurance industry played a role in the loss of value, this finding is subject to review by the President and Cabinet. Furthermore, the Commission did not determine a methodology for quantifying or allocating responsibility for this prejudice and recommended that this be the subject of a further independent process to determine criteria for assessing prejudice as well as a basis for compensation which will also take into account the need to maintain stability and confidence in the industry. As such we are not currently able to establish what impact the Commission's findings will have on Old Mutual Zimbabwe.

Old Mutual Limited's intragroup guarantee of Travelers indemnification

In September 2001, Old Mutual plc, now a wholly owned subsidiary of Old Mutual Limited, entered into an indemnity agreement with Fidelity and Guaranty Life Insurance Company (F&G), United States Fidelity and Guaranty Company, St. Paul Fire and Marine Insurance Company and Travelers Companies Inc. (the Indemnity Agreement). In terms of this Indemnity Agreement, Old Mutual plc agreed to indemnify Travelers Companies Inc. and certain of its group companies (the Travelers Guarantors) against any and all claims that may be brought against the Travelers Guarantors under the historic guarantees given by the Travelers Guarantors for various obligations under certain life insurance policies and annuities issued by F&G, which obligations include a guarantee issued by the Travelers Guarantors. The liability in respect of this arrangement was limited to $480 million. F&G has since signed a release agreement to agree they will not call on the guarantee in respect of these insurance policies and annuities.

In March 2018, Old Mutual Limited agreed to provide an intragroup guarantee to Old Mutual plc in the circumstances where Old Mutual plc is unable to satisfy its obligations in respect of the Indemnity Agreement. The likelihood of any material obligations arising under the Indemnity Agreement is considered to be remote given the release agreement entered into between Old Mutual plc and F&G, as well as the current financial strength and regulatory capital position of F&G, a licensed US life insurer.

G3: Commitments

Capital commitments

The Group's management is confident that future net revenues and existing funding arrangements will be sufficient to cover these commitments.

At 31 December **Rm**	**2019**	2018
Investment property	**620**	682
Property, plant and equipment	–	99
Intangible assets	**206**	2,010

Potential future commitments

Enterprise development commitments

In accordance with the Framework Agreement entered into in relation to Managed Separation concluded with the Department of Economic Development (the Framework Agreement), the Group has undertaken that, in addition to its existing enterprise development programs, it shall, over a period of three years following the Managed Separation Implementation Date, allocate an incremental amount of R500 million to a ring-fenced perpetual Enterprise Supplier Development Fund (the Fund). Funding extended by the Fund is intended and anticipated to generate additional jobs in the company's Ecosystem. The Group's participation in the Fund shall be managed and administered by a specially created function with oversight from the office of the CEO, which function shall also be responsible for the measurement of compliance by the Group with the Amended FSC and the Group's broader commitment to transformation in South Africa.

Although the fund is developmental in nature, it is management's intention and belief that, in aggregate, the Group will return a profit on the instruments used to meet the requirements of the Framework Agreement. Nevertheless, as with any commitment to advance funding, the Group will be subject to credit and counterparty risk in relation to this arrangement. This risk will be assessed as funds are advanced, expected credit losses will be calculated, and appropriate provisions for impairment will be raised.

During the current financial year, R30 million has been distributed through loan funding mechanisms and two tranches of equity investments have been made to the value of R50 million.

G: Other notes

G3: Commitments

Old Mutual Finance (Pty) Ltd put option

The Group and the Business Doctor Consortium Limited and its associates (Business Doctor) established Old Mutual Finance (Pty) Ltd (Old Mutual Finance) as a 50/50 start-up strategic alliance in 2008. The Group increased its shareholding in Old Mutual Finance from 50% to 75% in 2014 by acquiring an additional 25% shareholding from Business Doctor for R1.1 billion. The Group has a call option to acquire the remaining 25% shareholding in Old Mutual Finance held by Business Doctor at market value under certain circumstances, inter alia in the event of a change of control within Business Doctor and on the eighth and tenth anniversary of the effective date of the Old Mutual Finance shareholders' agreement (i.e. in 2022 and 2024 respectively). Business Doctor has a put option to sell its remaining 25% shareholding in Old Mutual Finance to the Group at market value under certain circumstances, inter alia in the event of a change of control within the Group and on the eighth and tenth anniversary of the effective date of the Old Mutual Finance shareholders' agreement (i.e. in 2022 and 2024 respectively).

Following the listing of Old Mutual Limited on 26 June 2018, Business Doctor became entitled to exercise the option to put the remaining shares to Old Mutual Limited. The Group received written confirmation on 22 July 2018 from Business Doctor that the put option would not be exercised.

Commitments under derivative instruments

The Group enters into option contracts, financial features contracts, forward rate and interest rate swap agreements, and other financial agreements in the normal course of business.

The Group has options to acquire further stakes in businesses dependent on various circumstances which are regarded by the Group as collectively and individually immaterial.

Other commitments

OMLACSA has entered into agreements where it has committed to provide capital to funds and partnerships that it has invested in. The total undrawn commitment is R8,300 million at 31 December 2019 (2018: R8,788 million).

G4: Events after the reporting date

NMT

During January 2020, NMT Capital bought back OMLACSA's ordinary shareholding of R14 million. In addition, the Group received R20 million as full settlement of the preference shareholding in RZT Zelpy 4971, RZT Zelpy 4973 and STS Capital.

COVID-19

On 11 March 2020, COVID-19 was declared as a pandemic due to the rising rate and scale of infection observed. The rapid spread of this virus has caused significant disruption in global equity markets.

We model the impact of 'perfect storm' scenarios on our solvency capital and liquidity levels. These stress tests have shown we remain sufficiently capitalised with appropriate liquidity levels through these scenarios.