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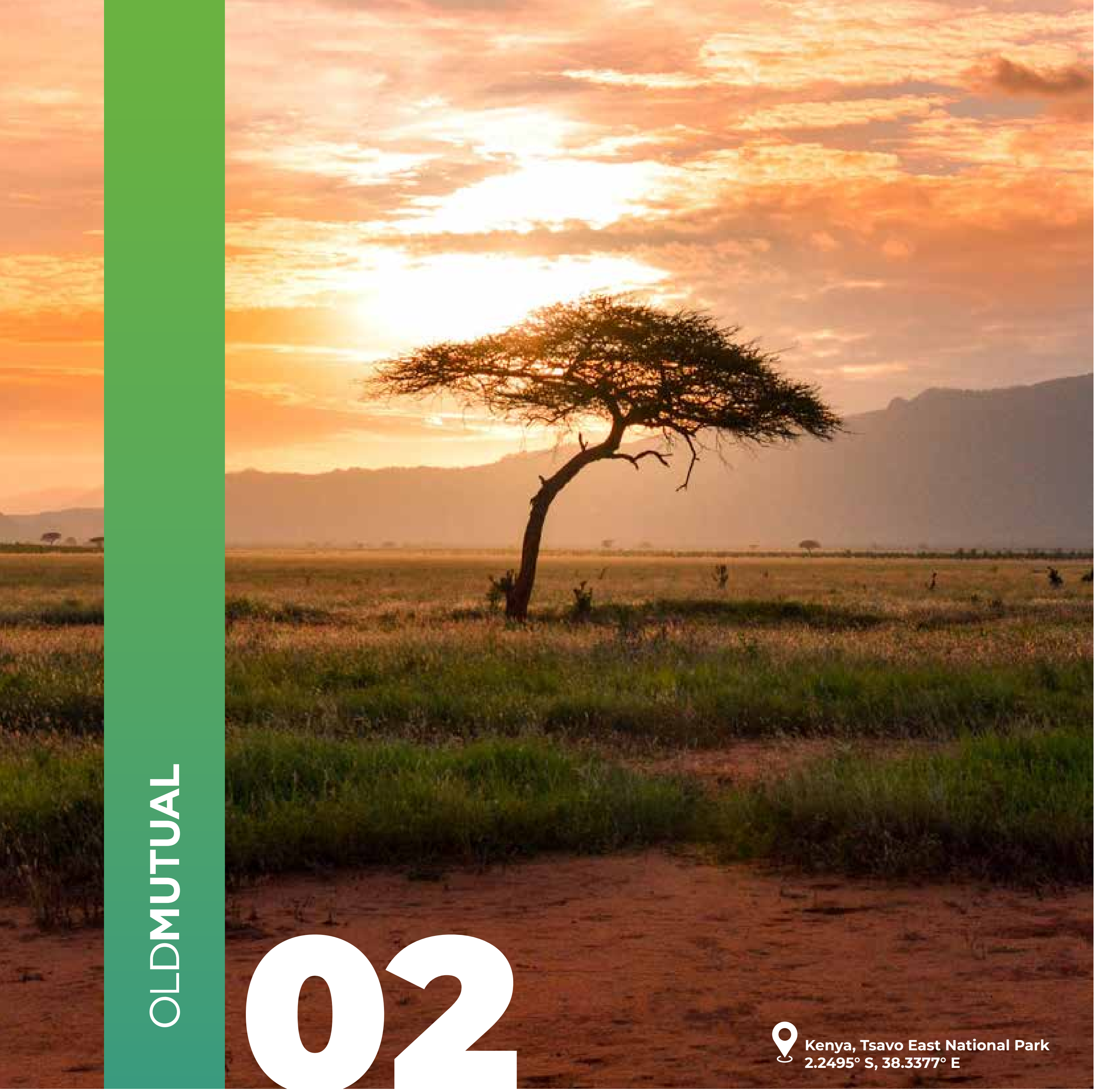


02

RESULTS COMMENTARY

DO GREAT THINGS EVERY DAY

A MESSAGE FROM THE CEO

“I am pleased with the continued growth in sales in the first half of 2022 as we retain our strategic focus on ensuring we become our customers’ first choice to sustain, grow and protect their prosperity.”

Iain Williamson
Chief Executive Officer

OVERVIEW

The first half of 2022 delivered a strong set of results, which for the first time, following the unbundling of our strategic investment in Nedbank in November 2021, excludes the income associated with this stake. This solid performance was against the backdrop of an increasingly volatile global economy. Although the economy showed positive signs in the first quarter, the global and local outlook was dampened in the second quarter by increased inflationary pressures negatively affecting market levels and consumer sentiment.

South Africa and the other countries we operate in experienced their fourth and fifth waves of COVID-19 over the current period. Despite the complete easing of lockdown and other COVID-19 restrictions in South Africa, pandemic impacts have been relatively benign. The volatility in our operating earnings caused by the pandemic over the last two years has stabilised as the ongoing impact of the pandemic becomes muted. Following the easing of lockdown restrictions, our employees across the continent returned to work based on our hybrid working model and we are starting to see the benefits of increased face-to-face collaboration on productivity. As employees adjust to the hybrid model, we anticipate seeing increased engagement.

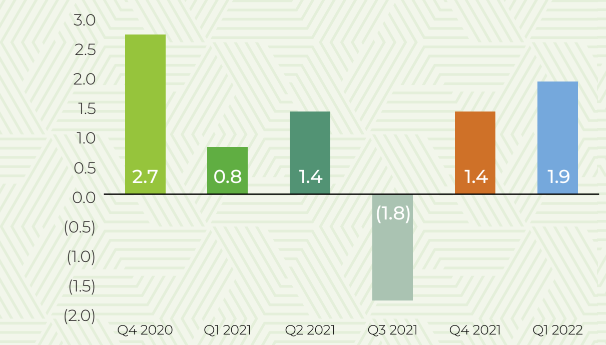
The positive outcome at the General Meeting held on 12 August 2022, when the Bula Tsela Broad-Based Black Economic Empowerment (B-BBEE) ownership transaction was approved, allows us to achieve our objective and fulfil our commitment to be best in class, measured at the time of listing, within five years post our listing in 2018. The implementation of this transaction in the latter half of 2022 will increase our B-BBEE ownership to above 30%. The Bula Tsela transaction together with a sale of 21.2% of Futuregrowth to African Women Chartered Accountants Investment Holdings will result in Futuregrowth becoming majority Black owned and should also result in Old Mutual Investment Group (OMIG) becoming majority Black owned.

OPERATING CONTEXT

The first half of 2022 was dominated by the economic fallout from the conflict in Ukraine as economies experience sharp rises in food and energy prices, upside surprises to inflation, and significant interest rate increases as central banks attempt to control inflation. These factors have resulted in significant pressure on consumer and business spending and confidence, and has led to expectations of weaker growth. As a result, global financial markets were hit particularly hard during the second quarter of 2022.

In South Africa, the strong rebound in economic growth experienced during the fourth quarter of 2021 spilled over into the first quarter of 2022 recording much stronger growth than expected. Second quarter growth was, however, negatively impacted by global factors such as the conflict in Ukraine, and local factors such as severe flooding in KwaZulu-Natal which damaged infrastructure and manufacturing facilities and reduced economic activity due to loadshedding.

SA quarter-on-quarter GDP (%)

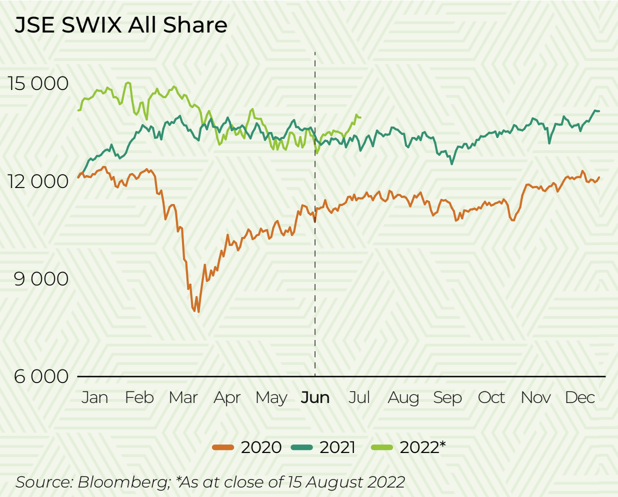


*Source: Bloomberg; *As at close of 15 August 2022*

Consumer inflation in South Africa rose to a 13-year high of 7.4% in June, driven by increased fuel and food prices. This resulted in the South African Reserve Bank raising interest rates by a cumulative 100 basis points during the first half of the year, with the repo rate at 4.75% at the end of June 2022.

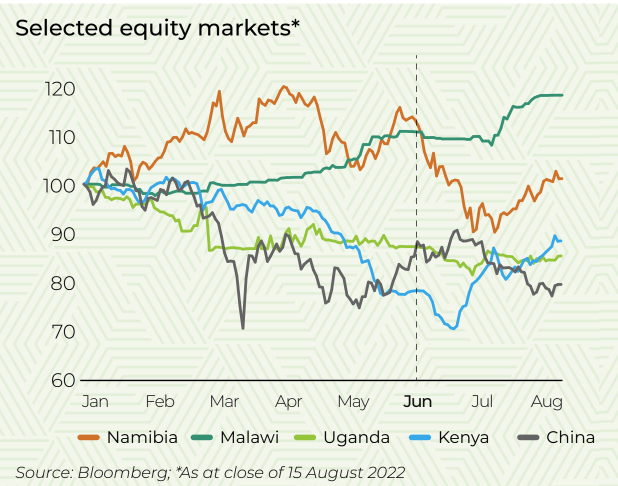
South African equity markets rallied in the first quarter followed by a dip in the second quarter on the back of global market volatility.

A MESSAGE FROM THE CEO



In our Rest of Africa markets, real GDP growth is being eroded by higher inflation and depreciating currencies, attributed to both local and global factors. The conflict in Ukraine has resulted in imported inflation due to disruptions in the supply of grains and energy products. Socio-political risk continues to heighten in several countries, due to pending elections in Zimbabwe and Nigeria.

All selected equity indices across our Rest of Africa regions and China (except for Malawi) are in negative territory due to similar pressures.



SUMMARY OF GROUP RESULTS

I am pleased with the continued growth in Life APE sales of 15% to R6.2 billion in the first half of 2022 as we retain our strategic focus on ensuring we become our customers' first choice to sustain, grow and protect their prosperity.

The recovery in Net client cash flows (NCCF) due to lower COVID-19 related claims was more than offset by a decrease in Gross flows, resulting in NCCF decreasing by 27% to negative R4.3 billion. The decrease in Gross flows of 14% to R83.4 billion was largely driven by the prior year including large transactions in Old Mutual Investments and Old Mutual Corporate which did not repeat in the current year.

Lower market levels in South Africa and globally drove a 7% decrease in Funds under management.

Strong growth in Value of new business (VNB) in Mass and Foundation Cluster, Old Mutual Corporate and Rest of Africa was more than offset by a VNB reduction in Personal Finance on the back of volume and sales mix strain. This resulted in VNB for the period of R708 million, down 4% on the prior period. VNB margin of 2.2% remains within our medium-term target range of 2% to 3%.

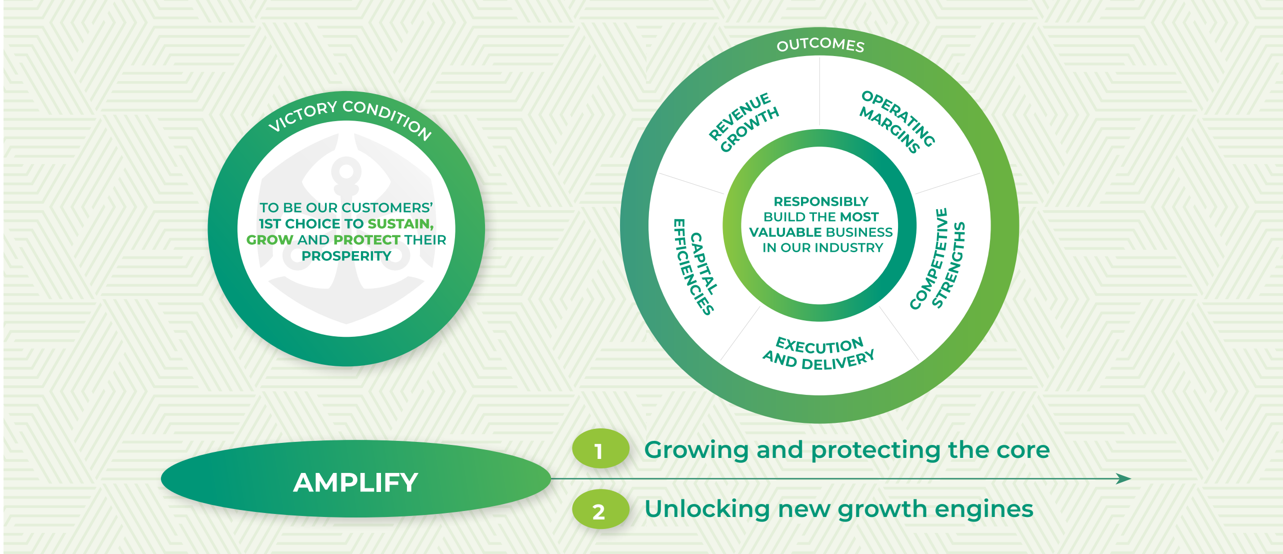
Strong operating performance and muted COVID-19 impacts led to an increase in Results from operations of 87% to R4.1 billion. Despite the large relative drop in market levels, our Adjusted headline earnings would have been up 19% on a like for like basis if the income from Nedbank had been excluded from the comparative period. Including Nedbank results in the comparative period sees our Adjusted headline earnings decrease by 7%.

Our Return on net asset value increased by 60bps to 9.6%. This was due to the lower average adjusted IFRS equity base resulting from the unbundling of 12.2% of our stake in Nedbank at the end of 2021, thus delivering on our promise to simplify the Group's capital structure and provide a substantial return of capital to our shareholders.

The Group solvency ratio remains robust and increased by 300 bps from December 2021 to 187% mainly as a result of a lower prescribed equity risk stress factor. Old Mutual Life Assurance Company (SA) (OMLACSA) issued a further R1.1 billion of subordinated debt, helping to optimise the Group's weighted average cost of capital.

The Old Mutual Limited Board declared an interim dividend of 25 cents per ordinary share which amounts to 44% of Adjusted headline earnings. We were able to maintain a dividend in line with our prior interim dividend due to our robust operational performance and our strong capital and liquidity position.

STRATEGIC PROGRESS



Our strategy is anchored in our victory condition of becoming our customers' first choice, which will enable us to responsibly build the most valuable business in our industry. Implicit in this outcome is ensuring that we deliver sustainable business growth which creates value across all of our stakeholder groups. I am incredibly proud of our achievements including a number of "industry firsts" in the South African insurance industry. We recently became the first South African insurer to join the Net Zero Asset Owner Alliance and Old Mutual Investments joined the Net Zero Asset Manager Alliance. This demonstrates our commitment to achieving carbon neutrality across our investment portfolios by 2050 or sooner. The launch of our Bula Tsela scheme makes Old Mutual the first insurer to offer shares directly to the Black South African public, and the first to include lower income earners via our retail scheme. It is a truly broad-based scheme that will transform the financial futures of those who participate, including our employees.

We made significant progress over the last year to rectify and simplify our business through deliberate and specific actions. Our unwavering focus on becoming our customers' first choice has delivered strong enhancements to the customer experience. One measure of this is how fast we are able to pay out claims to customers in moments that matter most. Improvements have translated into our Net Promoter Score increasing to 67% and the Net Ease Score to 74%.

Our Rewards programme membership increased to 1.5 million members (up from 1.3 million in December 2021). Importantly, we are starting to see the value of the programme in driving greater product cross-holding across our solution set. Customers who are Rewards programme members hold at least 30% more of our solutions than non-Rewards members.

The digitalisation of our core business is continuing at pace. As at the end of June, we have migrated 88% of our South African legacy estate to the cloud. Our move to the cloud has enabled a simplification of the IT estate, a move away from costly physical data centres, and improved availability, reliability and business agility. All of these mean a faster and smoother experience for both customers, advisers and employees.

I look forward to the shift in focus to amplify our business as we build and deliver on strategies to grow and protect our core business whilst unlocking new growth engines.

Important developments to drive growth in the core include the recent announcement of our investment in Preference Capital[1]. This marks an exciting next step in our journey towards providing holistic coverage of our small and medium enterprise (SME) customers' needs in a single place. Preference Capital is a specialist provider of alternative SME funding solutions and will play a critical role in building our SME-focused ecosystem. We have also concluded a strategic partnership with Bridge Taxi Finance, which will deliver value creation across several of our businesses, while also providing us access over the long term to deliver a full suite of financial services in the lower end of the market. In Old Mutual Insure, we participated in the broker market consolidation through a series of acquisitions and joint ventures in this space. In our core life business in South Africa, we will also conduct a pilot of our new Savings and Income proposition in the fourth quarter with a launch in 2023.

Looking further ahead, we remain ever alert to the rapidly changing nature of our operating environment, as well as our customers' changing needs and preferences. In response to this, we have defined four clear focus areas for developing and deploying a number of new growth engines. These are our East and West Africa businesses, our China joint venture, building an enhanced transactional capability and NEXT176. We believe that these investments will be critical to securing sustainable growth and value creation over the long term.

1 *Acquisition subject to Competition Commission approval.*

A MESSAGE FROM THE CEO

OUTLOOK

Global growth is expected to slow over the rest of 2022, especially in the large economies of the USA and Europe where high inflation will likely result in further interest rate increases. The International Monetary Fund's (IMF) World Economic Outlook for July 2022 revised its global economic growth forecast downward, from 4.4% to 3.2%.

In South Africa, ongoing pressure on consumers, combined with loadshedding risk, will likely further impact economic growth. The IMF has forecast growth in Sub-Saharan Africa to slow to 3.8% from the 4.6% recorded in 2021.

The macro-economic environment in our markets is expected to remain challenging. Low wage growth across sectors limits options for the pass-through of rising cost inflation, exacerbating the financial pressure experienced by our retail customers. Rising inflation further impacts our corporate customers' growth and liquidity levels. These factors continue to put strain on persistency levels across the Group. Increased market volatility and resultant decreases in asset levels puts further pressure on asset-based fees.

We remain committed to working toward meeting our medium term targets although this has become more challenging given the current economic backdrop.

With a balance sheet that remains well capitalised and our solvency ratios within or slightly above the target range, we are well set up to weather the challenging operating environment across all of our operating regions.

We are currently running parallel reporting processes for IFRS17 and are on track to producing an opening balance sheet. We will provide an update at our Capital Markets Day in the fourth quarter.

	KPI	Target	H1 2022 Outcome	Outlook
Growth	Results from operations	Deliver **2019 result plus 5% to 10% by 2023**	R4.1 billion	Challenging due to worsening economic trends
Returns	Return on net asset value	Between Cost of equity[1] +2% and Cost of equity[1] +4%	9.6%	Recovery to continue in 2023
Efficiencies	Cost efficiencies	**R750 million by the end of 2022** through our South African insurance and savings businesses	>R500 million of savings	On track to deliver
Efficiencies	VNB margin	Between **2% and 3%**	2.2%	On track to deliver
Efficiencies	Net underwriting margin	Old Mutual Insure **underwriting margin 4%–6%**	1.6%	Below range but recovering in 2023
Capital	Solvency	**Old Mutual Limited:** 170%–200%	187%	Within range
Capital	Solvency	**OMLACSA:** 175%–210%	212%	Above range
Capital returns	Dividend cover	Full year cover: **1.5x to 2.0x**	25c	In line

1 Cost of equity is set at 11.8% for 2022.

I would like to thank all our employees for their contributions to achieving this strong set of results. Our focus for the remainder of 2022 continues to be on putting our customers first and remaining a certain friend in uncertain times for our customers, employees and the communities in which we operate.

Iain Williamson
CEO of Old Mutual Limited

GROUP HIGHLIGHTS

Rm (unless otherwise stated)	H1 2022	H1 2021	Change	FY2021
Gross flows	**83 385**	96 989	(14%)	194 757
Life APE sales	**6 171**	5 343	15%	11 400
Net client cash flow (NCCF)	**(4 333)**	(3 414)	(27%)	92
Funds under management (FUM) (Rbn)[1]	**1 184.5**	1 171.2	(7%)	1 273.6
Value of new business (VNB)	**708**	740	(4%)	1 266
Value of new business margin (%)	**2.2%**	2.3%	(10 bps)	1.9%
Results from operations (RFO)	**4 097**	2 190	87%	4 384
Adjusted headline earnings (AHE)	**2 691**	2 899	(7%)	5 402
Adjusted headline earnings per share (cents)[2]	**59.2**	63.4	(7%)	118.5
Return on net asset value (%)	**9.6%**	9.0%	60 bps	9.0%
Free surplus generated from operations	**2 998**	3 090	(3%)	6 149
% of AHE converted to free surplus generated	**111%**	107%	400 bps	114%
Group solvency ratio (%)[1,3]	**187%**	177%	300 bps	184%
Headline earnings (HE)[3]	**5 140**	3 155	63%	7 209
Headline earnings per share (HEPS)[3]	**116.3**	71.7	62%	163.8
IFRS Profit after tax attributable to equity holders of the parent[3]	**5 222**	2 984	75%	6 662
Basic earnings per share (cents)[3]	**118.1**	67.8	74%	151.3
Declared dividend per share (cents)	**25**	25	-	51

1 The % change has been calculated with reference to FY 2021.
2 Weighted average number of shares used in the calculation of the Adjusted Headline Earnings per share is 4 544 million (H1 2021: 4 570 million).
3 These metrics include the results of Zimbabwe. All other key performance indicators exclude Zimbabwe.

IMPACTS ON COMPARATIVE RESULTS

Nedbank unbundling

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

Rm (unless otherwise stated)	H1 2022	H1 2021[1]	Change
Adjusted headline earnings	**2 691**	2 253	19.4%
Return on net asset value (%)	**9.6%**	8.4%	120bps
Group equity value	**87.4**	91.1	(4%)
Interim dividend per share (cents)	**25**	20	25%

1 Metrics have been represented excluding the distributed stake of 12.2% in Nedbank of R646 million.

COVID-19

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

In the current period, provision releases offset any adverse experience which, overall, was better than the expected experience. At year-end, we will reassess all of the remaining COVID-19 provisions, in light of the long-term impacts of COVID-19 and increased pressure on persistency.

Rm	Mass and Foundation Cluster	Personal Finance	Old Mutual Corporate	Rest of Africa	Group
Pandemic provisions at 31 December 2021	353	1 761	372	378	**2 864**
Release of COVID-19 provisions	–	(231)	(50)	(11)	**(292)**
Pandemic provisions at 30 June 2022	353	1 530	322	367	**2 572**

FINANCIAL REVIEW

SUPPLEMENTARY INCOME STATEMENT

Rm	Note	H1 2022	H1 2021	Change
Mass and Foundation Cluster		1 583	1 254	26%
Personal Finance and Wealth Management		1 259	22	>100%
Old Mutual Investments		566	517	9%
Old Mutual Corporate		727	457	59%
Old Mutual Insure		213	265	(20%)
Rest of Africa		212	(116)	>100%
Net expenses from central functions	A	(463)	(209)	(>100%)
Results from operations		4 097	2 190	87%
Shareholder investment return	B	415	1 153	(64%)
Finance costs	C	(330)	(266)	(24%)
Income from associates	D	20	1 055	(98%)
Adjusted headline earnings before tax and non-controlling interests		4 202	4 132	2%
Shareholder tax		(1 375)	(1 097)	(25%)
Non-controlling interests		(136)	(136)	-
Adjusted headline earnings		2 691	2 899	(7%)

A Net expenses from central functions

Rm	H1 2022	H1 2021	Change
Shareholder operational costs	(622)	(338)	(84%)
Interest and other income	159	120	33%
Net treasury gain	–	9	(>100%)
Net expenses from central functions	(463)	(209)	(>100%)

Net expenses from central functions of R463 million increased from R209 million in the prior period. The increase in shareholder operational costs was driven by further investments in growth and innovation initiatives including NEXT176 and building our transactional capabilities as well as an increase in project costs. The movements of the assets relative to the liability of the Post Retirement Medical Aid also contributed to the increase.

B Shareholder investment return

Shareholder investment return of R415 million decreased by 64% against a backdrop of increasing volatility and sharp market decline that saw rapid repricing in equity and interest markets, particularly in the second quarter. The total shareholder invested asset base reduced from R38.5 billion at the start of the year to R35.6 billion, with the South African asset base reducing by 10% contributing to the lower shareholder investment returns earned. Despite the challenging investment environment, the shareholder investment strategy in South Africa continued to meet the primary objective of protecting and preserving shareholder capital.

South African interest-bearing assets earned a 2.4% return year to date representing a 0.2% outperformance of the STeFI Composite Index. This marginal outperformance was due to enhanced cash strategies employed as well as the optimisation of cash flow requirements. This performance was slightly offset by a reduction in returns on the local bond portfolio. The local bond portfolio returned negative 2% year to date, in line with the Government Bond Index, primarily due to sharp increases in bond yields.

In line with broader local equity market performance, the investment returns earned on the South African listed protected equity portfolio is negative 2.2% for the year to date (3.1% for the same period in the prior year) compared to the Capped SWIX40 Index return of negative 4.9% over the same period.

The hedging strategies on the protected equity portfolio, excluding Nedbank, are executed in the form of zero cost collars where the exposure to losses is limited to 0% – 15% of the investment value, whilst the underlying equities track the Capped SWIX40 Index. As the local protected equity strategy is used primarily to reduce capital losses in line with the Group's market risk appetite, it effectively reduces the underlying equity exposure (actual equity exposure on protected equity ranges between 50%-60% on average). Whilst the overall equity strategy protects against downside losses, it is therefore expected to underperform in rapidly rising markets. The investment performance on the protected equity is limited to the cap levels which are determined at the onset when entering into the various hedging tranches over the year.

During 2022, the transition from the SWIX40 Index to the Capped SWIX40 Index continued, with the majority of the portfolio already transitioned. The transition of the underlying indices is expected to be complete before the end of 2022.

Post the unbundling in November 2021, the retained Nedbank stake was recognised as part of shareholder invested assets with fair value movements between the cap and floor accounted for as part of shareholder investment returns. Year to date, the hedged Nedbank holding returned 4.8%. The Nedbank investment is also fully hedged using a collar with the floor limiting losses to between 2%-5%, and a ceiling limiting gains to between 105%-112%.

Year to date, the unlisted equity portfolio returned negative 0.8% compared to 21.2% for the 2021 full year. Valuations on the unlisted equity portfolio decreased, reflecting a decline in economic conditions and lower comparable listed peers referenced in valuations.

Included in the South Africa investment returns is a mark-to-market loss of R64 million primarily related to reduced investment returns earned on the Old Mutual Foundation assets. The Foundation's assets are invested in accordance with a diversified, balanced, long term investment asset strategy which has consequently been negatively impacted by the local market.

Shareholder investment returns in the Rest of Africa of R259 million decreased by 29%. This was primarily driven by decreased investment returns in Namibia and East Africa. Namibia's investment returns reduced due to a decline in equity markets. In East Africa, fair value losses on treasury bonds, equity and property were a major contributor to the decrease in returns. These losses were offset by increases in investment returns in Ghana, Malawi and Nigeria. In Ghana, investment returns increased by 141% due to higher interest rates earned on a larger interest-bearing asset base. Investment returns in Malawi increased 113% due to a rally in local equity markets. Nigeria's investment returns increased 136% due to higher interest rates earned on a higher interest-bearing asset base.

C Finance costs

Finance costs on the long-term debt that supports the capital structure of the Group increased to R330 million. This increase was driven by the increased interest rate environment and by OMLACSA's issue of R1.5 billion of subordinated debt instruments in September 2021, and a further issue of R1.1 billion in June 2022. Increased finance costs were partially offset by a redemption of R409 million in March 2022.

D Income from associates

Income from associates includes our investment in China and, in the prior period, our investment in Nedbank. Following the unbundling in November 2021, the Group ceased equity accounting Nedbank's earnings as it is no longer an associate.

FINANCIAL REVIEW

RECONCILIATION OF AHE TO IFRS PROFIT AFTER TAX

Rm	Note	H1 2022	H1 2021	Change
Adjusted headline earnings		2 691	2 899	(7%)
Investment return for Group equity and debt instruments in life funds[1]		606	(187)	>100%
Impact of restructuring	A	31	(1 261)	>100%
Operations in hyperinflationary economies	B	1 745	1 720	1%
Residual plc	C	67	(16)	>100%
Headline earnings		5 140	3 155	63%
Reversal of impairment/(impairment) of goodwill, other intangible assets and property	D	24	(190)	>100%
Remeasurement of non-current assets held for sale and distribution		–	(47)	100%
(Impairment)/reversal of impairment of investments in associated undertakings	E	(32)	108	(>100%)
Profit/(Loss) on disposal of subsidiaries and associated undertakings	F	90	(42)	>100%
IFRS Profit after tax for the financial period attributable to ordinary equity holders of the parent		5 222	2 984	75%

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

A Impact of restructuring

In the current period, the restructuring line includes non-recurring income related to prior acquisitions, partly offset by once-off implementation costs related to the Bula Tsela B-BBEE ownership transaction. In the prior period, the restructuring line included costs mostly relating to the Nedbank unbundling, with R1.1 billion deferred tax raised on the total stake at 30 June 2021. For the distributed stake, the difference between the carrying value under IFRS 5 and the tax base of the investment was a taxable difference in terms of IAS 12, resulting in a tax liability of R731 million at the capital gains tax rate. This amount was reclassified from deferred tax to a current tax liability upon recognition of the held for distribution liability and was settled prior to 31 December 2021.

B Operations in hyperinflationary economies

Due to hyperinflation in Zimbabwe and barriers to access capital by way of dividends, we continue to exclude the results of the Zimbabwe business from Adjusted headline earnings.

Profits in Zimbabwe continue to be driven by investment returns earned on the Group's shareholder portfolio. The increase in investment returns relates to fair value gains earned on equities traded on the Zimbabwe Stock Exchange (ZSE) as market participants seek to invest in equities which preserve value in an inflationary environment. The ZSE generated returns of 83% during the period against inflation of 119% for the same period. We caution users of our financial results that the investment returns earned on the Group's shareholder portfolio may reverse in the future.

C Residual plc

Residual plc reported a R67 million profit compared to a R16 million loss in the prior period, mainly due to positive foreign exchange movements recognised on US dollar denominated cash balances following the weakening of the rand in the current period. Staff costs were lower than the prior period with the continued winding down of the remaining operations.

D Property impairments

Impairments recognised in the prior period related mainly to a write down in respect of one of our offices, 1 Mutual Place, to ensure alignment of the property value with prevailing market conditions. In the current period, a portion of this impairment was reversed following a recovery in market conditions.

E Investments in associated undertakings impairments

The impairment recognised in the current period relates to a write down of one of the Group's retail property investments. In the prior period, we recognised the reversal of impairment on the total Nedbank stake prior to the reclassification of the distributed stake as an asset held for sale and distribution, and movements in the retained stake value prior to reclassification to investments and securities.

F Disposal of subsidiaries and associated undertakings

The profit on disposal of subsidiaries recognised for the period relates mainly to the disposal of 21.2% of the Group's investment in Futuregrowth to African Women Chartered Accountants Investment Holdings, in line with our commitment to drive transformation of our asset management business entities.

MANAGEMENT OF THE GROUP'S BALANCE SHEET

SHAREHOLDER CAPITAL MANAGEMENT

Overview

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

Solvency risk management

The Old Mutual Limited Group solvency position remained strong at 187% for the current period within the solvency target of 170% to 200%. Capital is allocated within the Group based on subsidiary risk profiles, the requirements of relevant regulators, competitor and customer considerations, and return on capital targets. All entity solvency positions are monitored on a regular basis to ensure they are appropriately capitalised.
The largest insurer in the Group, OMLACSA was just above the upper end of its solvency target range of 175% to 210%, at 212% at 30 June 2022.

Capital allocation

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

During the first half of the year, the Group successfully concluded:

- The acquisition of a 51% equity interest in ONE Financial Services, which writes short-term insurance via a cell captive
- The acquisition of a minority equity interest in a majority black held short-term insurance investment holding company
- The disposal of 21.2% of Futuregrowth to African Women Chartered Accountants Investment Holdings (which moves Futuregrowth significantly towards its goal of becoming majority black held)
- An investment in Preference Capital, a leading local provider of SME finance (subject to Competition Commission approval).

The Bula Tsela B-BBEE ownership transaction, which was approved at the General Meeting held on 12 August 2022, will be implemented in the latter half of 2022. This transformative B-BBEE ownership transaction aims to meet and exceed our commitment to be best in class within five years of listing, with best in class measured at the time of listing being a 30% B-BBEE ownership.

Capital optimisation

The Group continues to optimise its capital structure to enhance value for shareholders. Cash flow optimisation in Old Mutual Investments resulted in a capital release to the Group which improved return on capital for the segment and access to discretionary capital for the Group. The Group will continue to identify opportunities to optimise its balance sheet.

Shareholder investments

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

In South Africa, we mainly target a combination of protected equity and interest-bearing assets (including a small allocation to bonds). Furthermore, there is an allocation to some unlisted legacy equity assets that are deemed to be strategic in nature. Post unbundling in November 2021, the retained Nedbank stake (5.3% of Nedbank issued share capital) is recognised as part of shareholder invested assets. The protected equity allocation therefore includes the retained Nedbank stake which is hedged using a similar collar structure.

The shareholder investment strategy is refined to ensure optimal, long term investment outcomes. Various optimisation measures have been implemented during the year. These include widening the asset universe to include an allocation to local listed bonds, inclusion of a tactical asset allocation portfolio, disposal of non-strategic unlisted equity assets, transitioning the protected equity underlying index to Capped SWIX 40, and the disposal of the unhedged Nedbank stake.

Across the Rest of Africa, the shareholder investment strategy adheres to the Group's low-risk investment strategy aimed at protecting shareholder value. The strategy targets capital and inflation protection, subject to the market risk budget. Each entity has a bespoke investment strategy which is influenced by the respective macroeconomic and regulatory regimes. Significant progress has been made on strengthening governance and enhancing the investment outcomes for the entities in these regions.

FINANCIAL REVIEW

Issuance of tier 2 subordinated debt

During the first half of 2022, OMLACSA issued R1.1 billion of floating rate subordinated debt under the Old Mutual Limited Multi-Issuer Domestic Medium-Term Note programme at 155 bps over three-month JIBAR.

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

Shareholder liquidity risk management

The Group's liquidity is managed centrally and ensures that all subsidiaries carry sufficient liquidity to support their business activities. The Group's liquidity position remained robust and within target ranges throughout the first half of 2022 and remains sufficient to cover the Group's modelled stress scenarios.

Liquidity sources consist of liquid assets (partly funded by subordinated debt) and Group contingency facilities. The Group continuously aims to optimise the modelling and management of liquidity to reduce the cost to the Group within the risk appetite.

Dividend policy

The dividend policy targets an ordinary dividend cover of 1.50x to 2.00x Adjusted headline earnings over the financial year.

When determining the appropriateness of a dividend, we consider the underlying cash generated from operations, fungibility of earnings, targeted liquidity and solvency levels, the Group's strategy, and market conditions at the time. In light of our strong liquidity levels and well capitalised balance sheet, the Old Mutual Limited Board is pleased to declare an interim dividend of 25 cents per share which amounts to 44% of Adjusted headline earnings.

GUARANTEED PRODUCT MANAGEMENT

Products with shareholder guarantees or guaranteed rates of return are managed according to the Group's risk appetite. Financial risks (including market, liquidity, funding, and reinvestment risk) are mitigated through a range of hedging strategies. Within OMLACSA, guaranteed products are managed centrally (in line with the Group's Three Manager Model) to optimise hedging costs and ensure that capital within the Group is preserved.

Funding generated as a result of guaranteed products (post financial risk mitigation) are invested according to a guaranteed product investment strategy (the bulk of which is invested in fixed interest credit assets), taking into consideration the duration and nature of the product liability.

Through the Three Manager Model the optimal deployment of funds (generated through product premiums) is facilitated once the related financial risks have been mitigated. Funds are then deployed to investment businesses to generate enhanced shareholder investment returns.

BALANCE SHEET METRICS

Rbn (unless otherwise stated)	Note	H1 2022	H1 2021	FY 2021	Change[1]
Equity attributable to ordinary shareholders of the parent		**62.2**	68.1	62.2	–
Operating segments[2]		**56.5**	48.5	55.8	1%
Non-core operations[3]		**1.8**	1.3	2.0	(10%)
Investment in associated undertaking[4]		**–**	5.9	–	–
Equity in respect of Nedbank classified as held for sale and distribution		**–**	9.9	–	–
Operations for hyperinflationary economies		**3.9**	2.5	4.4	(11%)
Closing adjusted IFRS equity		**56.5**	64.2	55.8	1%
Nedbank stake[4]		**–**	15.7	–	–
Equity attributable to operating segments		**56.5**	48.5	55.8	1%
South Africa		**45.5**	39.3	45.1	1%
Rest of Africa		**11.0**	9.2	10.7	3%
Average adjusted IFRS equity		**56.1**	64.2	59.8	(6%)
South Africa		**45.3**	55.1	50.2	(10%)
Rest of Africa		**10.8**	9.1	9.6	13%
Return on net asset value[5]	A	**9.6%**	9.0%	9.0%	60 bps
South Africa		**11.0%**	10.2%	10.4%	80 bps
Rest of Africa		**3.6%**	2.0%	2.1%	160 bps
Invested shareholder assets	B	**35.6**	30.1	38.5	(8%)
South Africa		**26.5**	22.3	29.6	(10%)
Rest of Africa		**9.1**	7.8	8.9	2%
Gearing ratio[6]	C	**15.8%**	11.6%	15.1%	70 bps
Interest cover (times)[5]		**13.7**	16.5	15.4	(17%)

1 Unless otherwise stated, the % change has been calculated with reference to FY 2021.

2 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 Adjusted headline earnings is presented.

3 This includes consolidation adjustments on own shares held by consolidated funds.

4 In H1 2021, this represented the Group's retained stake in Nedbank at fair value. Post the unbundling of the 12.2% stake in Nedbank, the retained stake is no longer classified as an associated undertaking and is included in the equity attributable to operating segments.

5 The % change has been calculated with reference to H1 2021.

6 Gearing ratios are calculated with reference to the IFRS value of debt that supports the capital structure of the Group and Closing Adjusted IFRS Equity.

FINANCIAL REVIEW

A Return on net asset value

Return on net asset value of 9.6% increased by 60 bps from 9.0% in the prior year due to a lower average adjusted IFRS equity base resulting from the unbundling of 12.2% of the Group's stake in Nedbank in 2021. Adjusted headline earnings would have been up 19% on a like for like basis if the income from Nedbank had been excluded from the comparative period. Including Nedbank results in the comparative period sees our adjusted headline earnings decrease by 7%.

Return on net asset value of 11% in South Africa increased by 80 bps due to an 18% decrease in average adjusted IFRS equity. This reduction reflects the impact of the Nedbank unbundling in November 2021.

Return on net asset value in Rest of Africa improved by 160 bps to 3.6%, driven by the improvement in Adjusted headline earnings mainly due to a substantial improvement in operating profits, partially offset by a decrease in shareholder investment return. Average adjusted IFRS equity increased by 19% year on year, reflecting the impact of higher opening balances in the current period as well as an increased closing adjusted IFRS equity due to retained profit in the period and capital injections. This was partially offset by unfavourable foreign currency movements, most notably in Malawi.

B Invested shareholder assets

Total shareholder invested assets of R35.6 billion decreased by 8% from R38.5 billion at December 2021. In South Africa, the asset base decreased 10% to R26.5 billion. The average asset base in South Africa excluding Nedbank over the period was lower due to dividends paid. During the first quarter, all unhedged Nedbank exposure was fully exited with the remaining stake of 5.3% being fully hedged.

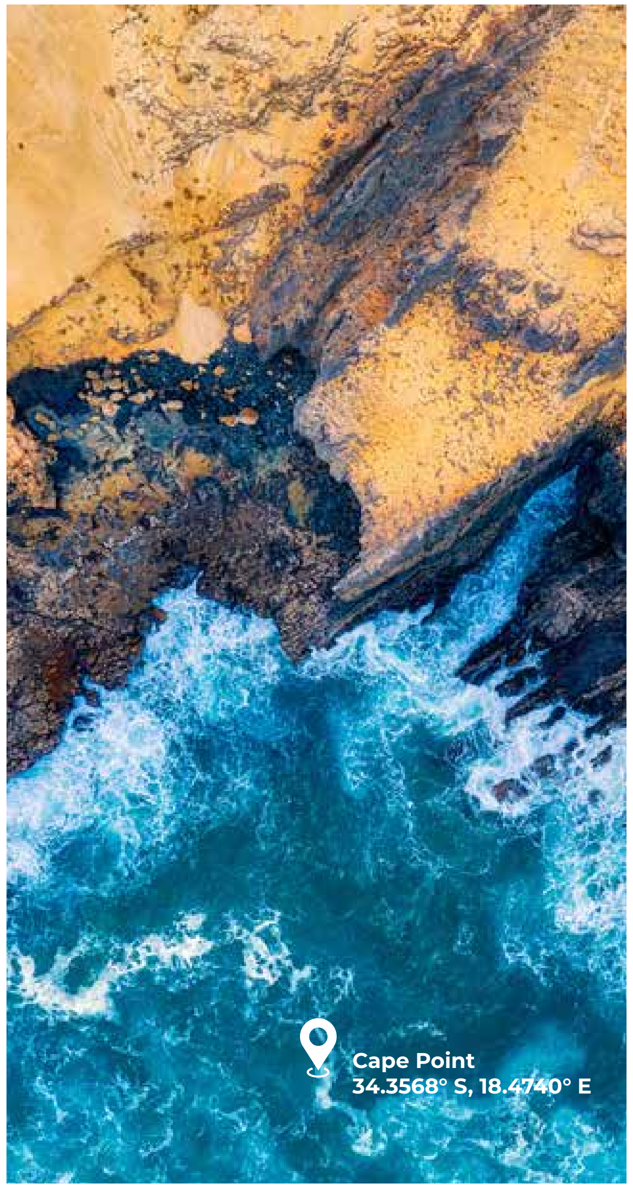
In the Rest of Africa, invested shareholder assets of R9.1 billion increased by 2% from R8.9 billion. Growth was driven by an increase in interest bearing assets. Within Rest of Africa, most countries have adopted a low-risk investment strategy in line with the Group's Strategic Asset Allocation framework. This has resulted in a higher allocation to fixed income assets in order to preserve capital in an efficient manner. A riskier Strategic Asset Allocation is accepted in countries with hyper-inflation economies in order to better preserve capital. As more countries adopt a low-risk strategy and transition from higher risk asset classes, this will alter the investment return profile to be smoother and more capital efficient.

C Gearing

The gearing ratio of 15.8% increased by 70bps in comparison to 31 December 2021 due to the issuance by OMLACSA of subordinated debt of R1.1 billion in June 2022. OMLACSA redeemed R409 million of subordinated debt in March 2022.

The gearing ratio is calculated with reference to closing adjusted IFRS equity, which increased by 1% relative to 31 December 2021, mainly due to retained profit in the period, which was largely offset by the final dividend payment, as well as unfavourable foreign currency movements in Rest of Africa.

Interest cover of 13.7 times decreased by 17% from 16.5 times in the prior period, mainly due to higher finance costs, reflecting the increased values of subordinated debt in OMLACSA, and a higher interest rate environment in the current period.



EMBEDDED VALUE

Rm (unless otherwise stated)	H1 2022	H1 2021	FY 2021	Change (H1 2022 vs FY 2021)
Adjusted net worth (ANW)	**33 698**	33 035	34 982	(4%)
Value in force (VIF)	**32 801**	33 934	35 333	(7%)
Embedded value	**66 499**	66 969	70 315	(5%)
Operating embedded value earnings	**2 589**	377	903	>100%
Return on embedded value	**7.8%**	3.7%	1.4%	640bps
Value of new business	**708**	740	1 266	(44%)

The Return on embedded value increased to 7.8% largely due to improved mortality and expense experience, higher expected returns and less negative assumption changes. Overall, the Operating embedded value earnings increased to R2 589 million.

Experience variances improved from the prior period, with better than anticipated mortality experience being partly offset by deteriorating persistency experience in Mass and Foundation Cluster. No material assumption changes were made due to COVID-19 experience dropping off materially in the first half of 2022, with the prior period also being negatively impacted by additional COVID-19 provisions.

The Value of new business benefited from strong sales in Mass and Foundation Cluster, Old Mutual Corporate and an improved mix in the Rest of Africa. This was more than offset by an adverse change in mix in Personal Finance as well as an expense attribution change in the segment.

Embedded value reduced by 5% mostly due to a R4 billion dividend from covered business as well as negative economic variances. Subdued equity market performance led to lower expected future asset-based fees on investment products, as well as lower than expected shareholder investment returns.

GROUP EQUITY VALUE

	H1 2022			FY 2021		
Rbn	IFRS NAV	GEV	AHE	IFRS NAV	GEV	AHE
Covered business	**36.6**	**66.5**	**2.4**	37.7	70.3	2.6
Non-covered business	**13.8**	**18.0**	**0.6**	12.8	19.7	2.0
Asset Management	**3.7**	**6.9**	**0.3**	4.0	7.9	0.9
Banking and Lending	**3.9**	**5.5**	**0.3**	3.5	5.5	0.9
Property and Casualty	**6.2**	**5.6**	**–**	5.3	6.3	0.2
Investment in Nedbank	**–**	**–**	**–**	–	–	1.3
Residual plc	**1.9**	**1.1**	**–**	2.1	1.1	–
Zimbabwe	**3.9**	**–**	**–**	4.4	–	–
Other	**6.0**	**1.8**	**(0.3)**	5.2	0.8	(0.5)
Total	**62.2**	**87.4**	**2.7**	62.2	91.9	5.4

Group equity value (GEV) of R87.4 billion decreased by 5% from the 31 December 2021 position, reflecting reduced values of covered and non-covered businesses, partially offset by an increase in Other, mostly due to dividends remitted from the Covered and Asset Management businesses.

Covered business is included in Group equity value at Embedded value, which decreased by 5% mostly due to negative economic variances as well as dividends paid of R4 billion. The non-covered businesses are valued based on a series of directors' valuations for each material legal entity.

Asset Management Group equity value decreased by 13% to R6.9 billion, due to the sale of a minority stake of Futuregrowth to African Women Chartered Accountants Investment Holdings, dividends paid of R0.8 billion as well as the impact of higher yields and subdued markets on asset management fees.

FINANCIAL REVIEW

Property and Casualty Group equity value decreased by 11% reflecting lower valuations of Old Mutual Insure and UAP Old Mutual in Rest of Africa. This decrease is mainly due to higher discount rates following increased risk-free rates, reductions in the price-to-book multiples of direct peers and decreased market multiples in price-earnings valuations.

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

The Residual plc contribution to Group equity value is based on the realisable economic value of approximately GBP57 million.

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

The value of Other increased due to net dividends received in holding companies from the Covered and asset management businesses, which were partially offset by capital injections into Rest of Africa and the Property and Casualty business.

SOLVENCY

Rm (unless otherwise stated)	Optimal target range	H1 2022	Re-presented[1] FY 2021	Reported FY 2021	Change (H1 2022 vs Re-presented FY 2021)
OMLACSA					
Eligible own funds		**60 738**	62 372	62 470	(3%)
Solvency capital requirement		**28 621**	30 788	31 084	(7%)
Solvency ratio (%)	175% to 210%	**212%**	203%	201%	900bps
Group					
Eligible own funds		**91 754**	91 401	91 401	0.4%
Solvency capital requirement		**49 015**	49 707	49 707	(1%)
Solvency ratio (%)	170% to 200%	**187%**	184%	184%	300bps

1 Prior year for OMLACSA has been re-presented to align to the Prudential Authority (PA) submission.

The solvency ratio for OMLACSA increased to 212% from 203% in December 2021, with a decrease in both eligible own funds and the solvency capital requirement.

The decrease in eligible own funds was driven mostly by the impact of lower markets on shareholder assets and future fees on investment products. This was partly offset by profitable sales over the first half of 2022, additional subordinated debt, and a decrease in the risk margin. The own funds were further reduced by the impact of the OMLACSA foreseeable dividends.

The decrease in the solvency capital requirement is driven mostly by lower equity risk due to the lower prescribed equity shock, lower equity exposure on savings products due to lower equity markets, lower shareholder equity exposure, and higher protection from the hedges on shareholder equities and Nedbank.

The Group solvency ratio increased to 187% from 184% in December 2021. The overall improvement in the solvency ratio was mainly due to a higher OMLACSA solvency ratio, combined with higher average solvency ratios for non-regulated entities due to the lower prescribed equity shock. This was partly offset by lower solvency ratios for certain non-South African insurers.

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

As at 30 June 2022, OMLACSA and Old Mutual Limited were financially sound on the Prudential Standards basis and both are expected to remain financially sound for the foreseeable future.

FREE SURPLUS GENERATED FROM OPERATIONS

	H1 2022			H1 2021		
Rm	Free Surplus Generated	AHE	%	Free Surplus Generated	AHE	%
Gross operating segments[1]	**2 899**	**2 691**	**108%**	2 051	1 871	110%
Capital requirements	**99**	**–**	**–**	611	–	–
Net operating segments	**2 998**	**2 691**	**111%**	2 662	1 871	142%
Nedbank[1]	**–**	**–**	**–**	428	1 028	42%
Free surplus generated from operations	**2 998**	**2 691**	**111%**	3 090	2 899	107%

1 With effect from 1 November 2021, the retained stake in Nedbank was reported as part of operating segments before capital requirements.

Operating segments generated gross Free surplus of R2 899 million, representing 108% of Adjusted headline earnings. The conversion rate exceeds 100% of Adjusted headline earnings due to the exclusion of amortisation related to intangible assets which are non-cash items.

Lower capital requirements contributed to the increase in Free surplus, albeit at significantly lower levels compared to the prior year. Capital requirements in the prior period were largely driven by good returns on Old Mutual Corporate's with-profit annuity book leading to reduced likelihood of shareholder support being needed in an extreme stress event. In the current year, free surplus benefitted mainly from lower capital requirements in the Banking and Lending business following the reduction in the size of the loan book. This was partly offset by higher capital requirements in OMLACSA driven by Old Mutual Protect modelling improvements and growth in the book.

FINANCIAL REVIEW

INTERIM DIVIDEND DECLARATION

The Old Mutual Limited Board declared an interim dividend of 25 cents per ordinary share which amounts to 44% of Adjusted headline earnings. The interim dividend will be paid out of income reserves. We were able to maintain a dividend in line with our prior interim dividend due to our robust operational performance and our strong capital and liquidity position. The interim dividend is in line with Old Mutual Limited's dividend policy, which targets an ordinary dividend cover of 1.50x to 2.00x of Adjusted headline earnings over the financial year.

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

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	Tuesday, 30 August 2022
Finalisation announcement and exchange rates announced	Tuesday, 6 September 2022 by 11.00
Transfers suspended between registers	Close of business on Tuesday, 6 September 2022
Last day to trade cum dividend for shareholders on the South African Register and Malawi, Namibia and Zimbabwe branch registers	Tuesday, 20 September 2022
Ex-dividend date for shareholders on the South African Register and Malawi, Namibia and Zimbabwe branch registers	Wednesday, 21 September 2022
Last day to trade cum dividend for shareholders on the UK register	Wednesday, 21 September 2022
Ex-dividend date for shareholders on the UK register	Thursday, 22 September 2022
Record date (South African Register and Malawi, Namibia and Zimbabwe branch registers)	Close of business on Friday, 23 September 2022
Record date (UK register)	Friday, 23 September 2022
Transfers between registers restart	Opening of business on Monday, 26 September 2022
Interim dividend payment date	Monday, 17 October 2022[1]

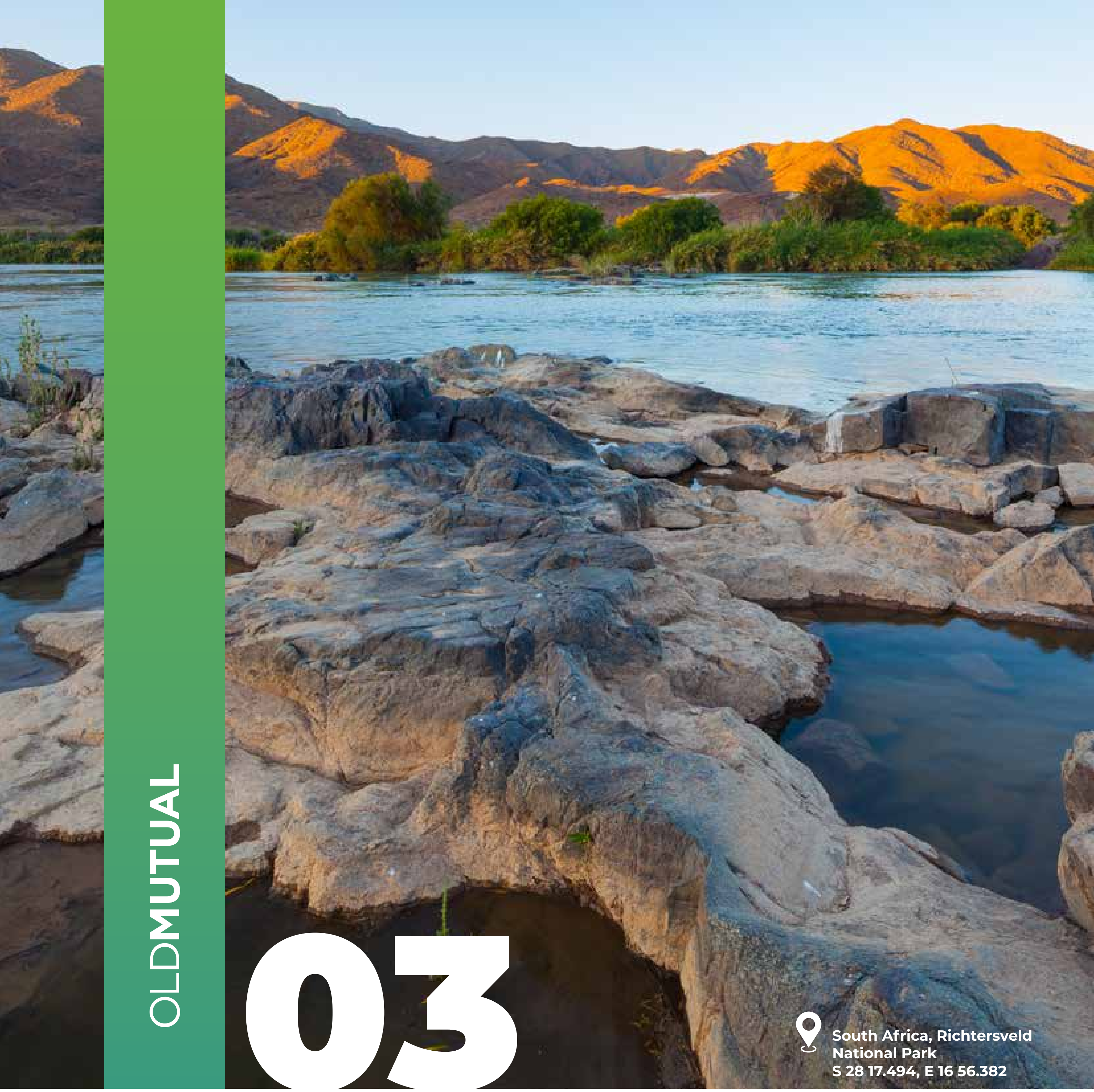
1 The interim dividend payment date for shareholders on the Malawi Stock Exchange will be Tuesday, 18 October 2022 due to a public holiday on Monday, 17 October 2022.

Share certificates for shareholders on the South African register may not be dematerialised or rematerialised between Wednesday, 21 September 2022 and Friday, 23 September 2022, both dates inclusive. Transfers between the registers may not take place between Tuesday, 6 September 2022, and Friday, 23 September 2022, both dates inclusive. Trading in shares held on the Namibian branch register through Old Mutual (Namibia) Nominees (Pty) Limited will not be permitted between Tuesday, 6 September 2022 and Thursday, 22 September 2022, both dates inclusive.

For South African shareholders, the dividend will be subject to dividend withholding tax of 20% for all shareholders who are not exempt from or do not qualify for a reduced rate of withholding tax. International shareholders who are not exempt or are not subject to a reduced rate in terms of a double taxation agreement will be subject to dividend withholding tax at a rate of 20%. The net dividend payable to shareholders subject to withholding tax at a rate of 20% amounts to 20 cents per ordinary share. Distributions made through the dividend access trust or similar arrangements established in a country will not be subject to South African withholding tax but may be subject to withholding tax in the relevant country. We recommend that you consult with your tax adviser regarding the in country withholding tax consequences.

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/.

CLICK HERE



SEGMENT REVIEWS

DO GREAT THINGS EVERY DAY

SEGMENT REVIEWS

MASS AND FOUNDATION CLUSTER

Mortality experience was significantly better in the first half of 2022 due to the easing of the COVID-19 pandemic. A release of our COVID-19 mortality provisions was thus not required. Our customers face growing financial strain due to high inflation and a rising interest rate cycle, which has increased pressure on our retention experience. Against this backdrop we delivered a credible set of financial results, which represents considerable progress on our prior period results. Results from operations grew by 26% and VNB continued its strong growth trajectory with the VNB margin ending in the middle of our target range of 6%-9%. The lending business continues to deliver a credit loss ratio and net lending margin that are materially better than our long-term target ranges. We also grew our Old Mutual Rewards customer base by 12% from the start of the year to 806 000, with meaningful benefits emerging from increased upsell and cross-sell opportunities.

We saw continued improvement in sales across all distribution channels with risk sales recovering to 2019 levels. Our tied channel maintained the improved productivity delivered in 2021 by continuing to focus on higher margin risk sales which include an increased proportion of underwritten sales. Our alternative and foundation market channels delivered very good sales growth which included a higher proportion of non-advice risk sales. This sustained growth in alternative and foundation market channels was the result of consistently increasing our points of presence and delivering appropriate solutions through lower cost distribution channels.

With customers facing mounting financial constraints, our lending business maintained a conservative approach, with a focus on growth in risk sales offerings within our risk appetite. This approach translated into significantly higher sales and a strong core credit performance.

Rm (unless otherwise stated)	H1 2022	H1 2021	Change
Results from operations	1 583	1 254	26%
Gross flows	6 250	6 349	(2%)
Life APE sales	1 806	1 656	9%
NCCF	2 659	2 324	14%
FUM (Rbn)[1]	16.2	18.1	(10%)
VNB	478	355	35%
VNB margin (%)	7.7%	6.7%	100bps
Old Mutual Finance			
Results from operations	438	505	(13%)
Loans and advances[1]	14 778	14 795	0%
Net lending margin (%)	14.2%	14.9%	(70bps)
Credit loss ratio (%)	4.6%	4.1%	50bps

1 *The comparative amount references FY 2021.*

PERFORMANCE HIGHLIGHTS

Gross flows of R6 250 million decreased by 2% largely due to a decline in savings flows. Management actions taken in recent years to focus on higher earning customers has led to a slight decline in the savings book. Gross flows came under further pressure from the increasing financial constraints on our customers, which has impacted their ability to maintain premium commitments. Despite this, NCCF increased by 14% to R2 659 million, largely due to lower funeral claims given the prevalence of less severe COVID-19 variants.

Life APE sales of R1 806 million increased by 9% from the prior period, driven by strong growth across our non-advice channels, particularly within the foundation market. This was supported by strong credit life growth on the back of a 66% growth in new business loans (off a low base). Risk sales have now recovered to 2019 levels and remain a key focus area in driving sustained long-term value.

Loans and advances of R14 778 million remained relatively flat as higher levels of sales were broadly offset by strong collection rates and normalised levels of settlement and write-offs.

The net lending margin of 14.2% decreased by 70bps while the credit loss ratio increased by 50bps to 4.6%. The prior period benefited positively from a material once-off provision unwind from a declining loan book. We will continue to prudently manage exposure to risk and growth in the current constrained environment.

Results from operations of R1 583 million improved by 26% largely due to higher Life profits, partly offset by lower profits from the Banking and Lending business.

Life profits were materially ahead of the prior period due to higher annual premium and cover increases on the existing book, and the positive impact of basis changes relative to net negative basis changes in 2021.

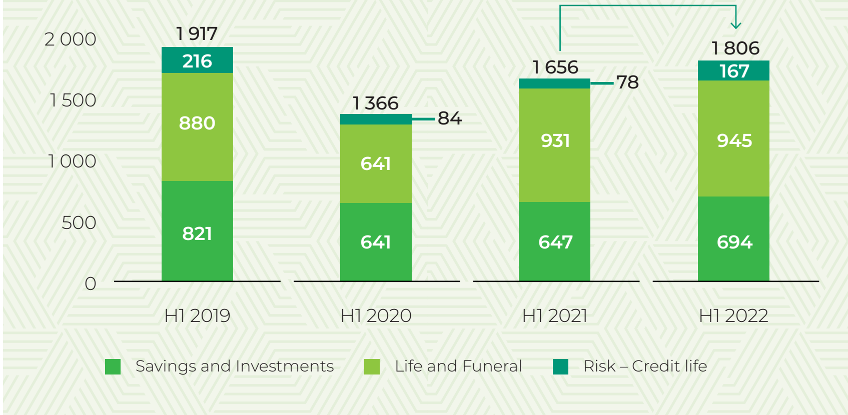
The claims experience was significantly better than that of 2021 due to less severe COVID-19 variants and higher levels of immunity. As a result, we did not need to release any of the mortality provisions in place for excess claims.

Higher sales volumes and good cost management contributed further to the strong Results from operations. These gains were partially offset as our customers' growing financial pressures translated into worse retention experience due to higher levels of lapses, surrenders and missed premiums. Lower market returns also negatively impacted our investment variances.

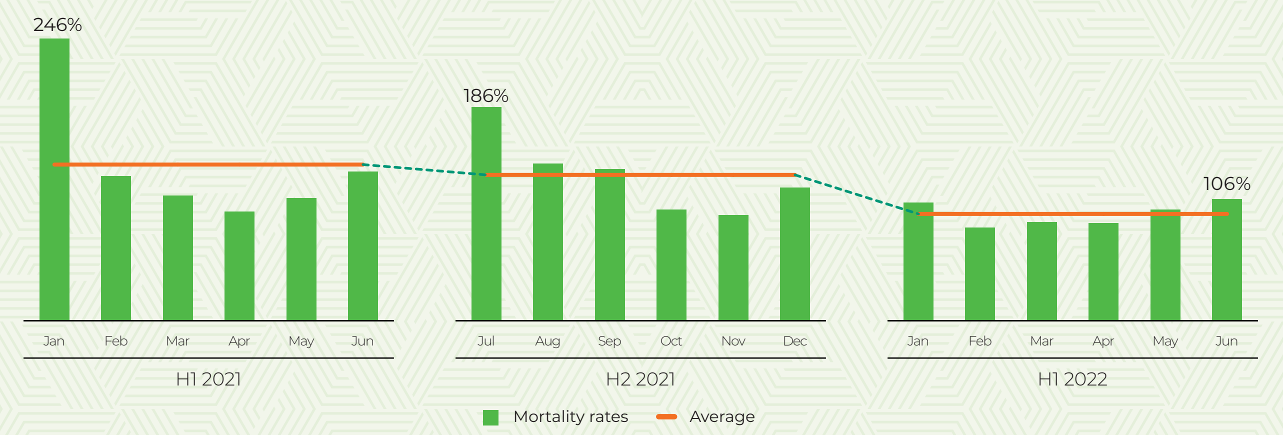
Profits from the Banking and Lending business were lower than the prior period due to the prior year including a significant once-off provision release on the back of a declining loan book.

VNB of R478 million increased by 35% due to higher issued sales volumes and good cost management. The VNB margin of 7.7%, up 100bps from 2021, was attributable to increased issued risk sales volumes and effective cost management.

Life APE sales by product (R million)



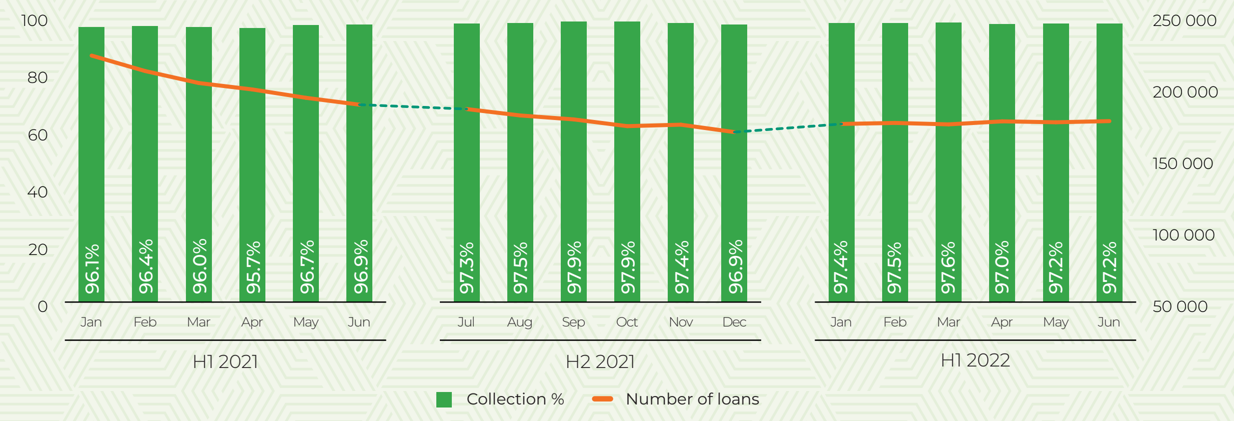
Claims experience (%)[1]



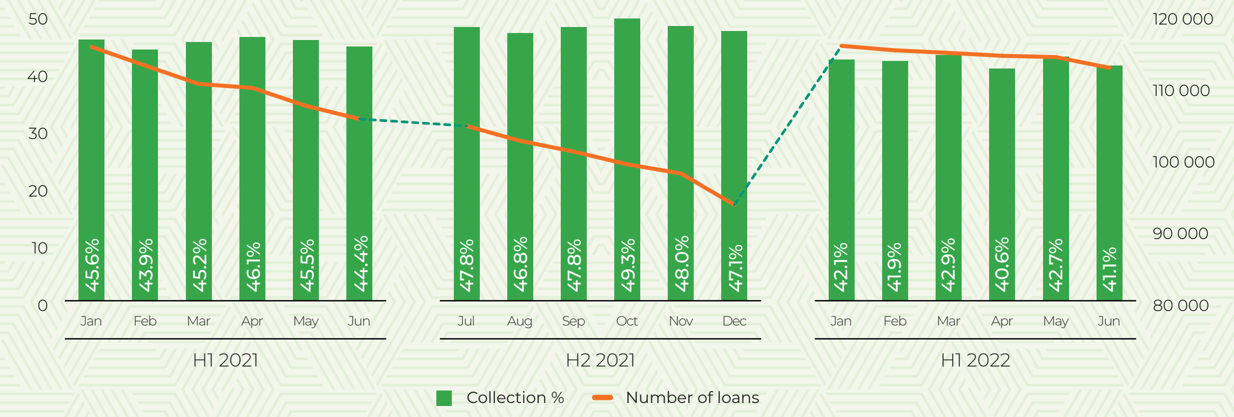
1 *This represents actual mortality claims paid vs expected mortality claims paid on the retail mass market funeral book and excludes foundation market and savings.*

SEGMENT REVIEWS

18-month rolling collection: Performing loan book



18-month rolling collection: Default loan book[1]



1 A revised write-off policy was implemented at the end of 2021, which led to loans remaining on books for longer thereby resulting in an overall reduction in default collection rates.

OUTLOOK FOR 2022

We expect the sales recovery to maintain its momentum throughout 2022, with the tied channel remaining focused on higher-margin risk products, and the alternative and foundation market channels delivering strong growth in non-advice risk sales. The channels will be positioned to deliver an optimised mix of advice and non-advice products to further the segment's integrated financial services objectives. We are confident of delivering a strong VNB margin, within the long-term range of 6%-9%. Customer retention will be a key management focus.

The lending book will be grown conservatively to ensure a continued strong credit experience. The credit loss ratio and lending margin are expected to revert to our revised longer-term target ranges of 6%-8% and 11%-13% respectively over the medium term.

Our expansion into the funeral services industry through strategic partnerships continues to progress well and discussions with partners with formidable distribution and end-to-end value chain capabilities are well advanced. Growing the Old Mutual Rewards base will continue to be a focus.

An inherent cyclical characteristic of our business sees an uplift to our results in the first half of the year compared to the second half. This is driven by factors such as annual premium and cover increases and reduced leave taken by our sales force.

PERSONAL FINANCE AND WEALTH MANAGEMENT

The first half of 2022 was particularly challenging for both customers and advisers. High inflation, declining equity markets, the KwaZulu-Natal floods, and the ongoing energy crisis adversely impacted customer confidence as well as our intermediaries' sales activities. This pressure on customers negatively affected sales volumes and caused a shift to lower premium, more affordable products. The retrenchment uplift for guaranteed annuity volumes experienced in 2020 and 2021 also dissipated. Both of these factors adversely impacted VNB.

Despite these headwinds, the business remained resilient, continuing the 2021 trend of sales exceeding pre COVID-19 levels. We continue to see good traction with our new risk solution, and continue to grow and retain our experienced sales adviser numbers through different intermediary models. COVID-19 waves 4 and 5 were more muted than expected which translated to a significantly improved mortality experience.

Despite the challenging operating environment, Wealth Management reported excellent growth in NCCF. We delivered a much improved straight through processing capability for switches in our customer and planner portals, improving the customer experience and increasing adviser productivity.

Rm (unless otherwise stated)	H1 2022	H1 2021	Change
Results from operations	**1 259**	22	>100%
Personal Finance	**1 024**	(226)	>100%
Wealth Management	**235**	248	(5%)
Gross flows	**40 079**	41 034	(2%)
Life APE sales	**2 001**	2 024	(1%)
NCCF	**2 033**	(1 376)	>100%
VNB	**46**	268	(83%)
VNB margin (%)	**0.3%**	1.7%	(140 bps)
Wealth Management			
Assets under management and administration (Rbn)[1]	**322.2**	350.9	(8%)
Funds under management	**383.9**	413.0	(7%)
Intergroup assets	**(61.7)**	(62.1)	1%
Revenue	**1 360**	1 292	5%
Annuity	**1 400**	1 280	9%
Non-Annuity	**(40)**	12	(>100%)

1 The comparative amount references FY2021.

PERFORMANCE HIGHLIGHTS

Gross flows decreased by 2% to R40 079 million largely due to lower annuity sales in Personal Finance. In Wealth Management, gross flows were marginally behind 2021 with a shift from offshore flows to local flows. Demand for offshore investments reduced during the first half of the year, due to lower offshore markets and a weaker rand against major currencies.

Life APE sales were 1% below the prior period. Personal Finance Life APE sales decreased by 4% with an anticipated slowdown in guaranteed annuity sales, partly offset by growth in savings and funeral sales. Wealth Management Life APE sales grew by 4% on higher endowment sales and investment flows into our fixed bond product.

NCCF improved significantly on the prior year. Despite the decrease in gross flows, NCCF for Personal Finance improved by R1 461 million as outflows were materially lower due to fewer excess mortality claims from COVID-19 waves 4 and 5, and decreasing disinvestments. Wealth Management NCCF improved by 85% to R4 159 million. While inflows were in line with the prior year, decreased outflows, particularly on the local platform, supported NCCF growth.

Results from operations for the segment recovered by R1 237 million. Personal Finance recorded Results from operations of R1 024 million, improving from a loss of R226 million in the prior period, primarily as a result of the prior period including R1.2bn of additional COVID-19 provisions. Mortality losses from excess deaths during the first half of the year were significantly lower than the prior period and were fully covered by the release of provisions. This improvement was partly offset by lower asset-based fees from lower average market levels, and higher new business strain. Morbidity profits, whilst still very positive, were lower compared to 2021.

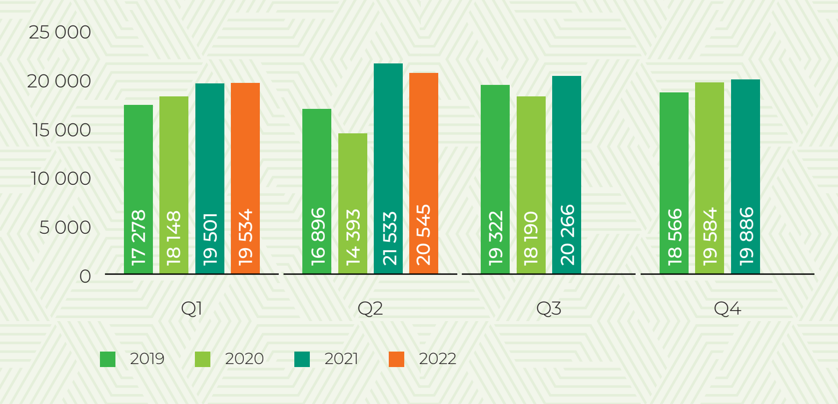
SEGMENT REVIEWS

Wealth Management Results from operations decreased by 5%. While the underlying operational performance was better than 2021, as evidenced by strong NCCF and annuity revenue results, the decline in offshore markets and rand volatility significantly impacted the market value of our offshore seed capital investments. These impacts are reflected in our non-annuity revenue disclosure.

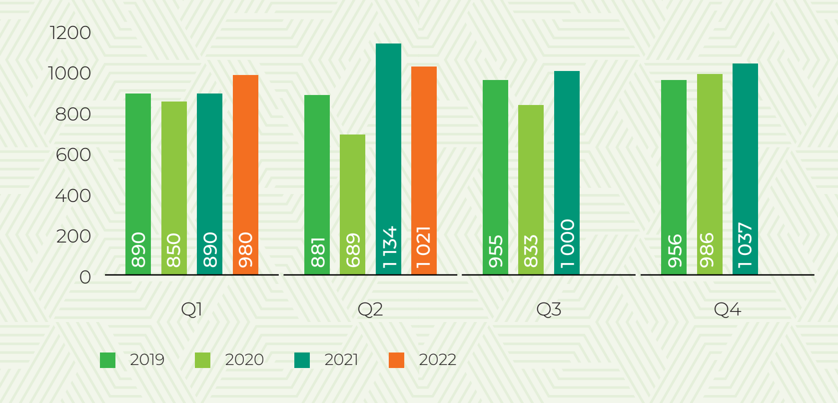
VNB decreased by 83% compared to the prior year, with a corresponding 140bps decrease in VNB margin. In Personal Finance, product mix and volume shifted in line with changing market conditions and consumer sentiment severely impacting VNB. In the income product space, high margin guaranteed annuity sales were down substantially with flows being skewed towards lower margin living annuities and fixed bonds. Living benefit risk sales contracted as customers preferred cheaper, lower premium funeral benefits. This reduction in underwritten risk volumes impacted initial expense variances and reduced margin. Lastly, the revision of the distribution cost allocation methodology at the end of 2021 reduced VNB margin by 0.3%.

Wealth Management VNB improved to R43 million from R26 million in 2021, while the VNB margin increased from 0.4% to 0.6% as a result of basis changes implemented in the second half of 2021.

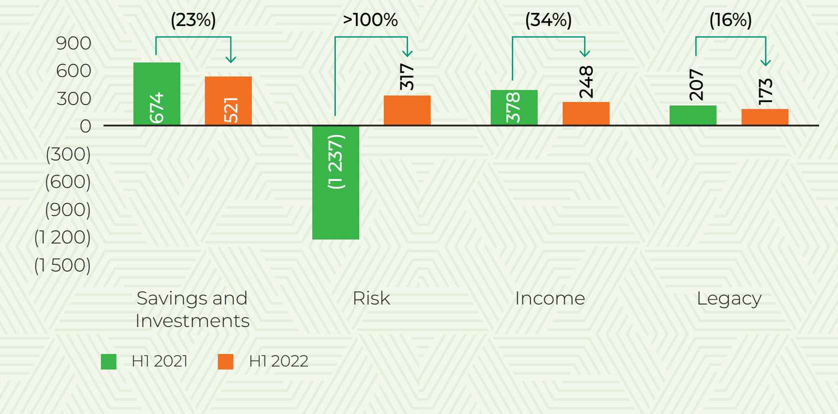
Gross flows (R million)



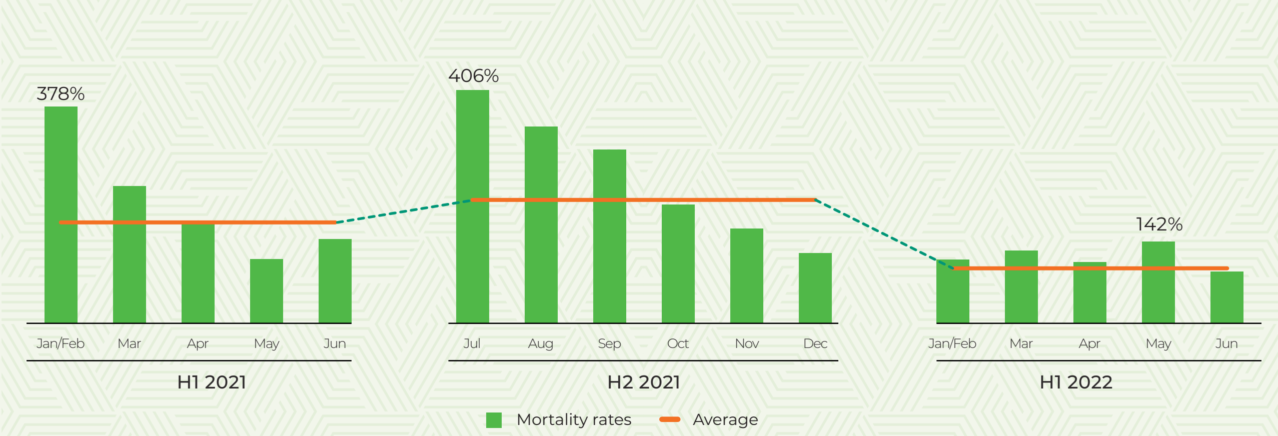
Life APE sales (R million)



RFO split by product (R million)



Claims experience (%)[1]



1 Calculated as actual claims over expected claims in absolute values and excludes COVID-19 provision releases.

OUTLOOK FOR 2022

The economic and trading outlook for the rest of the year remains challenging. Customer sentiment continues to be impacted by market volatility, the weak economy and currency fluctuations, and we expect this to weigh negatively on customer investment activity. Extended loadshedding as well as high inflation is impacting middle-income customers' confidence and their disposable income, and this is expected to constrain recurring premium sales activity.

Personal Finance has adapted its approach in this constrained environment to strategically expand its distribution footprint in key growth channels, and will continue to focus on efficient sales and servicing processes. Regaining market share will be pursued through increasing adviser productivity, attracting and acquiring middle to high income customers, and improving our product mix to increase our overall margin. Whilst we continue to closely monitor our mortality and morbidity experience, we expect that our current provisions will be sufficient to cover any excess mortality claims.

Wealth Management's focus during the second half of the year will remain on delivering strategic projects including our discretionary fund management solution as we continue to build on our customer and adviser propositions, and enhance our digital capabilities.

SEGMENT REVIEWS

OLD MUTUAL INVESTMENTS

The first half of 2022 again highlighted the benefit of having a diverse capability set and asset class exposures. Despite market volatility, Old Mutual Investments delivered a satisfying 9% growth in Results from operations.

With the launch of a Hybrid Equity fund in 2021 and the development of an Infrastructure Debt fund to support both the shareholder requirement and the third-party institutional market, we executed on our strategy to broaden our capabilities. This will deliver increased revenue where there is significant demand for alternative assets. To achieve this outcome, we shifted some credit capabilities that were exclusively supporting shareholder risks and enhanced our capability in the Alternatives business to enable us to compete in the third-party market.

The one-year performance of our fundamental capabilities continues to be credible with the three-year and five-year periods showing improved consistency. We are particularly pleased that Old Mutual Investment Group won the Capital Finance International award for Best ESG Responsible Investor (Africa), reaffirming our pedigree as a leader in ESG investing.

In line with our commitment to drive transformation in asset management, we completed the sale of 21.2% of Futuregrowth to African Women Chartered Accountants Investment Holdings. This, along with the Bula Tsela initiative, will result in Futuregrowth being majority Black owned.

Rm (unless otherwise stated)	H1 2022	H1 2021	Change
Results from operations	566	517	9%
Gross flows	10 185	26 046	(61%)
NCCF	(6 348)	2 897	(>100%)
Assets under management (AUM)[1,2](Rbn)	745.3	809.1	(8%)
Funds under management	234.8	254.6	(8%)
Intergroup assets	510.5	554.5	(8%)
Total revenue	1 541	1 395	10%
Annuity	1 371	1 254	9%
Non-annuity	170	141	21%

1 *The comparative amount references FY 2021.*
2 *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.*

PERFORMANCE HIGHLIGHTS

Despite volatile equity markets and global uncertainty, our results benefitted from higher average asset levels compared to the prior period, as well as increased non-annuity revenue. The combination of lower inflows and a decline in the markets saw AUM decline by 8% from the December 2021 close to R745.3 billion.

We delivered a credible investment performance, with our multi-asset portfolios positioned towards South African focused counters as the global economic environment deteriorated. Our multi-asset and equity portfolios are showing improved consistency in performance over the three- and five-year periods.

Gross flows in 2021 represented a five-year high for Old Mutual Investments with strong flows in Liability Driven Investment, Indexation Capabilities and Marriott. Gross flows in 2022 appear relatively subdued following such a strong performance. In addition higher client liquidity requirements resulted in net outflows from low margin money market funds, leading to a negative NCCF of R6 348 million.

Annuity revenue increased by 9% on the comparative period due to higher average asset levels, as well as the benefits of capital raised in our Alternatives business in 2021 translating into increased revenue in the current year.

Non-annuity revenue of R170 million was 21% above the prior period, mainly derived from higher performance fees in our Asset Management business, strong investment returns in our Alternatives business, and positive market movements on the hedge portfolio in our Specialised Finance business.

Results from operations increased by 9% to R566 million mainly due to higher revenue, partially offset by increased expenses. Expenses rose as a result of a number of vacancies being filled, inflationary salary increases, and investment in revenue-generating initiatives and technology.

Asset Management

Results from operations was 2% up despite volatile equity markets and negative NCCF. The high level of prior period flows into Liability Driven Investment and Marriott were not repeated and Futuregrowth experienced lower flows into money market and corporate cash products. This, along with expected Liability Driven Investment benefit payments of R1.9 billion, contributed to the negative NCCF of R6.3 billion. Flows from our retail channels were marginally down with outflows in interest-bearing funds being largely offset by good flows into ESG and Shari'ah funds. There was also an increase in multi-asset flows as longer-term performance improved. Annuity revenue benefitted from higher average AUM while an increase in non-annuity revenue was driven by higher performance fees.

Alternatives

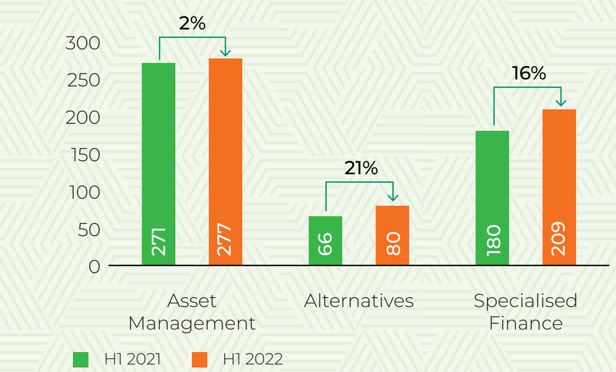
The business produced a strong set of results with R3.6 billion in new capital raised and R3.2 billion of new deals concluded during the period. Annuity revenue was higher mainly on the back of a significant increase in capital raised in recent years and some credit capabilities moving from the Specialised Finance business. Non-annuity revenue was up as a result of higher investment returns, partially offset by fair value adjustments and lower performance fees earned by some underlying funds.

Specialised Finance

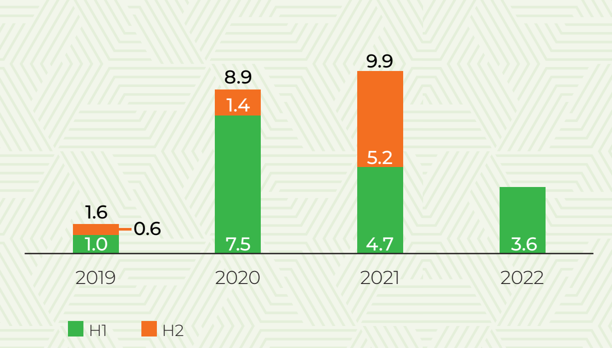
The Specialised Finance business delivered well against its assets and liability management mandate in a challenging credit environment. The business originated R2.2 billion of new and refinanced deals. Specialised Finance continues to deliver stable hedging positions to reduce volatility for the shareholder.

Results from operations increased by 16% largely on the strength of higher non-annuity revenue driven by positive market movements on the hedge portfolio, and lower expenses as a result of shifting some credit capabilities to Alternatives. This was partially offset by lower annuity revenue due to the same move of capabilities and mark-to-market losses on some equity investments.

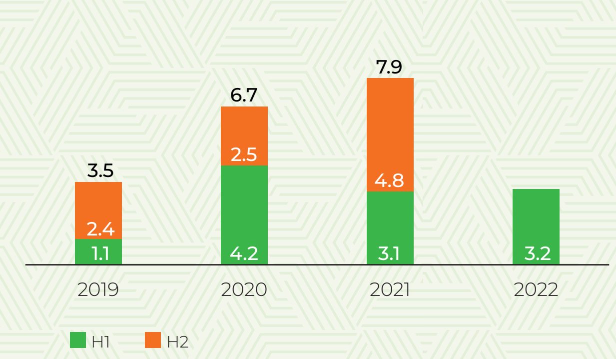
RFO split by business (R million)



Alternatives Capital raised (R billion)

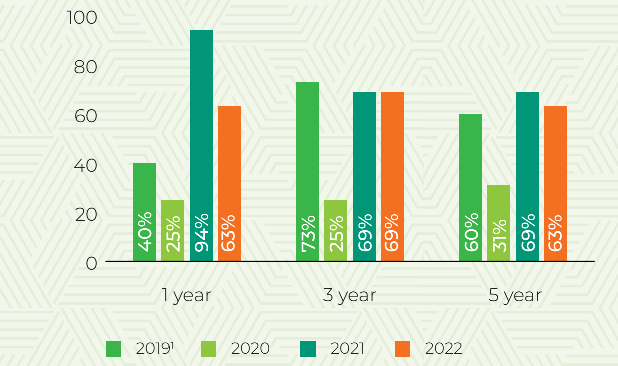


Alternatives Deal flow (R billion)



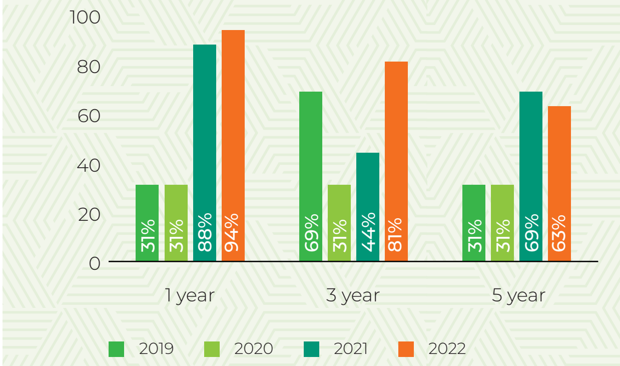
SEGMENT REVIEWS

Funds above Median (%) – performance to 30 June 2022



1 Restated to be in line with current methodology on how we benchmark against investment performance.

Funds above Benchmark (%) – performance to 30 June 2022



OUTLOOK FOR 2022

We are confident that the steps being taken to enhance our client proposition with the addition of new capabilities, along with our diverse asset portfolios, will equip Old Mutual Investments to navigate the current economic environment. Furthermore, new capital being raised will help grow our annuity revenue, while we continue to focus on stringent cost management. The revenue outlook for the rest of the year is likely to be impacted by lower AUM levels and the likelihood of non-annuity revenue being tougher to earn over the remainder of the year. We are working on several secured-to-flow deals and a high probability pipeline that are expected to improve NCCF.

We will continue to focus on delivery of excellent investment outcomes for our clients, growing retail market share through our Wealth partners, strengthening of our investment platform, recruiting top talent, and driving a technological revolution throughout our businesses.

OLD MUTUAL CORPORATE

Old Mutual Corporate delivered strong underwriting profits for the first half of 2022, driven by lower excess deaths and re-pricing implemented during the prior period. Sales quote activity was slightly above 2021 and has recovered to pre-COVID-19 levels. Our Group Assurance products retained the number one market share position as at December 2021[1] with good sales performance and good retention over the period.

Our Life APE sales benefited from a number of group risk opportunities which arose in the market for which our Group Assurance business was well positioned.

We launched a powerful marketing campaign called *The Retirement Problem – A Social Experiment* based on a social experiment with real families to demonstrate their preparedness for retirement. The campaign was launched via a targeted social media campaign to business decision-makers to raise awareness and drive engagement. Early indicators show good traction with some 1.1 million people having viewed the adverts, with good viewership and engagement on our platform since the launch in May 2022.

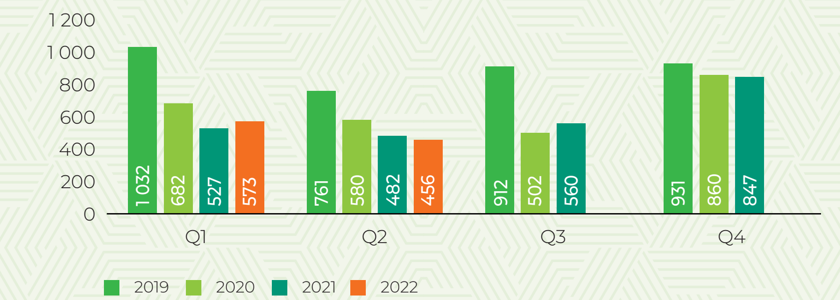
We have responded to the evolving competitive landscape by expanding our capabilities to meet customer needs and diversify revenue streams. Our new growth areas consist of solutions for large, small and medium corporates. One such business is Remchannel, a cutting-edge reward management platform which gives employers the tools to create compelling reward strategies. Remchannel was acquired in 2020 and has been successfully integrated into the business with a positive profit contribution.

1 SwissRe 2021 Group Volume Survey: Group Risk Life Market South Africa January – December 2021.

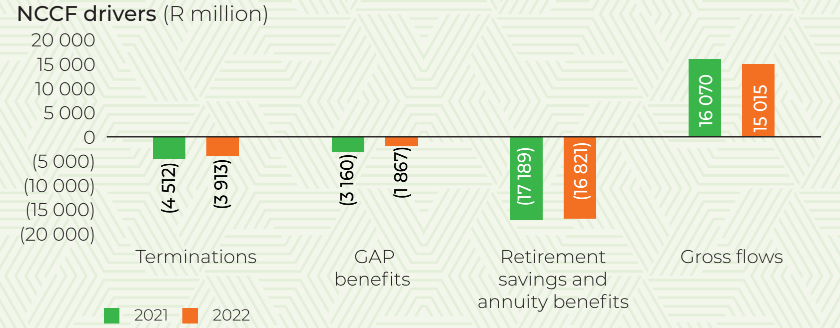
Rm (unless otherwise stated)	H1 2022	H1 2021	Change
Results from operations	**727**	457	59%
Gross flows	**15 015**	16 070	(7%)
Life APE sales	**1 029**	1 009	2%
NCCF	**(7 586)**	(8 791)	14%
FUM (Rbn)[1]	**282.7**	304.7	(7%)
VNB	**94**	58	62%
VNB margin (%)	**1.1%**	0.7%	40 bps

1 The comparative amount references FY 2021.

Life APE sales (R million)



NCCF drivers (R million)



PERFORMANCE HIGHLIGHTS

Gross flows decreased by 7% to R15 015 million on the back of a decline in single premium sales in pre-retirement lines, with the prior period including one very large umbrella deal. Life APE sales grew by 2% to R1 029 million due to improved recurring premium sales, particularly Group Assurance products, partly offset by lower umbrella sales.

Despite the decline in Gross flows, NCCF improved by R1 205 million on lower benefit outflows from excess death claims on our Group Assurance products. Benefit payments from our retirement savings products were impacted by lower market returns which, in turn, decreased benefit values. We had one large customer termination in the first half of the year which was related to investment-only business, with no significant SuperFund customer terminations.

FUM of R282.7 billion declined by 7%. While NCCF was negative, the main driver of the reduction in FUM was lower market levels and declining global asset values.

Results from operations improved substantially by 59% to R727 million. The prior period included larger net negative basis changes compared to 2022, mostly related to the strengthening of COVID-19 provisions.

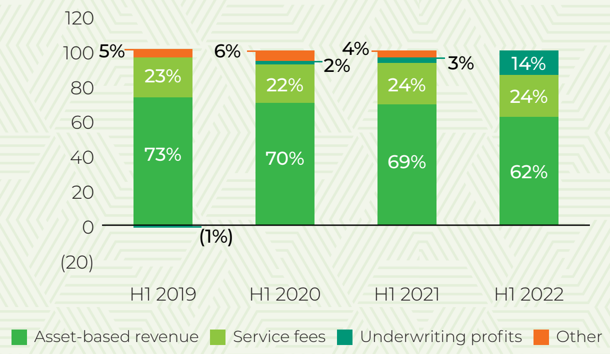
SEGMENT REVIEWS

Strong underwriting profits during the first half of this year were driven by a favourable death claims experience and the repricing actions we undertook in 2021. Excess deaths from wave 4 were significantly lower than those in waves 1 to 3. The wave 5 claims experience is still developing but is expected to be similar to that of wave 4.

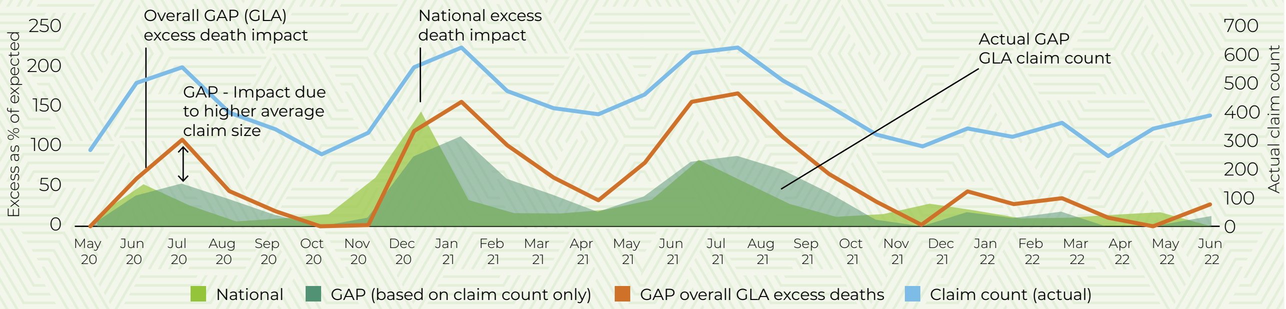
We do not anticipate mortality losses in excess of the existing COVID-19 provisions, which will be reassessed at year-end. There is still uncertainty around the long-term impact of COVID-19 on our morbidity experience and we will continue to actively review the pricing and risk management strategy to manage this.

VNB of R94 million improved by 62% with a corresponding increase of 40bps in VNB margin to 1.1%. This improvement is attributable to a continuous focus on providing our customers with competitive solutions and managing our expenses. VNB also benefited from a more appropriate product mix within our investment offering and growth in Group Assurance new business sales.

Sources of revenue (%)



Group Assurance Product (GAP) excess deaths vs national excess deaths



OUTLOOK FOR 2022

The employee benefits industry remains subject to various retirement reforms, such as a two-pot system for retirement savings and auto enrolment, which present opportunities to enhance value propositions. We continue to actively participate in consultative processes and to prepare for implementation.

We have a well established institutional annuity offering and seek to maintain our competitive position. New business strain will emerge on large deals that are secured over the remainder of the year, particularly non-participating annuity business. A profit stream, however, will emerge over future years. Securing umbrella fund deals and retention will be key focuses in the second half of the year. However, subdued economic conditions may continue to put pressure on businesses, with consequent scheme liquidations impacting our NCCF and Life APE sales.

We are executing well on our SME strategy as we focus on providing solutions for, and partnering with, SMEs to grow their profitability. We have acquired a minority stake in specialist SME lender Preference Capital[1], which gives us access to a growing base of SME customers, alternative distribution channels, and a diverse range of lending products delivered through innovative and speedy service solutions. This investment is set to bolster our SMEgo platform which provides digital solutions to assist business owners in running and growing their businesses.

We expect a meaningful longer term service fee income from the various new initiatives in our portfolio. In the medium term, our focus is to build the required capabilities and solutions and extract customer and business value.

The Old Mutual Limited Bula Tsela B-BBEE transaction will strengthen our employee benefits offering and we will seek to leverage this in defending and growing our business.

1 *Subject to Competition Commission approval.*

OLD MUTUAL INSURE

Performance in the first half of 2022 was characterised by higher claims due to the catastrophic floods and landslides caused by heavy rainfall in KwaZulu-Natal, as well as increased average cost per claims due to supply shortages and inflationary increases on spare parts. This was partly offset by a strong performance from Credit Guarantee Insurance Corporation as a result of a low claims experience and an overall reduction in operational expenses as we continue to focus on driving efficiencies within the business.

In an ever-changing digital era, our customers remain at the heart of everything we do, and our focus remains on building a future state technology architecture that enhances customer and intermediary experiences across our business.

In January 2022, we acquired a 51% equity interest in ONE Financial Services. We also concluded an arrangement with a BEE partner to establish a new majority Black owned joint venture that will seek to acquire small to medium brokerages and administrators in the short-term insurance industry. In addition, we acquired a 51% stake in Versma, a broker administrator, in order to strengthen our administration capabilities. Our growth strategy continues to bear fruit, with these acquisitions and strategic partnerships providing significant opportunities to grow our market share and strengthen our distribution capabilities.

Climate change remains a significant risk to our business as we continue to assess climate impacts using quantitative analysis. We shared our views on these challenges and the pressing need to address climate change at the 2022 World Economic Forum in Davos.

Rm (unless otherwise stated)	H1 2022	H1 2021	Change
Gross written premiums	**8 186**	7 761	5%
Net earned premiums[1]	**5 404**	4 621	17%
Net underwriting result	**88**	159	(45%)
Results from operations	**213**	265	(20%)
Net underwriting margin (%)	**1.6%**	3.4%	(180 bps)
Insurance margin (%)	**3.9%**	5.7%	(180 bps)

1 *ONE Financial Services was included in Net earned premiums with effect from 3 January 2022.*

Rm (unless otherwise stated)	H1 2022	H1 2021	Change
Retail	**(61)**	5	(>100%)
iWYZE	**3**	16	(81%)
Specialty	**3**	(45)	>100%
Credit Guarantee Insurance Corporation	**179**	183	(2%)
ONE Financial Services	**(36)**	–	(100%)
Net underwriting result	**88**	159	(45%)
Investment return on insurance funds	**130**	106	23%
Other income and expenses	**(5)**	–	(100%)
Results from operations	**213**	265	(20%)

PERFORMANCE HIGHLIGHTS

Gross written premiums increased by 5% to R8 186 million. Credit Guarantee Insurance Corporation and iWYZE achieved double-digit premium growth while the Retail division has reported marginal growth compared to the prior period. In the Specialty business, we saw strong premium growth from the Mutual and Federal Risk Financing business and third party cells, while the Corporate property division was negatively impacted by the loss of a large policy and timing delays in the renewal of several large policies.

Results from operations of R213 million declined by 20% due to net catastrophe losses of R135 million, and an increase in attritional claims in the Retail division and iWYZE. A change in the reinsurance program led to higher retention of losses in ONE Financial Services. This was partly offset by the higher investment returns on insurance funds.

The decline in underwriting results led to a net underwriting margin of 1.6%, a decrease of 180bps. This is below our target range of between 4% and 6%.

Retail

The Retail division saw marginal growth in premiums. Personal Lines, with the Alternative distribution channel and the Elite product, continued to deliver double-digit growth. Commercial lines, which contribute more than half of our retail premiums, continue to experience growth challenges.

Net underwriting loss of R61 million was largely due to the catastrophe claims and higher attritional claims coupled with an increase in average cost of claims.

SEGMENT REVIEWS

iWYZE

iWYZE premium growth of 11% was largely driven by the contribution from strategic business partnerships.

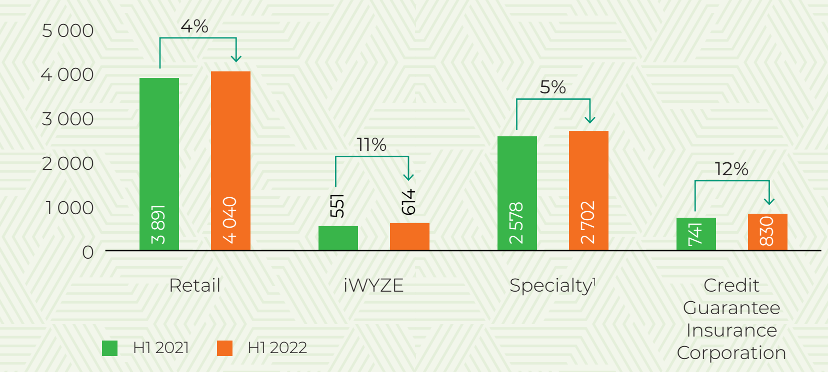
Net underwriting result declined as a result of higher claims volumes from attritional claims and inflationary pressures which increased the average cost of claims.

Specialty

Despite strong growth from the Mutual and Federal Risk Financing business and third party cells, the Specialty business reported a muted Gross written premium growth of 5%. The primary driver was a decline in premiums in the Corporate property division, with the loss of one large policy and timing delays on the renewal of several large policies. The Engineering lines of business also experienced a decline in premiums, while premiums from the Marine lines of business improved by 6% compared to the prior period.

The effect of the KwaZulu-Natal floods was seen across all lines of business, with Corporate property making up the majority of claims. Our ongoing prudent underwriting and risk selection practices assisted in ensuring that the attritional claim ratio remained below 40%, which contributed to the improvements in net underwriting results compared to the prior period.

Gross written premiums per line of business (R million)



1 Specialty includes premiums from ONE Financial Service for H1 2022 and H1 2021.

Credit Guarantee Insurance Corporation

Credit Guarantee Insurance Corporation continues to contribute a stable underwriting performance. Gross written premium growth of 12% was attributable to an increase in economic activity, higher commodity prices and improved customer retention.

The business was not directly impacted by the KwaZulu-Natal floods and had good claims experience. We continue to focus on sustainability of the business performance and ensuring it maintains its position as a market leader in the trade insurance market.

ONE Financial Services

The acquisition of ONE Financial Services resulted in additional net earned premiums of R542 million, but incurred losses during the period, primarily driven by the catastrophe claims, higher motor vehicle accident claims and an increase in the average cost of claims.

OUTLOOK FOR 2022

Our focus for the second half of the year will be on addressing the impact that inflation is having on our claims ratio. We will continue to drive the implementation of our strategy which includes a significant investment in upgrading our IT infrastructure, and improving our digital capabilities. We will continue to optimise our business to make it easier for customers and partners to do business with us whilst also reducing our costs.

We are currently in the process of finalising our climate change strategy and have launched a short-term weather forecasting project in the first half of 2022. This capability aims to improve our understanding of weather patterns and events, linking directly to our actual loss experience, enabling us to enhance our underwriting strategy.

REST OF AFRICA

The operating environment in the first six months of 2022 was challenging. The economic recovery post the COVID-19 lockdowns has been hampered by rising food and energy inflation resulting from the conflict in Ukraine and COVID-19's lingering impact on global supply chains. Most markets also experienced exchange rate volatility. A key impact of these inflationary pressures on our businesses was rising claims costs in the Property and Casualty line of business.

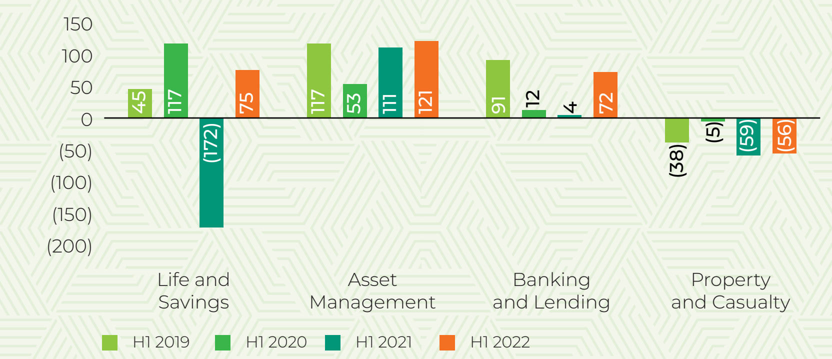
Despite a challenging environment, we delivered strong top-line growth across most lines of business, with most key indicators exceeding pre-COVID-19 levels. Life APE sales were 28% up, driven by strong corporate sales across the region. Corporate Life APE accounted for 59% of sales in East Africa, where new business margins are reflecting the improving quality of business written as we continue our pivot to the more profitable corporate business. The Property and Casualty business grew its top-line on the back of improved business acquisition and retentions. Our prudent approach to loan book growth and increased competition for quality customers did, however, result in a slowdown in loan disbursements.

In East Africa, concerted efforts to improve the control environment are starting to show positive results. We rebranded our Kenya and Rwanda businesses to Old Mutual to strengthen our presence in this region. Our operations in Zimbabwe remain resilient in the face of an extremely volatile operating environment and continue to be ringfenced and excluded from the results that follow.

Rm (unless otherwise stated)	H1 2022	H1 2021	Change
Results from operations[1]	212	(116)	>100%
Gross flows	12 431	8 858	40%
Life APE sales	665	520	28%
NCCF	3 193	(182)	>100%
FUM (Rbn)[2]	102.6	104.8	(2%)
VNB	90	59	53%
VNB margin (%)	2.9%	2.3%	60 bps
Loans and advances[2]	3 703	4 112	(10%)
Net lending margin (%)	15.6%	10.2%	540 bps
Gross written premiums	2 709	2 190	24%
Net underwriting margin (%)	(8.9%)	(11.2%)	230 bps

1 Results from operations at a total Rest of Africa level include central regional expenses of R69 million (H1 2021: R141 million).
2 The comparative amount references FY2021.

RFO by line of business (R million)



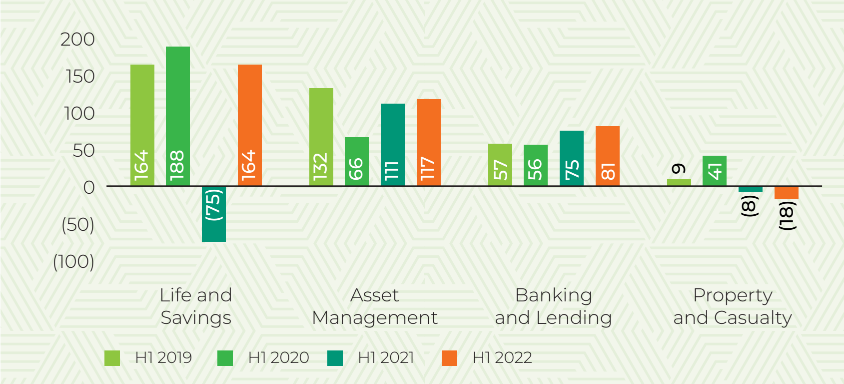
SEGMENT REVIEWS

SOUTHERN AFRICA

Rm (unless otherwise stated)	H1 2022	H1 2021	Change
Results from operations	344	103	>100%
Gross flows	6 839	5 352	28%
Life APE sales	447	321	39%
NCCF	950	(1 079)	>100%
FUM (Rbn) [1]	61.7	64.5	(4%)
VNB	101	69	46%
VNB margin (%)	4.2%	4.3%	(10 bps)
Loans and advances[1]	1 293	1 334	(3%)
Net lending margin (%)	18.1%	16.0%	210 bps
Gross written premiums	536	502	7%
Net underwriting margin (%)	(9.0%)	(4.7%)	(430 bps)

1 *The comparative amount references FY2021.*

RFO by line of business (R million)



PERFORMANCE HIGHLIGHTS

Gross flows increased by 28% to R6 839 million mainly due to strong corporate and asset management flows in Namibia. This, coupled with reduced outflows on account of the non-repeat of the high death claims and savings product withdrawals during the waves 3 and 4 of the COVID-19 pandemic, resulted in a much improved NCCF of R950 million.

Life APE sales increased by 39% to R447 million, mainly due to higher sales in both the corporate and retail segments in Namibia. Corporate sales increased by 95% while retail sales increased by 31%, with retail risk sales up 62%. VNB grew by 46% to R101 million on the back of the higher Life APE sales. This was partially offset by a lower VNB in Malawi where margins were impacted by a worsening inflation outlook.

Loans and advances were 3% lower than the prior year due to a slowdown in disbursements driven by the application of stricter lending criteria. This had a positive impact on the level of credit impairments, which resulted in an improved net lending margin of 18.1%, an increase of 210 basis points from the prior year.

Gross written premiums increased by 7% to R536 million largely because of higher sales in Namibia and Botswana driven by the continued recovery in economic conditions. Net underwriting margin deteriorated by 430 basis points, largely due to higher reinsurance as well as higher motor and weather related claims in Namibia and Botswana respectively.

Results from operations increased more than 100% to R334 million due to improved retention and mortality experience in Namibia's Life and Savings business. The improved experience was due to a significant reduction in COVID-19 mortality claims and the improved economic environment following the removal of lockdown restrictions.

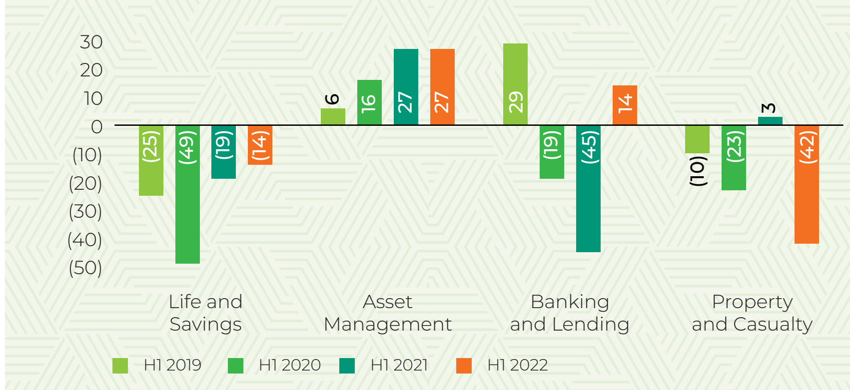
Banking and Lending Results from operations improved relative to the prior period mainly due to improved collections and higher credit life profits. The Asset Management business saw increased Results from operations on account of increased annuity and non-annuity revenues, as well as higher fair value gains in the property business in Malawi. This was partly offset by higher net underwriting losses experienced in the Property and Casualty business.

EAST AFRICA

Rm (Unless otherwise stated)	H1 2022	H1 2021	Change
Results from operations	(15)	(34)	56%
Gross flows	5 258	3 167	66%
Life APE sales	115	98	17%
NCCF	2 075	687	>100%
FUM (Rbn)[1]	39.3	38.6	2%
VNB	(4)	(7)	43%
VNB margin (%)	(0.9%)	(1.5%)	60 bps
Loans and advances[1]	2 410	2 778	(13%)
Net lending margin (%)	14.1%	7.3%	680 bps
Gross written premiums	2 049	1 601	28%
Net underwriting margin (%)	(9.3%)	(7.9%)	(140 bps)

1 *The comparative amount references FY2021.*

RFO by line of business (R million)



PERFORMANCE HIGHLIGHTS

Gross flows increased by 66% to R5 258 million largely due to strong retail unit trust and corporate flows in Uganda and Kenya respectively. Higher gross flows more than offset higher outflows, which resulted in NCCF of R2 075 million, a significant increase on the prior period.

Life APE sales increased by 17% to R115 million supported by higher retail sales in Uganda as well as improved corporate sales in both Kenya and Uganda where new schemes were on-boarded. VNB improved due to the higher proportion of more profitable corporate sales.

Gross written premiums increased by 28% to R2 049 million driven by improved customer servicing and broker relationships which resulted in strong new business acquisitions and higher retention rates across all regions. Higher medical claims, largely attributed to increased hospital visits and the increase in the average cost of claims, together with higher motor vehicle claims, mainly driven by the increased cost of spare parts due to currency depreciation against the US Dollar, resulted in a net underwriting margin of negative 9.3% for the period.

Net lending margin improved by 680 bps to 14.1% due to a decrease in credit losses following improved collections and the application of stricter lending criteria. Loans and advances were 13% lower due to a slowdown in disbursements, driven by continued stricter lending criteria, as well as increased loan buy-offs by mainstream banks.

East Africa's Results from operations improved to a loss of R15 million from a loss of R34 million in the prior period. The lower loss was driven mainly by the improved net lending margin in the Banking and Lending business. Life and Savings Results from operations was higher than the prior period due to higher bond yields driving lower reserves which offset expense pressures from rising inflation. The improved Results from operations was partially offset by higher net underwriting losses in the Property and Casualty business which experienced adverse medical and motor claims experience.

SEGMENT REVIEWS

WEST AFRICA

Rm (Unless otherwise stated)	H1 2022	H1 2021	Change
Results from operations	**(48)**	(44)	(9%)
Gross flows	**334**	339	(1%)
Life APE sales	**103**	101	2%
NCCF	**168**	210	(20%)
FUM (Rbn)[1]	**1.7**	1.7	(3%)
VNB	**(7)**	(3)	(>100%)
VNB margin (%)	**(2.5%)**	(0.7%)	(180 bps)
Gross written premiums	**124**	87	43%
Net underwriting margin (%)	**(30.0%)**	(89.5%)	5 950 bps

1 *The comparative amount references FY2021.*

PERFORMANCE HIGHLIGHTS

Gross flows decreased by 1% to R334 million, but increased by 7% on a constant currency basis largely due to higher flows from new schemes onboarded in Nigeria.

NCCF was 20% lower than prior period as a result of the lower inflows, coupled with increased withdrawals in Ghana and higher claims and benefit payouts in Nigeria.

Life APE sales improved by 2% to R103 million mainly due to higher retail sales in Ghana. VNB worsened due to a shift in the sales mix to less profitable retail sales.

Gross written premiums increased by 43% to R124 million due to higher renewal rates of existing schemes and strong new business sales, driven by improved brand perception in Nigeria.

The net underwriting margin improved by 5 950 bps to negative 30%, mainly due to higher net earned premiums which offset higher claims resulting from the increased cost of motor vehicle parts. The increase in the cost of imported vehicle parts was mainly driven by the negative impact of a strong US dollar against the naira.

West Africa's Results from operations worsened by 9% to a loss of R48 million, mainly due to adverse lapse and mortality experience in Nigeria's Life and Savings business. This was partially offset by lower Property and Casualty losses following good growth in top-line metrics.

REST OF AFRICA: OUTLOOK FOR 2022

We expect economic conditions to remain constrained in the second half of 2022, with upward pressure on prices and exchange rate volatility as governments implement policies to contain rising inflation amid global supply chain disruptions. Most markets are expected to grow in real terms, but at rates slower than had been anticipated.

Inflationary pressures on our Property and Casualty businesses will continue to affect our claims experience. However, we expect the impact of management actions implemented over the last six months, such as repricing the medical and motor book, as well as cost reductions in the claims supply chain, to mitigate this risk, leading to improvements in our underwriting margins in the second half of the year.

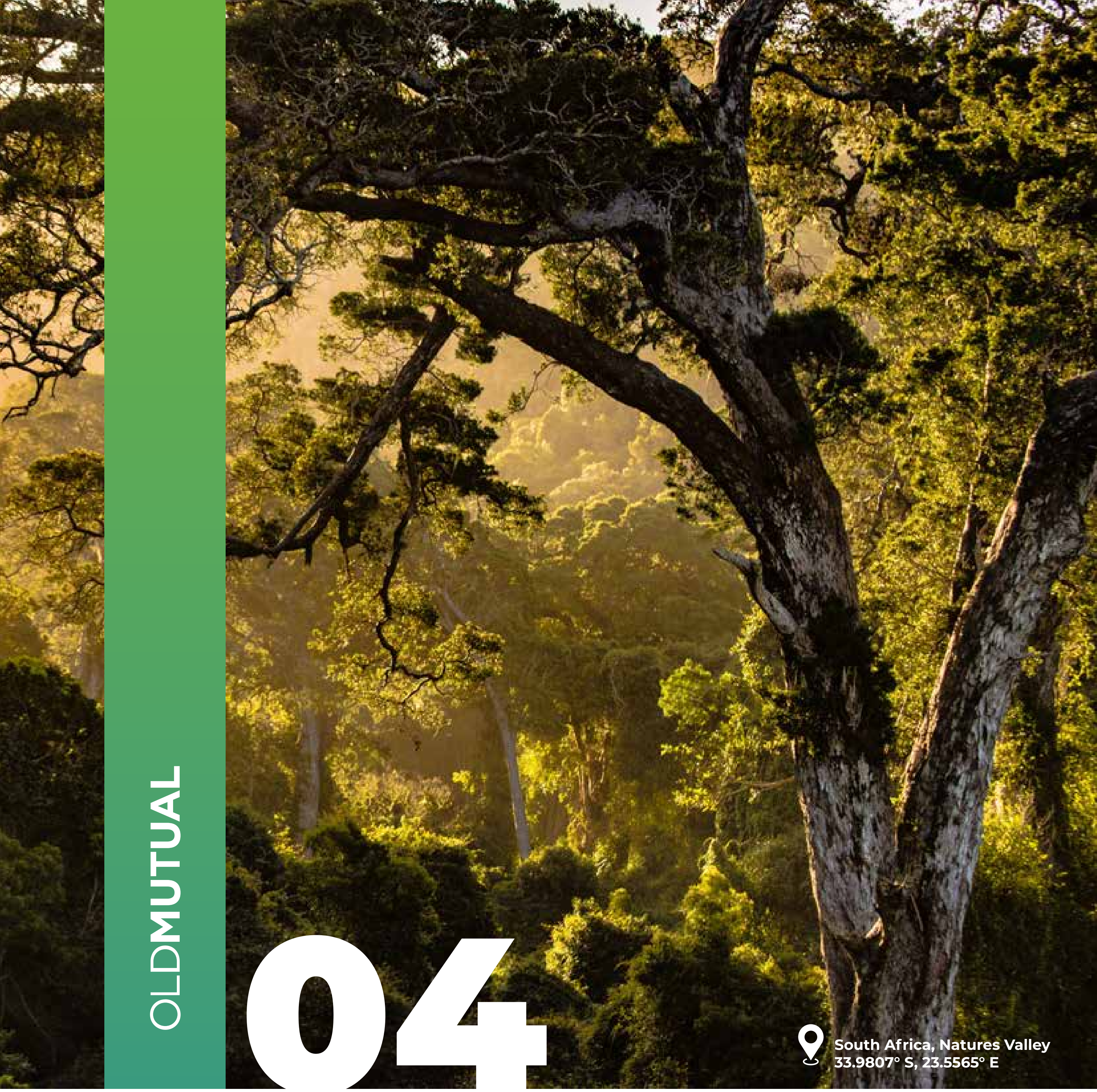
We will responsibly grow our loan books in a manner that is consistent with the economic environment.

The performance of our Asset Management and Life and Savings businesses over the rest of 2022 will be dependent on the performance of investment markets over the same period.

Despite low COVID-19 vaccination rates in most of our markets, widespread exposure to either the virus or to vaccines gives cause for guarded optimism that mortality rates in the second half of the year will be limited.

We will continue our delivery of initiatives to future fit our business including the rolling out of the My Old Mutual app and improving controls across the portfolio.

By year end, we expect to have reduced the number of loss-making entities and to be on track towards delivering on the target of 90% of operating entities in the portfolio being profitable by 2024.



04

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

DO GREAT THINGS EVERY DAY

Index to the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022

Condensed consolidated income statement

For the six months ended 30 June 2022

Rm	Notes	2022 (Unaudited)	2021 (Unaudited)
Revenue			
Gross insurance premium revenue		41 473	41 035
Outward reinsurance		(5 605)	(5 427)
Net earned premiums		35 868	35 608
Investment return (non-banking)		(36 938)	75 781
Banking interest and similar income		2 132	2 144
Banking trading, investment and similar income		544	72
Fee and commission income, and income from service activities		5 977	5 777
Other income		1 359	791
Total revenue and other income	D1	8 942	120 173
Expenses			
Gross claims and benefits (including change in insurance contract provisions)		(24 929)	(66 012)
Reinsurance recoveries		6 065	5 415
Net claims and benefits incurred		(18 864)	(60 597)
Change in investment contract liabilities		26 700	(28 045)
Credit impairment charges		(452)	(608)
Finance costs		(330)	(266)
Banking interest and similar expenses		(371)	(393)
Fee and commission expenses, and other acquisition costs		(5 292)	(5 219)
Change in third-party interests in consolidated funds		6 686	(7 691)
Other operating and administrative expenses		(12 166)	(11 403)
Total expenses		(4 089)	(114 222)
Share of gains of associated undertakings and joint ventures after tax		179	1 074
(Impairment)/reversal of impairment of investments in associated undertakings		(32)	108
Profit/(loss) on disposal of subsidiaries and associated undertakings		115	(42)
Profit before tax		5 115	7 091
Income tax credit/(expense)		497	(3 740)
Profit after tax for the financial period		5 612	3 351
Attributable to			
Equity holders of the parent		5 222	2 984
Non-controlling interests			
Ordinary shares		390	367
Profit after tax for the financial period		5 612	3 351
Earnings per ordinary share			
Basic earnings per ordinary share (cents)	C1(a)	118.1	67.8
Diluted earnings per ordinary share (cents)	C1(b)	116.4	67.0

Condensed consolidated statement of comprehensive income

For the six months ended 30 June 2022

Rm	2022 (Unaudited)	2021 (Unaudited)
Profit after tax for the financial period	5 612	3 351
Other comprehensive income for the financial period		
Items that will not be reclassified to profit or loss		
Gains on property revaluations	767	246
Remeasurement gains on defined benefit plans	76	82
Fair value movements related to credit risk on borrowed funds	(65)	(37)
Share of other comprehensive income from associated undertakings and joint ventures	–	43
Shadow accounting[1]	(233)	(8)
Income tax on items that will not be reclassified to profit or loss	(50)	(25)
	495	301
Items that may be reclassified to profit or loss		
Currency translation differences on translating foreign operations[2]	(4 036)	(361)
Share of other comprehensive income/(loss) from associated undertakings and joint ventures	–	(75)
	(4 036)	(436)
Total comprehensive income for the financial period	2 071	3 216
Attributable to		
Equity holders of the parent	2 091	2 905
Non-controlling interests		
Ordinary shares	(20)	311
Total comprehensive income for the financial period	2 071	3 216

1 *Shadow accounting is applied to policyholder liabilities where the underlying measurement of the policyholder liability depends directly on the fair value of the Group's owner-occupied properties. 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 gains or losses on assets that have a direct effect on the measurement of the related insurance assets and liabilities.*

2 *This amount has no tax impact.*

Condensed consolidated supplementary income statement

For the six months ended 30 June 2022

Rm	Notes	2022 (Unaudited)	2021 (Unaudited)
Mass and Foundation Cluster		1 583	1 254
Personal Finance and Wealth Management		1 259	22
Old Mutual Investments		566	517
Old Mutual Corporate		727	457
Old Mutual Insure		213	265
Rest of Africa		212	(116)
Net expenses from central functions		(463)	(209)
Results from operations		4 097	2 190
Shareholder investment return		415	1 153
Finance costs		(330)	(266)
Share of gains of associated undertakings and joint ventures after tax		20	1 055
Adjusted headline earnings before tax and non-controlling interests		4 202	4 132
Shareholder tax		(1 375)	(1 097)
Non-controlling interests		(136)	(136)
Adjusted headline earnings after tax and non-controlling interests[1]		2 691	2 899
Adjusted weighted average number of ordinary shares (millions)	C1(a)	4 544	4 570
Adjusted headline earnings per share (cents)[1]		59.2	63.4

Reconciliation of adjusted headline earnings to IFRS profit after tax

Rm	Notes	2022 (Unaudited)	2021 (Unaudited)
Adjusted headline earnings after tax and non-controlling interests[1]		2 691	2 899
Investment return on group equity and debt instruments held in policyholder funds	A1.5(a)	606	(187)
Impact of restructuring	A1.5(b)	31	(1 261)
Operations in hyperinflationary economies	A1.5(c)	1 745	1 720
Non-core operations	A1.5(d)	67	(16)
Headline earnings		5 140	3 155
Reversal of impairment/(impairment) of goodwill and other intangible assets and property, plant and equipment		24	(190)
(Impairment)/reversal of impairment of investments in associated undertakings		(32)	108
Remeasurement of non-current assets held for sale and distribution		–	(47)
Profit/(loss) on disposal of subsidiaries and associated undertakings		90	(42)
Profit after tax for the financial period attributable to equity holders of the parent		5 222	2 984

1 *Refer to note A1.5 for more information on the basis of preparation of Adjusted headline earnings and the adjustments applied in the determination of Adjusted headline earnings.*

Condensed consolidated statement of financial position

At 30 June 2022 and 31 December 2021

Rm	Notes	2022 (Unaudited)	2021 (Audited)
Assets			
Goodwill and other intangible assets		6 852	6 234
Mandatory reserve deposits with central banks		181	195
Property, plant and equipment		8 812	9 155
Investment property		39 766	38 672
Deferred tax assets		1 971	2 455
Investments in associated undertakings and joint ventures		1 346	908
Deferred acquisition costs		436	405
Costs of obtaining contracts		1 489	1 496
Loans and advances		18 139	18 722
Investments and securities		836 254	899 388
Reinsurers' share of policyholder liabilities	F1	11 593	13 372
Current tax receivable		524	459
Trade, other receivables and other assets		25 497	22 802
Derivative financial instruments		10 066	6 391
Cash and cash equivalents		36 305	32 931
Assets held for sale and distribution	A2(a),H4	4 858	269
Total assets		1 004 089	1 053 854
Liabilities			
Life insurance contract liabilities	F1	143 956	155 349
Investment contract liabilities with discretionary participating features	F1	225 817	245 483
Investment contract liabilities	F1	360 884	393 787
Property and Casualty liabilities	F1	12 786	11 206
Third-party interests in consolidated funds		74 359	77 308
Borrowed funds	F2	18 141	17 506
Provisions		1 729	1 767
Contract liabilities[1]		1 349	1 272
Deferred tax liabilities		3 209	6 453
Current tax payable		949	499
Trade, other payables and other liabilities[1]		71 157	63 934
Amounts owed to bank depositors		5 570	5 905
Derivative financial instruments		13 973	8 084
Liabilities held for sale and distribution	H4	4 664	–
Total liabilities		938 543	988 553
Net assets		65 546	65 301
Shareholders' equity			
Equity attributable to the equity holders of the parent		62 227	62 174
Non-controlling interests			
Ordinary shares		3 319	3 127
Total non-controlling interests		3 319	3 127
Total equity		65 546	65 301

1 *As part of the Group's continued disclosure enhancement efforts the Loyalty Reserve of R618 million, attributable to Personal Finance, was transferred from trade, other payables and other liabilities to contract liabilities in 2021.*

Condensed consolidated statement of cash flows

For the six months ended 30 June 2022

Rm	Notes	2022 (Unaudited)	2021 (Unaudited)
Cash flows from operating activities			
Profit before tax		5 115	7 091
Non-cash movements in profit before tax		(7 428)	(10 970)
Net changes in working capital		11 097	807
Taxation paid		(1 713)	(1 471)
Net cash inflow/(outflow) from operating activities		7 071	(4 543)
Cash flows from investing activities			
Disposal of financial investments		1 079	6 916
Acquisition of investment properties		(186)	(104)
Proceeds from disposal of investment properties		29	–
Dividends received from associated undertakings		31	93
Acquisition of property, plant and equipment		(469)	(262)
Proceeds from disposal of property, plant and equipment		103	19
Acquisition of intangible assets		(638)	(528)
Acquisition of interests in subsidiaries, associated undertakings and joint ventures		(106)	(50)
Proceeds from the disposal of interests in subsidiaries, associated undertakings and joint venture		201	–
Net cash inflow from investing activities		44	6 084
Cash flows from financing activities			
Dividends paid to			
Ordinary equity holders of the Company	C4	(2 286)	(1 565)
Non-controlling interests and preferred security interests		(233)	(29)
Interest paid (excluding banking interest paid)		(384)	(253)
Acquisition of treasury shares – ordinary shares[1]		(483)	(355)
Proceeds from disposal of treasury shares – ordinary shares[1]		343	120
Lease liabilities repayments		(359)	(247)
Proceeds from issue of subordinated and other debt		1 784	930
Subordinated and other debt repaid		(963)	(1 079)
Net cash outflow from financing activities		(2 581)	(2 478)
Net cash inflow/(outflow) for the period		4 534	(937)
Effects of exchange rate changes on cash and cash equivalents		(915)	(221)
Cash and cash equivalents at beginning of the period		33 126	33 795
Cash and cash equivalents at end of the period		36 745	32 637
Comprising			
Mandatory reserve deposits with central banks		181	174
Cash and cash equivalents[2]		36 564	32 463
Total		36 745	32 637

1 *In June 2021, cash flows from treasury shares were disclosed on a net basis. This has been restated and corrected in the current reporting period.*

2 *Included in cash and cash equivalents in June 2022 is an amount of R259 million that is classified as held for sale. Refer to note H4 for more information and amounts identified as held for sale.*

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 included as part of the funds consolidated.

Condensed statement of changes in equity

For the six months ended 30 June 2022

For the six months ended 30 June 2022 Rm	Notes	Millions Number of shares issued and fully paid	Share capital	Fair-value reserve[3]	Property revaluation reserve	Share-based payments reserve	Liability credit reserve[1]	Foreign currency translation reserve	Retained earnings	Attributable to equity holders of the parent	Total non-controlling interests	Total equity
Shareholders' equity at beginning of the period		4 709	85	15	1 101	873	(335)	(7 568)	68 003	62 174	3 127	65 301
Profit after tax for the financial period		–	–	–	–	–	–	–	5 222	5 222	390	5 612
Other comprehensive (loss)/income for the financial period		–	–	–	451	–	(65)	(3 578)	61	(3 131)	(410)	(3 541)
Total comprehensive (loss)/income for the financial period		–	–	–	451	–	(65)	(3 578)	5 283	2 091	(20)	2 071
Transactions with the owners of the Company												
Contributions and distributions												
Dividends for the period	C4	–	–	–	–	–	–	–	(2 286)	(2 286)	(233)	(2 519)
Share-based payment reserve movements		–	–	–	–	(62)	–	–	123	61	–	61
Transfer between reserves		–	–	–	–	–	–	(233)	233	–	–	–
Other movements in equity[2]		–	–	–	–	–	–	–	187	187	–	187
Total contributions and distributions		–	–	–	–	(62)	–	(233)	(1 743)	(2 038)	(233)	(2 271)
Changes in ownership and capital structure												
Acquisition/change in participation in subsidiaries		–	–	–	–	–	–	–	–	–	445	445
Total changes in ownership and capital structure		–	–	–	–	–	–	–	–	–	445	445
Total transactions with the owners of the Company		–	–	–	–	(62)	–	(233)	(1 743)	(2 038)	212	(1 826)
Shareholders' equity at end of the period		4 709	85	15	1 552	811	(400)	(11 379)	71 543	62 227	3 319	65 546

1 *In the liability credit reserve, 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 balance of the total fair value gains and losses on these instruments is recognised in profit or loss.*

2 *Other movements in equity includes a movement in retained earnings of R176 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 at FVOCI within the financial statements of these associated undertakings.*

Condensed statement of changes in equity

For the six months ended 30 June 2021

For the six months ended 30 June 2021 Rm	Notes	Millions Number of shares issued and fully paid	Share capital	Fair-value reserve	Property revaluation reserve	Share-based payments reserve	Liability credit reserve	Foreign currency translation reserve	Retained earnings	Attributable to equity holders of the parent	Total non-controlling interests	Total equity
Shareholders' equity at beginning of the period		4 709	85	10	550	749	(271)	(7 854)	73 726	66 995	2 328	69 323
Profit after tax for the financial period		–	–	–	–	–	–	–	2 984	2 984	367	3 351
Other comprehensive income/(loss) for the financial period		–	–	(33)	235	–	(37)	(346)	102	(79)	(56)	(135)
Total comprehensive income/(loss) for the financial period		–	–	(33)	235	–	(37)	(346)	3 086	2 905	311	3 216
Transactions with the owners of the Company												
Contributions and distributions												
Dividends for the period	C4	–	–	–	–	–	–	–	(1 565)	(1 565)	(29)	(1 594)
Share-based payment reserve movements		–	–	–	–	124	–	–	(12)	112	–	112
Transfer between reserves		–	–	–	–	(101)	–	–	51	(50)	50	–
Other movements in equity		–	–	–	–	–	–	–	(259)	(259)	–	(259)
Total contributions and distributions		–	–	–	–	23	–	–	(1 785)	(1 762)	21	(1 741)
Changes in ownership and capital structure												
Change in participation in subsidiaries		–	–	–	–	–	–	–	9	9	(35)	(26)
Total changes in ownership and capital structure		–	–	–	–	–	–	–	9	9	(35)	(26)
Total transactions with the owners of the Company		–	–	–	–	23	–	–	(1 776)	(1 753)	(14)	(1 767)
Shareholders' equity at end of the period		4 709	85	(23)	785	772	(308)	(8 200)	75 036	68 147	2 625	70 772

Notes to the unaudited condensed consolidated interim financial statements

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 unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022 (interim financial statements) consolidate the results of the Company and its subsidiaries (together the Group) and equity account the Group's interest in associates and joint ventures (other than those held by investment-linked insurance funds which are accounted for as investments at fair value through profit or loss).

The interim financial statements comprise the condensed consolidated statement of financial position at 30 June 2022, condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated supplementary income statement, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months ended 30 June 2022 and selected explanatory notes. The interim financial statements have been prepared under the supervision of C.G. Troskie CA(SA) (Chief Financial Officer). The Directors of the Group take full responsibility for the preparation of the interim financial statements and have reviewed and approved the interim financial statements on 30 August 2022.

The interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting', the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act no 71 of 2008 (Companies Act) of South Africa.

The accounting policies and method of computation applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards (IFRS) as issued by the IASB and are consistent with those applied in the preparation of the Group's 2021 consolidated financial statements.

Amendments to standards effective from 1 January 2022 do not have a material effect on the Group's interim financial statements.

These interim financial statements do not include all the notes typically included in the annual financial statements and should therefore be read in conjunction with the Group audited consolidated financial statements for the year ended 31 December 2021.

1.2 Going concern

The Group has performed a detailed going concern assessment in order to support the 2022 interim reporting process. This assessment has relied on the Group's 2022 to 2024 business plan and has considered the profitability, liquidity and solvency projections over the plan period. This business plan was presented in the context of a challenging local economic environment, with COVID-19 uncertainty continuing to impact the operating environment. Even under these conditions, the business plan delivered strong shareholder value creation while maintaining stable capital and solvency positions throughout the cycle. As part of the planning process, a downside scenario has also been modelled that examined a protracted inflation scenario in developed markets and further COVID vaccine challenges being experienced in emerging markets. The results show that the Group remains sufficiently capitalised with appropriate levels of liquidity and no material uncertainty in relation to the going concern has been identified in the base business plan as well as the downside scenario. In the first half of 2022 a forecast of financial performance was also undertaken. No items were identified through this process that are expected to negatively impact the going concern assessment.

Based on the above reviews, no material uncertainties that would require disclosure have been identified in relation to the ability of the Group to remain a going concern for at least the next 12 months. The directors therefore consider it appropriate for the going concern basis to be adopted in preparing the interim financial statements.

1.3 External review and comparative information

These interim financial statements have not been reviewed or audited by the Group's independent auditors Deloitte & Touche and Ernst & Young Inc. Comparative information for the six months ended 30 June 2021 was not reviewed by the Group's independent auditors. Comparative information presented at and for the year ended 31 December 2021 within these financial statements has been correctly extracted from the Group's audited consolidated financial statements for the year ended 31 December 2021.

1.4 Foreign currency translation

Translation of foreign operations into the Group's presentation currency

The assets and liabilities of foreign operations are translated from their respective functional currencies into the Group's presentation currency, using the period-end exchange rates and their income and expenses using the average exchange rates for the period. Cumulative translation gains and losses up to 1 January 2015, being the effective date of the Group's conversion to IFRS, were reset to zero. Other than in respect of cumulative translation gains and losses up to 1 January 2015, cumulative unrealised gains or losses resulting from translation of functional currencies to the presentation currency are included as a separate component of shareholders' equity. To the extent that these gains and losses are effectively hedged, the cumulative effect of such gains and losses arising on the hedging instruments are also included in that component of shareholders' equity. Upon the disposal of subsidiaries, the cumulative amount of exchange differences post 1 January 2015, deferred in shareholders' equity, is recognised in profit or loss. The accounting for Zimbabwe as a hyperinflationary economy is excluded from this policy and is explained in note A2(b) below.

The exchange rates used to translate the operating results, assets and liabilities of key foreign businesses to rand are:

	Six months ended 30 June 2022		Six months ended 30 June 2021		Year ended 31 December 2021
	Income Statement (average rate)	Statement of financial position (closing rate)	Income Statement (average rate)	Statement of financial position (closing rate)	Statement of financial position (closing rate)
Pound Sterling	**19.9794**	**19.8249**	20.1628	19.7612	21.5601
US dollar	**15.4116**	**16.2782**	14.5205	14.2854	15.9372
Kenyan Shilling	**0.1339**	**0.1381**	0.1336	0.1324	0.1409
Zimbabwean Dollar[1]	**0.0417**	**0.0417**	0.1299	0.1299	0.1099

1 Income statement also translated at closing rate due to hyperinflation accounting being applied.

1.5 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 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 Listing Requirements and SAICA circular 01/2021 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. Adjustments applied in the determination of AHE for the six months ended 30 June 2022 are consistent with those applied for the year ended 31 December 2021.

The adjustments applied in the determination of AHE are:

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

Represents the 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 investment returns are eliminated within the consolidated income statement in arriving at profit or loss 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.

(c) 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.

(d) Non-core operations

Represents the elimination of the results of businesses or operations classified as non-core. This adjustment represents the net profits/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.

Notes to the unaudited condensed consolidated interim financial statements

A: Significant accounting policies

A1: Basis of preparation

1.6 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 across the world and may not be comparable with similarly labelled measures and disclosures provided by other entities. The basis of preparation of each is outlined below. Non-IFRS measures are unaudited.

(a) Return on adjusted net asset value (RoNAV)

RoNAV (expressed as a percentage), is calculated as AHE divided by the average of the opening and closing balances of adjusted IFRS equity. Adjusted IFRS equity is calculated as IFRS equity attributable to operating segments before adjustments related to the consolidation of funds. It excludes equity related to the Residual plc, discontinued operations and operations in hyperinflationary economies. A reconciliation is presented in note C3.

RoNAV is used to assess and measure the capital efficiency of the Group and it is one of a range of measures by which management performance and remuneration is assessed. The adjustments made to adjusted IFRS equity mirror those made in AHE to ensure consistency of the numerator and denominator in the calculation of RoNAV.

(b) 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.

1.7 Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these interim financial statements.

IFRS 17 Insurance Contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023. The new standard will affect the financial statements and key performance indicators of all entities in the Group that issue insurance contracts (such as term and life insurance, life annuities, disability insurance, and property & casualty insurance) or investment contracts with discretionary participation features (such as with-profit annuities and smooth bonus investments). The most significant impacted subsidiary will be the Old Mutual Life Assurance Company (South Africa) Limited (OMLACSA). However, all other Group entities with life and short-term insurance licences will also be impacted.

In 2017 the Group instituted an implementation programme under the sponsorship of the Chief Financial Officer, who chairs a steering committee consisting of senior finance, actuarial and information technology executives from impacted business areas. Each major IFRS 17 focus area (i.e. Group, Rest of Africa and Old Mutual Insure) is also governed by a delivery committee, which consists of senior finance and actuarial managers who make decisions on scope, design and enablement for their relevant focus areas. IFRS 17 Projects were also mobilised in segments and countries during 2019, each with their own governance and decision-making forums. All decisions relating to the interpretation of the standard (i.e. policies and methodologies) are made by a Technical Review Committee, which consists of actuarial and finance subject matter experts across the Group. Ratification of major decisions is done by the steering committee. Programme resources include a mix of dedicated and shared internal technical experts, as well as external consultants where appropriate.

Work on the finalisation of key policy and methodology decisions is mostly complete and assurance reviews on policy and methodology have progressed in line with plans. The Group is in the process of producing the opening balance sheets required for IFRS 17. Significant focus in 2021 and 2022 has been on finalising the transition methodology and transition approaches. Assurance reviews on transition methodology, approaches and results are in also in progress and will be completed later in 2022.

Actuarial modelling development will be completed later in 2022. The build of a robust financial data model, CSM calculation engine and results repository was initiated during 2019 and the key focus in 2022 is completing remaining build and testing activities and ensuring successful user adoption across the Group.

Design of insurance risk and other disclosures as well as assurance review and testing has continued in 2022, as has related build and enhancements to reporting and disclosure tools. Assurance reviews on the process control environment across the Group were initiated in 2021 and will continue through 2022.

The Rest of Africa Project continued with transition calculations during 2022 and assurance reviews are in progress on policy methodology and transition results. The Rest of Africa teams are utilising Group and OM Insure solutions, and have been participating in process and system testing activities since 2021.

The Old Mutual Insure Project procured an IFRS 17 reporting solution during 2020 and is largely complete with the implementation thereof. The key focus during 2022 is on the testing of systems and processes, as well as data enablement and transition calculations.

A2: Critical accounting estimates and judgements

The preparation of financial statements requires management to make assumptions and judgements, in determining estimates that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The critical accounting estimates and judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of Old Mutual Limited for the year ended 31 December 2021, with the exception of certain judgements made in respect of assets and liabilities classified as held for sale and distribution and accounting matters related to Zimbabwe as described below.

Due to the impact that COVID-19 continues to have on the economies of the countries that the Group operates in, additional disclosure on the valuation impacts and sensitivities thereto of the Group's assets and liabilities has been provided in the notes to which they relate in the interim financial statements.

(a) Assets classified as held for sale and distribution

Investment in Nedbank – Classification as an asset held for sale and distribution

Based on the facts and circumstances that existed at 23 June 2021, the Directors had formally assessed and concluded that it was appropriate to classify the 12.2% stake being distributed as an asset held for sale and distribution. In concluding on this judgement, the Directors considered that based on the demonstrated and communicated commitment to unbundle the stake in Nedbank, the probability of obtaining regulatory approvals, the stake was available for immediate distribution in its present form and distribution was expected to conclude within the next 12 months, that this classification is appropriate.

The unbundling of the Nedbank investment was concluded in November 2021. The Nedbank investment was disposed at a value of R10,656 million and was distributed as a dividend in specie to shareholders of the Group. The Group no longer has significant influence in Nedbank and the retained stake was reclassified to investments and securities at fair value through profit or loss within the 2021 reporting period.

(b) Accounting matters relating to Zimbabwe

Zimbabwe as a hyperinflationary economy

During the period, the Group concluded that Zimbabwe continued to remain a hyperinflationary economy.

Consistent with the prior period, the Group has elected to use the Zimbabwe Consumer Price Index (CPI) of 8,707.4 at 30 June 2022 (31 December 2021: 3,977.5) to restate amounts, as CPI provides an official observable indication of the change in the price of goods and services.

The impact of applying IAS 29 in the current period resulted in a decrease in net asset value and profit after tax of R294 million.

Application of hyperinflationary accounting – Zimbabwe exchange rate

In June 2020, the RBZ implemented a formal market-based foreign exchange trading system (auction trading system), which was operational from 23 June 2020. The intention of this system was expected to bring transparency and efficiency in the trading of foreign currency in the economy. The rate derived from the auction trading system however did not appropriately reflect the rate for immediate delivery of foreign exchange.

On 9 May 2022, the RBZ introduced the interbank exchange rate in the country to aid in accessibility of foreign currency. The inter-bank exchange rate however remains constrained. Market participants willing to buy USD from any bank and participate in the interbank exchange market are required to qualify (subject to approval by the RBZ) to participate in the transaction. For buyers, qualification depends on the availability of the funds in the bank as well as the purpose of the funds. Old Mutual's operations do not form part of the prioritised buyers, and as a result are unable to access the interbank rate.

Based on the limitations related to both the auction and interbank rates, the Group has estimated an exchange rate that more appropriately reflects observable differences between ZWL$ and US dollar values. For the purposes of 30 June 2022 reporting, a ZWL$ to US dollar exchange rate of 390 to 1 (31 December 2021: 145 to 1) has been applied.

The estimated exchange rate has been calculated on a similar basis to the exchange rate used in the prior period. On a global scale, maize prices have increased 31% YTD on average, mainly due to global supply constraints as a result of the conflict in Ukraine. The underlying costs have, however, been fixed for Zimbabwean transactors, partly to alleviate pricing pressure within the country. Consequently, this input has been excluded in the calculation and the newly introduced Interbank rate has been added as the fourth input. The remaining three inputs are unchanged: the global relative fuel prices, a CPI adjusted group exchange rate based on the relative inflationary moves between Zimbabwe and the US and the auction rate.

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 exchange rate.

Valuation of assets within Zimbabwe

The prevailing economic conditions within Zimbabwe, requires significant judgement when evaluating assets. The Group has exposure to property assets, unlisted and listed investments. Listed investments comprise equity shareholdings in companies listed on the Zimbabwe Stock Exchange (ZSE) and other international stock exchanges whilst the Group's unlisted investment portfolio primarily comprises of private equity investments. All assets have applied valuation principles as outlined within IFRS.

Notes to the unaudited condensed consolidated interim financial statements

A: Significant accounting policies

A2: Critical accounting estimates and judgements

IFRS profits earned within Zimbabwe

During the current period, our operations in Zimbabwe reported pre-tax IFRS profits of R2.1 billion, of which R1.3 billion was driven by an increase in investment returns earned on the Group's shareholder portfolio. Most of these investment returns relate to fair value gains earned on equities traded on the ZSE. The ZSE generated returns of 83% during the period, driven by investors seeking safe-haven assets due to continued movements in CPI. We caution users of these financial statements that these returns may reverse in the future.

Sensitivities

The following table illustrates the sensitivity of profit and equity attributable to equity holders of the parent to changes in the rate used to translate the financial results and position of the Zimbabwean business. The sensitivities include a depreciation of 50% and 75% of the existing rate. In addition, the results have also been stated at the closing auction rate and inter-bank rate as at 30 June 2022.

Condensed consolidated income statement for the six months ended 30 June 2022

Exchange Rate (Rm)	As reported ZWL$: 0,04 ZAR	ZWL$: 0,02 ZAR	ZWL$: 0,01 ZAR	Auction ZWL$: 0,04 ZAR	Interbank ZWL$: 0,04 ZAR
Total Revenues	13 098	6 549	3 274	13 946	13 770
Total Expenses	(11 071)	(5 536)	(2 767)	(11 788)	(11 639)
Profit before tax	2 027	1 013	507	2 158	2 131
Income tax expense	(53)	(26)	(13)	(56)	(55)
Profit after tax for the financial period	1 974	987	494	2 102	2 076

Condensed consolidated statement of financial position at 30 June 2022

Exchange Rate (Rm)	As reported ZWL$: 0,04 ZAR	ZWL$: 0,02 ZAR	ZWL$: 0,01 ZAR	Auction ZWL$: 0,04 ZAR	Interbank ZWL$: 0,04 ZAR
Total assets	27 463	13 731	6 866	29 242	28 872
Total liabilities	(23 062)	(11 531)	(5 766)	(24 556)	(24 246)
Net assets	4 401	2 200	1 100	4 686	4 626

The below sensitivity shows the potential impact on the investment values and profit attributable to the equity holders of the parent, should there be significant movements on the ZSE.

Exchange Rate (Rm)	As reported ZWL$: 0,04 ZAR	ZWL$: 0,02 ZAR	ZWL$: 0,01 ZAR	Auction ZWL$: 0,04 ZAR	Interbank ZWL$: 0,04 ZAR
Profit after tax attributable to equity holders of the parent	1 745	873	436	1 858	1 835
Equity attributable to equity holders of the parent	3 893	1 946	973	4 145	4 093

For the period ended June 2022, the ZSE recorded a gain of 83% (31 December 2021: 311%). The return generated on the ZSE is due to investors allocating greater proportions of their investable portfolios into the stock market as a 'safe haven'. For the period ended June 2022, the Zimbabwe shareholder portfolio generated a return of R1.3 billion, with R1.2 billion of this being generated from local equities.

Equity risk sensitivity (Rm)	As reported	50% Increase	50% Decrease	75% Decrease
Profit after tax attributable to equity holders of the parent	1 745	2 762	729	220
Equity attributable to equity holders of the parent	3 893	4 910	2 876	2 368
Listed equities (total for both shareholders and policyholders)	9 074	13 612	4 537	2 269

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 year 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 CODM, 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 and Wealth Management:** Personal Finance is 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 Management is a retail segment targeting high income and high net worth individuals, that provides vertically integrated advice, investment solutions and funds, and other financial solutions.
- **Old Mutual Investments:** Operates across Asset Management through three distinct segments: (i) Listed asset management comprising three affiliate businesses being Futuregrowth, Marriott and Old Mutual Investment Group. (ii) Old Mutual Alternative Investment, an unlisted investment affiliate business, and (iii) 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 non-life insurance products through three operational channels: (i) Retail (including direct: iWYZE), (ii) Speciality and (iii) Credit Guarantee (CGIC).
- **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.

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.

Notes to the unaudited condensed consolidated interim financial statements

B: Segment information

B2: Segmental income statement

For the six months ended 30 June 2022 (Unaudited) Rm	Mass and Foundation Cluster	Personal Finance and Wealth Management	Old Mutual Investments	Old Mutual Corporate	Old Mutual Insure	Rest of Africa	Other Group Activities and intercompany eliminations	Adjusted headline earnings	Consolidation of funds	Adjusting items and reclassifications	Total IFRS
Revenue											
Gross insurance premium revenue	6 304	7 869	–	12 793	8 271	5 585	(136)	40 686	–	787	41 473
Outward reinsurance	(20)	(743)	–	(1 051)	(2 868)	(928)	135	(5 475)	–	(130)	(5 605)
Net earned premiums	6 284	7 126	–	11 742	5 403	4 657	(1)	35 211	–	657	35 868
Investment return (non-banking)	(138)	(42 892)	4 532	(2 672)	129	(135)	(1 397)	(42 573)	(5 964)	11 599	(36 938)
Banking interest and similar income	1 320	–	–	–	–	318	–	1 638	–	494	2 132
Banking trading, investment and similar income	–	–	–	–	–	35	–	35	–	509	544
Fee and commission income, and income from service activities	220	3 779	1 447	222	665	625	(1 034)	5 924	(369)	422	5 977
Other income	127	(26)	107	439	1	256	(32)	872	84	403	1 359
Total revenue and other income	7 813	(32 013)	6 086	9 731	6 198	5 756	(2 464)	1 107	(6 249)	14 084	8 942
Expenses											
Net claims and benefits (including change in insurance contract provisions)	(1 637)	(2 480)	–	(1 555)	(6 506)	(3 683)	88	(15 773)	–	(9 156)	(24 929)
Reinsurance recoveries	19	1 321	–	1 349	2 979	407	(75)	6 000	–	65	6 065
Net claims and benefits incurred	(1 618)	(1 159)	–	(206)	(3 527)	(3 276)	13	(9 773)	–	(9 091)	(18 864)
Change in investment contract liabilities	(26)	25 179	(452)	2 301	-	242	138	27 382	–	(682)	26 700
Credit impairment charges	(338)	(28)	–	31	-	8	–	(327)	–	(125)	(452)
Finance costs	–	–	–	–	-	–	–	–	–	(330)	(330)
Banking interest payable and similar expenses	(168)	–	–	–	-	(103)	–	(271)	–	(100)	(371)
Fee and commission expenses, and other acquisition costs	(1 397)	992	(1 061)	(2 330)	(1 371)	(588)	690	(5 065)	(92)	(135)	(5 292)
Change in third-party interest in consolidated funds	–	–	–	–	-	–	–	–	6 686	–	6 686
Other operating and administrative expenses	(2 751)	6 037	(3 946)	(8 638)	(1 087)	(1 739)	1 192	(10 932)	(345)	(889)	(12 166)
Policyholder tax	68	2 251	(61)	(162)	–	(88)	(32)	1 976	–	(1 976)	–
Total expenses	(6 230)	33 272	(5 520)	(9 004)	(5 985)	(5 544)	2 001	2 990	6 249	(13 328)	(4 089)
Share of gains of associated undertakings and joint ventures after tax	–	–	–	–	–	–	–	–	–	179	179
Impairment of investments in associated undertakings	–	–	–	–	–	–	–	–	–	(32)	(32)
Profit on disposal of subsidiaries and associated undertakings	–	–	–	–	–	–	–	–	–	115	115
Results from operations	1 583	1 259	566	727	213	212	(463)	4 097	–	1 018	5 115
Shareholder investment return	–	–	–	–	(1)	259	157	415	–	(415)	–
Finance costs	–	–	–	–	(16)	(50)	(264)	(330)	–	330	–
Share of gains of associated undertakings and joint ventures after tax	–	–	–	–	–	–	20	20	–	(20)	–
Adjusted headline earnings before tax and non-controlling interests	1 583	1 259	566	727	196	421	(550)	4 202	–	913	5 115
Shareholder tax	(511)	(343)	(162)	(205)	(56)	(232)	134	(1 375)	–	1 872	497
Non-controlling interests	(73)	(1)	(45)	–	(22)	5	–	(136)	–	(254)	(390)
Adjusted headline earnings	999	915	359	522	118	194	(416)	2 691	–	2 531	5 222
Investment return adjustment for Group equity and debt instruments held in policyholder funds	–	–	–	–	–	141	465	606	–	(606)	–
Impact of restructuring	65	–	–	–	–	–	(34)	31	–	(31)	–
Operations in hyperinflationary economies	–	–	–	–	–	1 745	-	1 745	–	(1 745)	–
Non-core operations	–	–	–	–	–	–	67	67	–	(67)	–
Headline earnings	1 064	915	359	522	118	2 080	82	5 140	–	82	5 222
Adjustments											
Reversal of impairment of goodwill and other intangibles and property, plant and equipment	–	–	–	–	–	–	24	24	–	(24)	–
Impairment of investments in associated undertakings	–	–	–	–	–	–	(32)	(32)	–	32	–
Profit on disposal of subsidiaries, associated undertakings	–	–	90	–	–	–	–	90	–	(90)	–
Profit after tax for the financial period attributable to equity holders of the parent	1 064	915	449	522	118	2 080	74	5 222	–	–	5 222
Profit after tax for the financial year attributable to non-controlling interests	74	6	46	19	22	223	–	390	–	–	390
Profit after tax for the financial period	1 138	921	495	541	140	2 303	74	5 612	–	–	5 612

Total inter-segments transactions included total revenue and other income as follows: Mass and Foundation Cluster is net negative R1 017 million (30 June 2021: net positive R2 168 million), Personal Finance and Wealth Management is net negative R7 039 million (30 June 2021: net positive R13 393 million), Old Mutual Investments is R1 100 million (30 June 2021: R4 399 million), Old Mutual Corporate is net negative R9 590 million (30 June 2021: net positive R18 946 million), Old Mutual Insure is RNil (30 June 2021: RNil), Rest of Africa is net negative R9 million (30 June 2021: net positive R6 million) and Other Group Activities is R33 270 million (30 June 2021: R22 780 million). The Group accounts for inter-segment revenues and transfers as if the transactions were with third parties. Negative amounts arise primarily as a result of negative investment returns incurred during the period.

Segmental income statements are disclosed to match the way the business is managed. This will not align to Disaggregated revenue (D1) as it represents the IFRS 15 view of income.

Notes to the unaudited condensed consolidated interim financial statements

B: Segment information

B2: Segmental income statement

For the six months ended 30 June 2021 (Unaudited) Rm	Mass and Foundation Cluster	Personal Finance and Wealth Management	Old Mutual Investments	Old Mutual Corporate	Old Mutual Insure	Rest of Africa	Other Group Activities and intercompany eliminations	Adjusted headline earnings	Consolidation of funds	Adjusting items and reclassifications	Total IFRS
Revenue											
Gross insurance premium revenue	6 324	8 542	–	13 323	7 836	4 533	(59)	40 499	–	536	41 035
Outward reinsurance	(19)	(699)	–	(696)	(3 215)	(787)	58	(5 358)	–	(69)	(5 427)
Net earned premiums	6 305	7 843	–	12 627	4 621	3 746	(1)	35 141	–	467	35 608
Investment return (non-banking)	2 242	29 110	4 179	24 734	108	2 272	(1 318)	61 327	8 516	5 938	75 781
Banking interest and similar income	1 466	–	–	–	–	374	–	1 840	–	304	2 144
Banking trading, investment and similar income	–	–	–	–	–	39	–	39	–	33	72
Fee and commission income, and income from service activities	210	3 831	1 047	211	535	515	(646)	5 703	(323)	397	5 777
Other income	126	183	41	300	3	139	1	793	19	(21)	791
Total revenue and other income	10 349	40 967	5 267	37 872	5 267	7 085	(1 964)	104 843	8 212	7 118	120 173
Expenses											
Net claims and benefits (including change in insurance contract provisions)	(5 147)	(16 300)	–	(31 625)	(4 508)	(5 042)	80	(62 542)	–	(3 470)	(66 012)
Reinsurance recoveries	20	1 833	–	1 324	1 863	404	(47)	5 397	–	18	5 415
Net claims and benefits incurred	(5 127)	(14 467)	–	(30 301)	(2 645)	(4 638)	33	(57 145)	–	(3 452)	(60 597)
Change in investment contract liabilities	(18)	(19 495)	(3 722)	(4 429)	–	(311)	151	(27 824)	–	(221)	(28 045)
Credit impairment charges	(319)	(34)	–	(61)	–	(78)	–	(492)	–	(116)	(608)
Finance costs	–	–	–	–	–	–	–	–	–	(266)	(266)
Banking interest payable and similar expenses	(229)	–	–	–	–	(141)	–	(370)	–	(23)	(393)
Fee and commission expenses, and other acquisition costs	(1 232)	(2 214)	(196)	(399)	(1 277)	(458)	816	(4 960)	(133)	(126)	(5 219)
Change in third-party interest in consolidated funds	–	–	–	–	–	–	–	–	(7 691)	–	(7 691)
Other operating and administrative expenses	(2 064)	(3 557)	(823)	(2 117)	(1 080)	(1 569)	882	(10 328)	(388)	(687)	(11 403)
Policyholder tax	(106)	(1 178)	(9)	(108)	–	(6)	(127)	(1 534)	–	1 534	–
Total expenses	(9 095)	(40 945)	(4 750)	(37 415)	(5 002)	(7 201)	1 755	(102 653)	(8 212)	(3 357)	(114 222)
Share of gains of associated undertakings and joint ventures after tax	–	–	–	–	–	–	–	–	–	1 074	1 074
Impairment of investments in associated undertakings	–	–	–	–	–	–	–	–	–	108	108
Loss on disposal of subsidiaries and associated undertakings	–	–	–	–	–	–	–	–	–	(42)	(42)
Results from operations	1 254	22	517	457	265	(116)	(209)	2 190	–	4 901	7 091
Shareholder investment return	–	–	–	–	55	364	734	1 153	–	(1 153)	–
Finance costs	–	–	–	–	(14)	(45)	(207)	(266)	–	266	–
Share of gains of associated undertakings and joint ventures after tax	–	–	–	–	–	–	1 055	1 055	–	(1 055)	–
Adjusted headline earnings before tax and non-controlling interests	1 254	22	517	457	306	203	1 373	4 132	–	2 959	7 091
Shareholder tax	(384)	(15)	(148)	(126)	(113)	(119)	(192)	(1 097)	–	(2 643)	(3 740)
Non-controlling interests	(89)	(1)	(17)	–	(37)	8	–	(136)	–	(231)	(367)
Adjusted headline earnings	781	6	352	331	156	92	1 181	2 899	–	85	2 984
Investment return adjustment for Group equity and debt instruments held in policyholder funds	9	20	–	78	–	19	(313)	(187)	–	187	–
Impact of restructuring	(137)	–	–	–	–	(5)	(1 119)	(1 261)	–	1 261	–
Operations in hyperinflationary economies	–	–	–	–	–	1 720	–	1 720	–	(1 720)	–
Non-core operations	–	–	–	–	–	–	(16)	(16)	–	16	–
Headline earnings	653	26	352	409	156	1 826	(267)	3 155	–	(171)	2 984
Adjustments											
Remeasurement of non-current assets held for sale and distribution	–	–	–	–	–	–	(47)	(47)	–	47	–
Impairment of goodwill and other intangibles and property plant and equipment	–	1	1	–	–	–	(192)	(190)		190	
Impairment of associated undertakings	–	–	–	–	–	–	108	108	–	(108)	–
Profit/(loss) on disposal of subsidiaries, associated undertakings	–	–	8	–			(50)	(42)		42	
Profit/(loss) after tax for the financial year attributable to equity holders of the parent	653	27	361	409	156	1 826	(448)	2 984	–	–	2 984
Profit for the financial period attributable to non-controlling interests	91	4	18	15	37	202	–	367	–	–	367
Profit after tax for the financial period attributable to equity holders of the parent	744	31	379	424	193	2 028	(448)	3 351	–	–	3 351

Notes to the unaudited condensed consolidated interim financial statements

B: Segment information

B3: Segmental Statement of Financial Position

At 30 June 2022 (Unaudited) Rm	Mass and Foundation Cluster	Personal Finance and Wealth Management	Old Mutual Investments	Old Mutual Corporate	Old Mutual Insure	Rest of Africa	Other Group Activities and intercompany eliminations	Consolidation of funds	Total IFRS
Total assets[1]	35 584	383 810	68 975	302 429	18 986	86 125	27 363	80 817	1 004 089
Policyholder liabilities	(14 185)	(348 656)	(57 847)	(266 952)	–	(50 759)	3 142	–	(735 257)
Life insurance contracts liabilities	975	(77 691)	(119)	(59 204)	–	(8 902)	985	–	(143 956)
Investment contract liabilities with discretionary participating features	(15 079)	(15 361)	–	(162 173)	–	(33 205)	1	–	(225 817)
Investment contract liabilities[2]	(81)	(255 604)	(57 728)	(45 575)	–	(8 652)	2 156	–	(365 484)
Property and Casualty insurance liabilities	–	–	–	–	(8 557)	(4 229)	–	–	(12 786)
Other liabilities	(17 642)	(31 267)	(6 408)	(35 034)	(5 087)	(14 816)	653	(80 899)	(190 500)
Total liabilities	(31 827)	(379 923)	(64 255)	(301 986)	(13 644)	(69 804)	3 795	(80 899)	(938 543)
Net assets	3 757	3 887	4 720	443	5 342	16 321	31 158	(82)	65 546

At 31 December 2021 (Audited) Rm	Mass and Foundation Cluster	Personal Finance and Wealth Management	Old Mutual Investments	Old Mutual Corporate	Old Mutual Insure	Rest of Africa	Other Group Activities and intercompany eliminations	Consolidation of funds	Total IFRS
Total assets[1]	36 847	412 951	68 049	318 611	16 971	88 693	29 091	82 641	1 053 854
Policyholder liabilities	(16 070)	(381 024)	(58 111)	(288 282)	–	(53 945)	2 813	–	(794 619)
Life insurance contracts liabilities	(141)	(83 787)	(3)	(62 926)	–	(9 305)	813	–	(155 349)
Investment contract liabilities with discretionary participating features	(15 845)	(16 911)	–	(176 462)	–	(36 265)	–	–	(245 483)
Investment contract liabilities	(84)	(280 326)	(58 108)	(48 894)	–	(8 375)	2 000	–	(393 787)
Property and Casualty insurance liabilities	–	–	–	–	(7 630)	(3 576)	–	–	(11 206)
Other liabilities	(17 253)	(28 200)	(5 345)	(29 769)	(5 071)	(14 424)	91	(82 757)	(182 728)
Total liabilities	(33 323)	(409 224)	(63 456)	(318 051)	(12 701)	(71 945)	2 904	(82 757)	(988 553)
Net assets	3 524	3 727	4 593	560	4 270	16 748	31 995	(116)	65 301

1 *Total assets held for sale included in total assets is as follows: Mass and Foundation Cluster is R9 million (31 December 2021: R23 million), Personal Finance and Wealth Management is R16 million (31 December 2021: R46 million), Old Mutual Investments is R4.8 billion (31 December 2021: RNil), Old Mutual Corporate is R74 million (31 December 2021: R200 million), Rest of Africa is RNil (31 December 2021: RNil) and Old Mutual Insure is RNil (31 December 2021: RNil).*

2 *Included in Investment contract liabilities is an amount of R4.6 billion that is classified as held for sale. Refer to note H4 for more information and amounts identified as held for sale.*

Notes to the unaudited condensed consolidated interim financial statements

C: Other key performance information

C1: Earnings per share

Cents	Source of guidance	Notes	2022 (Unaudited)	2021 (Unaudited)
Basic earnings per share	IFRS	C1(a)	118.1	67.8
Diluted earnings per share	IFRS	C1(b)	116.4	67.0
Headline earnings per share	JSE Listing Requirements SAICA Circular 01/2021	C1(c)	116.3	71.7
Diluted headline earnings per share	JSE Listing Requirements SAICA Circular 01/2021	C1(c)	114.6	70.8

(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.

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

	2022 (Unaudited)	2021 (Unaudited)
Profit for the financial period attributable to equity holders of the parent (Rm)	5 222	2 984
Weighted average number of ordinary shares in issue (millions)	4 709	4 709
Shares held in charitable foundations and trusts (millions)	(18)	(18)
Shares held in ESOP and similar trusts (millions)	(147)	(121)
Adjusted weighted average number of ordinary shares (millions)	4 544	4 570
Shares held in policyholder and consolidated investment funds (millions)	(104)	(152)
Shares held in Black Economic Empowerment trusts (millions)	(19)	(16)
Weighted average number of ordinary shares used to calculate basic earnings per share (millions)	4 421	4 402
Basic earnings per ordinary share (cents)	118.1	67.8

(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 period.

The following summarises the calculation of weighted average number of shares for the purpose of calculating diluted basic earnings per share:

	Notes	2022 (Unaudited)	2021 (Unaudited)
Profit for the financial period attributable to equity holders of the parent (Rm)		5 222	2 984
Weighted average number of ordinary shares (millions)	C1(a)	4 421	4 402
Adjustments for share options held by ESOP and similar trusts (millions)		47	37
Adjustments for shares held in Black Economic Empowerment trusts (millions)		19	16
Weighted average number of ordinary shares used to calculate diluted earnings per share (millions)		4 487	4 455
Diluted earnings per ordinary share (cents)		116.4	67.0

(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 01/2021 '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 period attributable to equity holders of the parent to headline earnings and summarises the calculation of basic HEPS:

		2022 (Unaudited)		2021 (Unaudited)	
	Notes	Gross	Net of tax and non-controlling interest	Gross	Net of tax and non-controlling interest
Profit attributable to ordinary equity holders (Rm)			5 222		2 984
Adjustments:					
Impairment/(reversal of impairment) of investment in associated undertakings		32	32	(108)	(108)
(Reversal of impairment)/ impairments of intangible assets and property, plant and equipment		(24)	(24)	247	190
Remeasurement of non-current assets held for sale		–	–	47	47
(Profit)/loss on disposal of subsidiaries, associated undertakings and joint ventures		(115)	(90)	42	42
Total adjustments (Rm)		(107)	(82)	228	171
Headline earnings (Rm)			5 140		3 155
Weighted average number of ordinary shares (millions)	C1(a)		4 421		4 402
Diluted weighted average number of ordinary shares (millions)	C1(b)		4 487		4 455
Headline earnings per share (cents)			116.3		71.7
Diluted headline earnings per share (cents)			114.6		70.8

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 period 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 the period end.

At 30 June 2022 and 31 December 2021 Rand	2022 (Unaudited)	2021 (Audited)
Net asset value per share	13.9	13.9
Net tangible asset value per share	12.5	12.5

Notes to the unaudited condensed consolidated interim financial statements

C: Other key performance information

C3: Return on net asset value (RoNAV)

The following table outlines the calculation of RoNAV for the six months ended 30 June 2022 and the year ended 31 December 2021, using AHE disclosed in the condensed consolidated supplementary income statement. The basis of preparation of RoNAV is described in note A1.6.

Rbn or %	2022 (Unaudited)	2021 (Audited)
Total RoNAV (%)	9.6%	9.0%
Average adjusted IFRS Equity (Rbn)	56.1	59.8
Closing adjusted IFRS Equity (Rbn)	56.5	55.8

Reconciliation of equity attributable to the holders of the parent to closing adjusted IFRS equity

Rbn	2022 (Unaudited)	2021 (Audited)
Equity attributable to the holders of the parent	62.2	62.2
Equity in respect of operations in hyperinflationary economies	(3.9)	(4.4)
Equity in respect of non-core operations	(1.9)	(2.1)
Consolidation adjustments	0.1	0.1
Closing adjusted IFRS equity	56.5	55.8

C4: Dividends

Six months ended 30 June Rm	Ordinary dividend payment date	2022 (Unaudited)	2021 (Unaudited)
2020 Final dividend paid – 35.00c per share	24 May 2021	–	1 565
2021 Final dividend paid – 51.00c per share	23 May 2022	2 286	–
Dividend payments to ordinary equity holders for the period		2 286	1 565

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 (consolidated) 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.

An interim dividend of 25 cents (30 June 2021: 25 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 17 October 2022 to shareholders on all registers.

D: 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.

Six months ended 30 June 2022 (Unaudited) Rm	Mass and Founda–tion Cluster	Personal Finance and Wealth mana–gement	Old Mutual Invest–ments	Old Mutual Corporate	Old Mutual Insure	Rest of Africa	Other Group Activities and inter–company elimina–tions	Consoli–dation of funds	Total
Revenue from contracts with customers									
Fee and commission income	220	3 758	1 413	222	617	747	(1 005)	(369)	5 603
Transaction and performance fees	–	28	34	–	–	302	(31)	–	333
Change in deferred revenue	–	(7)	–	–	48	–	–	–	41
Fee and commission income, and income from service activities	220	3 779	1 447	222	665	1 049	(1 036)	(369)	5 977
Non–IFRS 15 revenue									
Banking	1 320	–	–	–	–	1 356	–	–	2 676
Insurance	6 284	7 126	–	11 742	5 403	5 313	–	–	35 868
Investment return and other	10	(42 877)	4 632	(2 046)	150	11 349	(917)	(5 880)	(35 579)
Total revenue from other activities	7 614	(35 751)	4 632	9 696	5 553	18 018	(917)	(5 880)	2 965
Total revenue and other income	7 834	(31 972)	6 079	9 918	6 218	19 067	(1 953)	(6 249)	8 942

Notes to the unaudited condensed consolidated interim financial statements

D: Consolidated income statement notes

D1: Revenue from contracts with customers

Six months ended 30 June 2021 (Unaudited) Rm	Mass and Founda–tion Cluster	Personal Finance and Wealth mana–gement	Old Mutual Invest–ments	Old Mutual Corporate	Old Mutual Insure	Rest of Africa	Other Group Activities and inter–company elimina–tions	Consoli–dation of funds	Total
Revenue from contracts with customers									
Fee and commission income	210	3 798	1 014	211	515	584	(625)	(323)	5 384
Transaction and performance fees	–	35	33	–	–	326	(19)	–	375
Change in deferred revenue	–	(2)	–	–	20	–	–	–	18
Fee and commission income, and income from service activities	210	3 831	1 047	211	535	910	(644)	(323)	5 777
Non–IFRS 15 revenue									
Banking	1 466	–	–	–	–	750	–	–	2 216
Insurance	6 305	7 843	–	12 627	4 621	4 213	(1)	–	35 608
Investment return and other	2 379	29 315	4 225	25 124	230	7 809	(1 045)	8 535	76 572
Total revenue from other activities	10 150	37 158	4 225	37 751	4 851	12 772	(1 046)	8 535	114 396
Total revenue and other income	10 360	40 989	5 272	37 962	5 386	13 682	(1 690)	8 212	120 173

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. The most material financial asset measured at fair value relates to investments and securities. The Group has exposure to listed and unlisted investments, with a large portion of these investments backing policyholder liabilities:

At 30 June 2022 (Unaudited) Rm	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Reinsurers' share of policyholder liabilities[1]	2 946	2 946	–	–
Investments and securities[1]	831 055	439 675	352 903	38 477
Derivative financial instruments – assets	10 066	482	9 584	–
Total financial assets measured at fair value	844 067	443 103	362 487	38 477
Financial liabilities measured at fair value				
Investment contract liabilities[1]	360 556	174 744	185 812	–
Third-party interests in consolidated funds	74 359	–	74 359	–
Borrowed funds	9 138	–	9 138	–
Other liabilities	9 531	–	9 531	–
Derivative financial instruments – liabilities	13 973	1 253	12 720	–
Total financial liabilities measured at fair value	467 557	175 997	291 560	–

1 *Included in the line items are assets and liabilities held for sale. Amounts included (all within level 1) are as follows: Reinsurers' share of policyholder liabilities R2.9 billion, Investments and securities R1.6 billion and Investment contract liabilities R4.6 billion. Refer to note H4 for more information and amounts identified as held for sale.*

At 31 December 2021 (Audited) Rm	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Reinsurers' share of policyholder liabilities	3 744	3 744	–	–
Investments and securities	893 261	441 185	406 650	45 426
Derivative financial instruments – assets	6 391	–	6 391	–
Total financial assets measured at fair value	903 396	444 929	413 041	45 426
Financial liabilities measured at fair value				
Investment contract liabilities	392 567	191 616	200 951	–
Third-party interests in consolidated funds	77 308	–	77 308	–
Borrowed funds	8 474	–	8 474	–
Other liabilities	9 917	–	9 917	–
Derivative financial instruments – liabilities	8 084	–	8 084	–
Total financial liabilities measured at fair value	496 350	191 616	304 734	–

Notes to the unaudited condensed consolidated interim financial statements

E: Financial assets and liabilities

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

(b) Level 3 fair value hierarchy disclosure

The table below reconciles the opening balances of Level 3 financial assets and liabilities to closing balances at the end of the period:

Rm	2022 (Unaudited)	2021 (Audited)
Level 3 financial assets – Investments and securities		
At beginning of the period	45 426	37 117
Total net fair value gains recognised in profit or loss	3 449	12
Purchases	1 909	8 316
Sales	(4 388)	(2 133)
Transfers in	12	574
Transfers out	(569)	(172)
Net movement on consolidated investment funds[1]	506	(4 571)
Foreign exchange and other	(7 868)	6 283
Total Level 3 financial assets at end of the period	38 477	45 426
Unrealised fair value gains recognised in profit or loss	(972)	1 758

1 Net movement on consolidated investment funds represents the impact of (i) consolidating new investment funds during the period, (ii) deconsolidating investment funds during the period and (iii) movement in Level 3 investment funds that continued to be consolidated during the year.

(c) Transfer between fair value hierarchies

The Group deems a transfer to have occurred between Level 1 and Level 2 when an active, traded primary market ceases to exist for that financial instrument. During the period, government and listed debt to the value of R5 828 million (31 December 2021: R9 221 million) were transferred from Level 1 to Level 2 as these securities were not actively traded on their primary exchange during the reporting period.

Similarly, the Group deems a transfer to have occurred between Level 2 and Level 1 when an instrument becomes actively traded on the primary market. During the period, government and listed debt instruments to the value of R1 852 million (31 December 2021: R362 million) were transferred from Level 2 to Level 1 as these securities were actively traded on their primary exchange during the reporting period.

A transfer between Level 2 and Level 3 occurs when any significant inputs used to determine fair value of the instrument become unobservable. At 30 June 2022, 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.

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

Level 2 investment and securities

Level 2 assets comprise mainly of pooled investments that are not listed on an exchange, but are valued using market observable prices. Pooled investments represent the Group's holdings of shares or units in open-ended investment companies, unit trusts, mutual funds and similar investment vehicles which are not consolidated.

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 and examination of historical levels. Market data includes the use of a proxy method to derive a volatility or correlation from comparable assets for which market data is more readily available.

Other assets classified as level 2 include unlisted corporate debt, floating rate notes, money market instruments, listed debt securities that were not actively traded during the period and cash balances that are treated as short term funds. The 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 and interbank swap interest rate curves.

(d) 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 repayment 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.

The following table sets out information on significant unobservable inputs used in measuring financial instruments classified as Level 3.

Valuation technique	Significant unobservable input	Range of unobservable inputs
Discounted cash flow (DCF)	Risk adjusted discount rate:	
	– Equity risk premium	2.5% - 6.0%
	– Liquidity discount rate	5.0% - 40.0%
	– Nominal risk free rate	5.6% - 11.0%
	– Credit spreads	1.51% - 15.0%
	– Dividend growth rate	7%
	– Internal rate of return	13.0% - 30.0%
	– Preference dividend accrual rate	7.0% - 12.5%
	– Marketability discount	10.0% - 30.0%
Price earnings (PE) model/multiple/embedded value	PE ratio/multiple	2.0 – 10.0 times
Sum of parts	PE ratio and DCF	See PE ratio and DCF

Notes to the unaudited condensed consolidated interim financial statements

E: Financial assets and liabilities

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

There has been no change to the nature of the key unobservable inputs to Level 3 financial instruments and the interrelationship therein from those disclosed in the financial statements for the year ended 31 December 2021. For the purposes of the sensitivity analysis, the most significant unobservable input used to value level 3 investments and securities has been increased/decreased by 10%. Although the variability of economic indicators may have been more severe during the current period than this, the use of this increment will afford the user the opportunity to assess the impact under multiple economic scenarios.

Rm	2022 (Unaudited)	2021 (Audited)			2022 (Unaudited)	2021 (Audited)
Types of financial instruments	**Fair values**		**Valuation techniques used**	**Significant unobservable input**	**Fair value measurement sensitivity to unobservable inputs**	
Assets						
Investments and securities	**38 477**	45 426	Discounted cash flows (DCF); Price earnings ratios; Adjusted net asset values	Equity risk premium; Liquidity discount rate; Nominal risk free rate; Credit spreads; Dividend growth rate; Preference dividend accrual rate; Marketability discount; PE ratio/multiple	**Favourable: 1 439 Unfavourable: 1 394**	Favourable: 2 819 Unfavourable: 2 743

The table below shows the sensitivity of the fair value of investments and securities per type of instrument at 30 June 2022 and 31 December 2021:

Rm	2022 (Unaudited)	2021 (Audited)		2022 (Unaudited)		2021 (Audited)	
				Sensitivities			
Types of financial instruments	**Fair values**		**Most significant unobservable input**	Favourable impact	Unfavourable impact	Favourable impact	Unfavourable impact
Debt securities, preference shares and debentures	**13 003**	18 983	Discount rate; Credit spreads	**249**	**240**	1 196	1 170
Equity securities	**16 585**	19 244	Discount rate; Price earnings ratio/multiple; Marketability discount rate	**798**	**762**	1 264	1 215
Pooled investments	**8 889**	7 199	Net asset value of underlying investments	**392**	**392**	359	358
	38 477	45 426		**1 439**	**1 394**	2 819	2 743

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

The Group has satisfied the criteria for designation of financial instruments as fair value through profit or loss in terms of the accounting policies as described in note E1 of the financial statements for the year ended 31 December 2021. Fair value movements on financial assets designated at fair value through profit or loss is recognised in investment return (non-banking and banking) and interest and similar income in the consolidated income statement.

Where the business model of a portfolio met the definition of amortised cost or FVOCI, the Group elected to designate the portfolio at fair value through profit or loss. This was done to eliminate mismatches between the valuation of the investment assets and the valuation of the policyholder liabilities. Policyholder liabilities are valued at fair value through profit or loss and hence the assets backing the policyholder liabilities should also be as fair value through profit or loss.

Designation of instruments as fair value through profit or loss, is consistent with the Group's risk management strategy and investment mandates. The fair value of the instruments is managed and reviewed on a regular basis by the risk and investment functions of the Group. The risk of the portfolio is measured and monitored on a fair-value basis.

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:

	Financial liabilities where the change credit risk is recognised in OCI			
Rm	Fair value	Current financial period	Cumulative	Contractual maturity amount
Borrowed funds at 30 June 2022 (Unaudited)	**9 138**	**65**	**402**	**8 951**
Borrowed funds at 31 December 2021 (Audited)	8 474	64	337	8 250

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.

Notes to the unaudited condensed consolidated interim financial statements

E: Financial assets and liabilities

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 that are measured 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 fair value of these assets approximates its carrying value, except for loans and advanced for which the fair value is set out below.

The table below shows the fair value hierarchy only for those liabilities not measured at fair value. Additional information regarding these and other financial instruments not carried at fair value is provided in the narrative following the table:

Rm	Carrying value	Fair value Level 1	Level 2	Level 3	Total
Financial assets					
Investments and securities at 30 June 2022 (Unaudited)	**6 805**	**–**	**6 686**	**–**	**6 686**
Investments and securities at 31 December 2021 (Audited)	6 127	–	6 035	–	6 035
Financial liabilities					
Borrowed funds at 30 June 2022 (Unaudited)	**9 003**	**–**	**9 003**	**–**	**9 003**
Borrowed funds at 31 December 2021 (Audited)	9 032	–	9 032	–	9 032

Investments and securities

For investments that are carried at amortised cost in terms of IFRS 9, the fair value has been determined based on either discounted cash flow analysis where an instrument is not quoted or where an investment is quoted within an inactive market (Level 2).

Loans and advances

Loans and advances are carried at amortised cost in terms of IFRS 9. The loans and advances 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

For borrowed funds that are carried at amortised cost in terms of IFRS 9, 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).

F: Analysis of financial assets and liabilities

F1: Insurance and investment contracts

(a) Critical accounting estimates and judgements – Insurance and investment contract liabilities

(i) Life insurance contract liabilities

Whilst the directors consider that the gross life insurance contract liabilities and the related reinsurance recoveries are fairly stated on the basis of the information currently available to them, the ultimate liability will vary as a result of subsequent information and events and may result in significant adjustments to the amount provided.

Pandemic reserve

The emergence of the COVID-19 pandemic has had a significant impact on the level of judgement management had to apply in assessing the impact of the pandemic on the cashflows used to measure the insurance contract liabilities.

In the current period, COVID-19 did not continue to have a significant impact on claims experience. Wave 4 and Wave 5 hospital admissions and excess deaths experience were less pronounced in the insured population due to the recent variants being more transmissible but less virulent than previous variants. Furthermore, significant insured population immunity has been achieved though vaccinations and prior infections.

Rm	Mass and Foundation Cluster	Personal Finance	Old Mutual Corporate	Rest of Africa	Group
Pandemic provision as at 31 Dec 2021	**353**	**1 761**	**372**	**378**	**2 864**
H1 Release of COVID-19 provisions	–	(231)	(50)	(11)	(292)
Pandemic provisions as at 30 June 2022	**353**	**1 530**	**322**	**367**	**2 572**

The release of COVID-19 provisions of R292m represents the total impact in the current year income statement. The pandemic reserve at 30 June 2022 is included within the financial statement line item 'Life insurance contract liabilities' on the statement of financial position.

The volatility in operating earnings caused by the pandemic over the last two years has stabilised in the current year as the ongoing impact of the pandemic becomes more muted compared to what was assumed in our reserving.

In the current period provision releases offset any adverse experience, which overall was lighter than expected experience. At year-end we will reassess all of the remaining COVID-19 provisions, in light of the longer-term impacts of COVID-19 on mortality and morbidity (and increased pressure on persistency).

The sensitivity analysis of the COVID-19 provisions was not updated for the period, given that the pandemic no longer has a material impact on operational earnings, other than provisions being released to offset any adverse experience.

Discretionary reserves

Insurance and investment contract liabilities in South Africa are determined as the aggregate of:

- Best estimate liabilities, with assumptions allowing for the best estimate of future experience and a market-consistent valuation of financial options and guarantees;
- Compulsory margins, prescribed in terms of South African professional actuarial guidance note (SAP 104) as explicit changes to actuarial assumptions that increase the level of insurance and investment contract liabilities held; and
- Discretionary margins, permitted by SAP 104, to allow for the uncertainty inherent in estimates of future experience after considering available options of managing that experience over time, or to defer the release of profits consistent with policy design or company practice.

Discretionary margins of R6 696 million (0.9% of total insurance and investment contract liabilities) were held at 30 June 2022 (31 December 2021: R6 721 million, 0.9% of total insurance and investment contract liabilities). This consisted largely of:

- Margins held for Mass and Foundation Cluster protection business, which allow for the uncertainty related to mortality experience in South Africa, future lapse experience and to ensure that profit is released appropriately over the term of the policies;
- Margins to allow for the uncertainty inherent in the assumptions used to value financial options and guarantees, implied volatility assumptions in particular, which are difficult to hedge due to the short term nature of the equity option market in South Africa;
- Margins on non-profit annuities, due to the inability to fully match assets to liabilities as a result of the limited availability of long-dated bonds, and to provide for longevity risk; and
- Margins for the uncertainty inherent in future economic assumptions used to calculate, mainly protection product liabilities, in the Personal Finance and Wealth Management and Mass and Foundation Cluster businesses. Although interest rate hedging is used to manage interest rate risk on these products, the volatility of bond yields in South Africa means that it is difficult to maintain appropriate hedging positions without incurring significant trading costs. The discretionary margin therefore caters for the residual uncertainty present after allowing for the hedge programme that is in place.

Notes to the unaudited condensed consolidated interim financial statements

F: Analysis of financial assets and liabilities

F1: Insurance and investment contracts

(ii) Property & Casualty liabilities

The Group has continued to support policyholders impacted by the pandemic and the lockdowns imposed by government. With the passing of time and availability of more data, the amount of uncertainty relating to the net provisions held has reduced. However, some uncertainty remains, and specific additional provisions remained unchanged in the first half of the year based on outcomes of investigations which support the level of reserving held at the year end. As the claims are paid as final settlement any adjustments to the amount of claims provisions established in prior years are reflected in the profit or loss in the financial statements for the period. The Group continues to extend its support to policyholders and its intermediaries to ensure that all valid claims were settled on a timely basis.

It should be noted that the claims experience and provision results are subject to economic developments, which are unpredictable and often cannot be projected from past reporting patterns.

COVID-19 impacts

By the end of June 2022, there have been a total of 1 991 Business Interruption (BI) claims received by OM Insure of which:

- 386 were paid in full and final settlement;
- 33 partial payments;
- 214 SME and other Relief Fund claims settled;
- 142 were withdrawn by policyholders;
- 21 were rejected;
- 960 claims that are not covered and as such 'No cover' letters issued to claimants; and
- The remaining 235 are still being assessed.

The table below illustrates the BI claims provisions and payments/recoveries position as at 30 June 2022 within OM Insure, excluding CGIC:

Rm	Gross	RI	Net
Provision as at December 2021	(1 312)	1 506	194
Claims paid/(recovered)	298	(701)	(403)
Change in estimates	114	(154)	(40)
Provision as at June 2022 (Unaudited)	(900)	651	(249)

(b) Analysis of policyholder liabilities

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

At 30 June and 31 December Rm	2022 (Unaudited) Gross	2022 (Unaudited) Reinsurance	2022 (Unaudited) Net	2021 (Audited) Gross	2021 (Audited) Reinsurance	2021 (Audited) Net
Life assurance policyholder liabilities						
Total life insurance contracts liabilities	143 956	(4 182)	139 774	155 349	(4 099)	151 250
Life insurance contracts liabilities	140 093	(3 803)	136 290	151 451	(3 628)	147 823
Outstanding claims	3 863	(379)	3 484	3 898	(471)	3 427
Investment contract liabilities	591 301	(2 973)	588 328	639 270	(3 759)	635 511
Unit-linked investment contracts and similar contracts[1]	364 434	(2 946)	361 488	392 705	(3 744)	388 961
Other investment contracts	1 050	–	1 050	1 082	–	1 082
Investment contracts with discretionary participating features	225 817	(27)	225 790	245 483	(15)	245 468
Total life assurance policyholder liabilities	735 257	(7 155)	728 102	794 619	(7 858)	786 761
Property and Casualty liabilities						
Claims incurred but not reported	2 649	(1 132)	1 517	2 589	(970)	1 619
Unearned premiums	3 917	(1 281)	2 636	3 400	(1 273)	2 127
Outstanding claims	6 220	(4 925)	1 295	5 217	(3 271)	1 946
Total property and casualty liabilities	12 786	(7 338)	5 448	11 206	(5 514)	5 692
Total policyholder liabilities	748 043	(14 493)	733 550	805 825	(13 372)	792 453

1 *Included in Investment contract liabilities is an amount of R4.6 billion gross and R2.9 billion reinsurance that is classified as held for sale. Refer to note H4 for more information and amounts identified as held for sale.*

(c) Sensitivity analysis

(i) Life insurance contract liabilities

Changes in key assumptions used to value insurance contracts would result in increases or decreases to the insurance contract provisions recorded, with impact on profit/(loss) and/or shareholders' equity. The effect of a change in assumption is mitigated by the offset (partial or full) to the bonus stabilisation reserve in the case of smoothed bonus products in South Africa.

The table shows the impacts of applying the sensitivity over the full remaining duration of the policyholder contracts, which would be significantly higher than a single year's change in experience. The results are also shown before allowing for any management actions likely to be applied (e.g. premium rate reviews or changes in discretionary margins), and therefore do not necessarily translate directly into an impact on profits:

Six months ended 30 June 2022 and year ended 31 December 2021 Rm	Change in assumption percentage 2022 and 2021	Increase/(decrease) in liabilities 2022 (Unaudited)	Increase/(decrease) in liabilities 2021 (Audited)
Assumption			
Increase in mortality and morbidity rates – assurance	10	7 117	7 410
Decrease in mortality rates – annuities (longevity)	(10)	1 149	1 184
Discontinuance rates	10	(24)	(107)
Expenses (maintenance)	10	1 427	1 241
Valuation discount rate	1	273	272

Notes to the unaudited condensed consolidated interim financial statements

F: Analysis of financial assets and liabilities

F1: Insurance and investment contracts

The calculation of the Group's South African life assurance contract liabilities is sensitive to the discount rate used to value the liabilities. The methodology applied by the Group complies with South African professional actuarial guidance (SAP 104 guidance note), with the reference rate for the majority of products selected as the South African debt market 10-year bond yield. For non-profit annuities and protection products, where cash flows are hedged, the liabilities are discounted using the yield curve corresponding to the nature of the hedging assets.

It should be noted that where the assets and liabilities of a product are closely matched (e.g. non-profit annuity business) or where the impact of a lower valuation discount rate is hedged or partially hedged, the net effect has been shown as the asset movement fully or partially offsets the liability movement.

The insurance contract liabilities recorded for South African businesses are also impacted by the valuation discount rates assumed. Lowering the discount rate by 100bps (with a corresponding reduction in the valuation inflation rate) would have no significant impact on insurance contract liabilities or profit in 2022 (Dec 2021: no impact). There continues to be no significant impact in 2022 due to management actions taken to reduce the impact of changing interest rates on operating profit.

This impact is also calculated with no change to the charges paid by policyholders.

F2: Borrowed funds

At 30 June 2022 (Unaudited) Rm	Mass and Foundation Cluster	Old Mutual Insure	Rest of Africa	Other Group Activities	Total
Term loans	5 000	–	2 853	–	7 853
Revolving credit facilities	–	–	650	–	650
Subordinated debt securities	–	500	–	9 138	9 638
Total borrowed funds	5 000	500	3 503	9 138	18 141

At 31 December 2021 (Audited) Rm	Mass and Foundation Cluster	Old Mutual Insure	Rest of Africa	Other Group Activities	Total
Term loans	5 000	–	2 532	–	7 532
Revolving credit facilities	350	–	650	–	1 000
Subordinated debt securities	–	500	–	8 474	8 974
Total borrowed funds	5 350	500	3 182	8 474	17 506

Breaches of covenants

As at 30 June 2022, the financial covenants on four existing loans were in breach. The funding was raised to support operations in the Rest of Africa segment.

The loans in breach totalled R96 million (US$ 5.8 million). Waivers for one of the four breached loans were received and the Group is still in negotiation with the lenders to either amend the breached covenants or to provide formal waivers. The lenders of these breached loans have the right to call the outstanding amounts at any time. At 30 June 2022, none of these breached loans have been called on.

The breaches of the covenants by the individual businesses do not impact the Group's ability to obtain additional funding.

G: Non-financial assets and liabilities

G1: Fair value of the Group's properties

The fair value of the Group's properties is categorised into Level 3 of the fair value hierarchy.

Overall, there has been an increase in the property assets balance. This was largely attributable to additions and fair value gains in the current financial year.

The South Africa property portfolio accounts for 61.3% (Dec 2021: 60.4%) of total property assets and is predominantly exposed to the retail property sector. Although the lockdown restrictions have been lifted, COVID-19 is still a threat on the ability for retailers to trade, impacting current period rentals, growth assumptions applied in the property valuations as well as the period of time required to lease space.

Unobservable inputs are inputs for which there is no market data available. They are developed using the best information available about the assumptions that market participants would use when pricing the asset or liability.

The table below sets out information about significant unobservable inputs used at the end of the period in measuring investment and owner-occupied properties categorised at level 3:

Type of property	Valuation approach	Key unobservable inputs	Range of estimates for unobservable inputs
Income-generating assets – commercial/ retail/ industrial properties and owner occupied properties	Valued using the internationally and locally recognised Discounted Cash Flow (DCF) method. A minimum of five years (if required for specific leases, a longer period is used) of net income is discounted at a market-related rate, together with the present value of the capitalised net income in year six. Net income is determined by considering gross income, vacancies and lease obligations from which all normalised operating expenditure is deducted. The discount rate is determined with reference to the current market conditions and is constantly monitored by reference to comparable market transactions.	Valuation capitalisation and discount rates are based on industry guidelines predominantly from South African Property Owners Association (SAPOA) and Investment Property Databank (IPD) as well as comparison to listed property funds in South Africa. For properties in Bulgaria and Romania, valuation yields and discount rates are based on industry guidelines from the Bulgarian National Statistics Institute and Association of Authorised Romanian Valuers (ANEVAR) respectively. Where market rentals are used, these are based on the valuers assumptions and information they have based on similar valuations they have done or sourced from external brokers. Vacancy rates are based on property specific data.	South African Properties: **Office** Capitalisation rates: 8.3% (Dec 2021: 8.3%) Discount rates: 12.8% (Dec 2021: 12.8%) Market rentals: R100 to R275 per m^2 (Dec 2021: R90 to R190 m^2) Vacancy rates: 0.0% (2021: 0.0%) **Retail** Capitalisation rates: 6.8% to 11.0% (Dec 2021: 6.8% to 11.0%) Discount rates: 11.3% to 15.5% (Dec 2021: 11.3% to 16.8%) Market rentals: R104.20 to R333.90 per m^2 (Dec 2021: R33.66 to R2 691.26 per m^2) Vacancy rates: 0.0% to 25.5% (Dec 2021: 0.0% to 15.5%) **Industrial** Capitalisation rates: 8.8% to 11.0% (Dec 2021: 8.8% to 11.0%) Discount rates: 13.3% to 15.0% (Dec 2021: 13.3% to 15.0%) Market rentals: R43.1 to R75 per m^2 (Dec 2021: R29.75 to R71.28 per m^2) Vacancy rates: 0.0% to 6.3% (Dec 2021: 0.0% to 18.3%)

Notes to the unaudited condensed consolidated interim financial statements

G: Non-financial assets and liabilities

G1: Fair value of the Group's properties

Type of property	Valuation approach	Key unobservable inputs	Range of estimates for unobservable inputs
			Bulgarian Properties: Office Capitalisation rates: 7.4% to 7.6% (Dec 2021: 7.4% to 7.6%) Discount rates: 9.9% to 10.1% (Dec 2021: 9.3% to 9.5%) Market rentals: EUR 11.67 to EUR 14.69 per m² (Dec 2021: EUR 10.84 to EUR 15.14 per m²) Vacancy rates: 1.9% to 17.5% (Dec 2021: 2.5% to 2.8%) Romanian Properties: Office Capitalisation rates: 6.9% (Dec 2021: 6.9%) Discount rates: 9.3% (Dec 2021: 8.4%) Market rentals: EUR 15.23 to EUR 16.42 per m² (Dec 2021: EUR 15.0 per m²) Vacancy rates: 0% (Dec 2021: 2.5%) East Africa: Office Capitalisation rates: 7.9% to 8.9% (Dec 2021: 7.9% to 8.9%) Discount rates: 12.9% to 14.9% (Dec 2021: 12.9% to 14.9%) Market rentals: USD 8.56 to USD 9.51 per m² (Dec 2021: USD 8.56 to USD 9.51 per m²) Zimbabwe Properties: Capitalisation rates: 4.0% to 8.0% (Dec 2021: 4.6% to 8.0%) Market rentals: ZWL$653 to ZWL$3 700 per m² (Dec 2021: ZWL$104 to ZWL$2 148.0 per m²) Vacancy rates: 10.0% (Dec 2021: 10.0%)
Land (South Africa)	Valued according to the existing zoning and town planning scheme at the date of valuation with a cost allocation for the pro rata share of construction costs actually incurred and paid by the owner allocated pro rata to the land portions in proportion to the bulk available for each portion. However there are cases where exceptional circumstances need to be considered.	The land per m² and bulk per m² are based on comparable sales and zoning conditions. Discount rates are based on industry guidelines predominantly from SAPOA and IPD as well as comparison to listed property funds in South Africa.	Land Per m² (net): R250 to R1 400 (Dec 2021: R144 to R511)
Near vacant properties	Land value less the estimated cost of demolition.	Recent sales of land in the area and local government valuation rolls adjusted for estimated cost of demolition.	Land value per m²: R75 to R733 (Dec 2021: R75 to R733)

(a) Sensitivity analysis

Six months ended 30 June 2022 and year ended 31 December 2021 Rm	2022 (Unaudited)	2021 (Audited)
An increase of 1% in discount rates would decrease the fair value by:	(2 053)	(1 632)
A decrease of 1% in discount rates would increase the fair value by:	1 912	1 810
An increase of 1% in capitalisation rates would decrease the fair value by:	(3 282)	(2 869)
A decrease of 1% in capitalisation rates would increase the fair value by:	3 671	3 781
An increase of 10% in market rentals per m² would increase the fair value by:	3 121	2 818
A decrease of 10% in market rentals per m² would decrease the fair value by:	(3 094)	(2 842)

The assessment above depicts the potential impact on profit or loss as a result of the change in the parameter identified.

Notes to the unaudited condensed consolidated interim financial statements

H: Other notes

H1: Related parties

The nature of the related party transactions of the Group has not changed from those described in the consolidated financial statements for the year ended 31 December 2021.

H2: Contingent liabilities and commitments

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.

Tax

The Group is committed to conducting its tax affairs in accordance with the tax legislation of the countries in which the Group operates. All interpretations by management, are made with reference to the specific facts and circumstances of the transaction and in the context of relevant legislation, practice and directives.

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

The financial statements record and evaluate tax positions in terms of IFRIC 23 – Uncertainty over Income Tax Treatments, IAS 37 – Provisions, Contingent Liabilities and Contingent Assets and IAS 12 – Income Taxes, which sets out how to account for the tax position, when there is uncertainty over income tax treatment.

Where applicable, the impact of the above standards on the respective legal entities in the Group have been considered.

The Board is satisfied that adequate provisions have been made to cater for the resolution of uncertain tax matters and that the resources required to fund such potential settlements, where necessary, are sufficient. Due to the level of estimation required in determining tax provisions amounts eventually payable may differ from the provision recognised.

Impact of the tax rate change disclosure

As at 30 June 2022, the effect of the change in the corporate tax rate on the Group deferred tax liability is a reduction of R24 million. The Group will continue to evaluate the rate change impact based on an assessment of the expected reversal of the deferred tax assets and liabilities over the 2022 reporting period.

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.

Old Mutual Unit Trust Managers and Living Hands Umbrella Trust case

The Living Hands Umbrella Trust (the "Trust"), formerly known as the Matco Trust were invested in Old Mutual unit trust funds, which were administered by Old Mutual Unit Trusts Managers (RF) (Pty) Ltd (OMUT). These funds were invested by the Trust's then sole trustee and administrator, being Mantadia Asset Trust Company (Pty) Ltd (Matco).

In October 2004, OMUT was instructed by its client, Matco to disinvest the unit trust holdings. After verifying the authenticity of the disinvestment instruction, OMUT processed the disinvestment and transferred the cash value of the assets held at the time into the bank account of its client, Matco Trust. After receiving the deposits into its bank account, Matco placed the funds under the control of Fidentia Asset Management (Pty) Ltd (Fidentia). OMUT believes that its actions were in accordance with its contract with Matco as well as the applicable laws and regulations.

The case was brought against OMUT by the Living Hands Umbrella Trust for R1.2 billion. The court found that although OMUT had acted in accordance with the client's instructions, it should have further interrogated the instruction and informed the regulator about it.

The direct cause of the loss suffered in this matter was the fraudulent actions of Fidentia, well after OMUT had transferred the funds following an authorised client instruction to do so. In the circumstances and following our verification of the authenticity of the transfer of ownership, it is OMUT's view that it was legally obligated and had no other option but to transfer the money.

The judgement handed down by the High Court of South Africa on 12 July 2022 has quantified OMUT's liability as: a capital amount of R 854 650 643, plus interest of R854 650 643 accrued at the maximum amount from the date of origin of the debt, plus interest on the capital amount determined at the rate of 15.5% per annum calculated from date of judgement, and the costs of the action, including the costs pertaining to the arrangements to have witnesses testify, and the costs of three counsel where so employed. OMUT has lodged its application for leave to appeal this judgement on 29 July 2022.

Outcome of Zimbabwean Commission Inquiry

A commission of inquiry established by the Zimbabwean Government concluded its investigation 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 inquiry were made public.

On the 12th of July 2022, the Cabinet disclosed the Compensation Framework for value lost when insurance and pension values were converted from Zimbabwean dollars to United States dollars in 2009. Industry players have been invited to provide input before the final Statutory Instrument is promulgated.

Old Mutual has sought clarification and further guidance on certain provisions of the draft from the Insurance and Pensions Commission (IPEC), particularly those pertaining to the methodology and formulas to be used in determining compensation amounts. These engagements are currently underway as at the time of reporting. As such we are not currently able to establish what impact the Commission's finding 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.

Future potential 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 (RF) (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's 75% shareholding in Old Mutual Finance is held by Old Mutual Capital Holding (Pty) Ltd (OMCH), a wholly owned subsidiary of Old Mutual Emerging Markets (Pty) Ltd (OMEM). OMCH has a call option to acquire Business Doctor's 25% shareholding in Old Mutual Finance, and Business Doctor has a put option to dispose of its 25% shareholding in Old Mutual Finance to OMCH, at market value on the occurrence of certain events, inter alia on the eighth and tenth anniversary (i.e. in 2022 and 2024 respectively) of the implementation date of the Old Mutual Finance Relationship Agreement.

Commitments under derivative instruments

The Group enters into option contracts, financial futures 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.

H3: Acquisitions of businesses during the current reporting period

The Group, through its wholly owned subsidiary, Old Mutual Insure Limited, acquired 51% of the share capital of ONE Financial Services Holding Proprietary Limited, a South African short-term insurance service provider, with effect from 3 January 2022, and is a business combination within the scope of IFRS 3. The acquisition forms part of the Group's growth strategy and will enable the Group to strengthen its distribution capabilities and non-insurance revenue streams by broadening the Group's base in the market place.

As at 30 June 2022, the Purchase Price Allocation has not yet been finalised and provisional numbers have been included.

H4: Assets held for sale

The Group disposed of an investment property (R21 million) classified as held for sale and reclassified an investment property previously classified as held for sale (R149 million) during the 2022 reporting period. The Group further classified total assets of R4.8 billion and total liabilities of R4.7 billion into assets and liabilities held for sale relating to the sale of a subsidiary as part of the ongoing simplification efforts of the Group. The assets and liabilities held for sale comprised mainly reinsurers' share of policyholder liabilities (R2.9 billion), investments and securities (R1.6 billion), cash and cash equivalents (R259 million) and investment contract liabilities (R4.6 billion). This transaction has an immaterial impact on profit or loss. It is expected that the disposal of this subsidiary will be concluded within the next 12 months.

H5: Events after the reporting date

The directors are not aware of any material events (as defined per IAS 10 – Events after the Reporting Period) after the reporting date of 30 June 2022 until the date of authorisation of these unaudited condensed consolidated financial results except for those disclosed under contingent liabilities.