REVIEWED PRELIMINARY ANNUAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2022

DO GREAT THINGS EVERY DAY

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

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

All images were taken from the countries in which we operate.

Cover image:
Mohembo West, Botswana - Coordinates 18.2829361° N, 21.7930082° E

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Cautionary Statement

This report may contain forward looking statements with respect to certain of Old Mutual Limited's plans and its current goals and expectations relating to its future financial condition, performance and results and, in particular, estimates of future cash flows and costs. By their nature, all forward looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Old Mutual Limited's control including amongst other things, domestic conditions across our operations as well as global economic and business conditions, market related risks such as fluctuations in equity market levels, interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which Old Mutual Limited and its affiliates operate. As a result, Old Mutual Limited's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Old Mutual Limited's forward looking statements. Any reference to future financial performance has not been audited or reported on by the Group's auditors. Old Mutual Limited undertakes no obligation to update the forward looking statements contained in this report or any other forward looking statements it may make. Nothing in this report shall constitute an offer to sell or the solicitation of an offer to buy securities.

Notes to Editors

A webcast of the presentation of the 2022 Annual Results and Q&A will be broadcast live on 14 March 2023 at 11:00 am South African time on the Company's website www.oldmutual.com. Analysts and investors who wish to participate in the call may do so using the following link or telephone numbers below:

Click here

South Africa	+27 105 004 108
UK	+442 036 088 021
Australia	+61 739 111 378
USA	+14 123 170 088
International	+27 105 004 108
Replay Access Code	43676

Pre-registration to participate in the call is available at the following link:

Click here

The replay will be available until 14 April 2023.

About Old Mutual Limited

Old Mutual is a premium African financial services group that offers a broad spectrum of financial solutions to retail and corporate customers across key market segments in 14 countries. Old Mutual's primary operations are in Africa, and it has a niche business in Asia. With over 177 years of heritage across sub-Saharan Africa, Old Mutual is a crucial part of the communities it serves as well as broader society on the continent.

For further information on Old Mutual Limited, and its underlying businesses, please visit the corporate website at www.oldmutual.com.

Feedback

Your feedback is important to us, and we welcome your input to enhance the quality of our reporting. We have implemented changes to improve the presentation on the Group results commentary and Additional disclosures. We have also renamed the Rest of Africa segment to Old Mutual Africa Regions and net expenses from central functions segment to net result from group activities. For any further feedback please contact Investor Relations.

The preliminary condensed consolidated financial information for the year ended 31 December 2022 and the notes to the condensed consolidated financial statements have been reviewed by our independent joint auditors, Ernst & Young Inc. and Deloitte & Touche, who expressed an unmodified review conclusion. The review report is available on page 66 of this report. The review report does not necessarily report on all information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditors' engagement they refer to the review report on page 66 or they should obtain a copy of the review report together with the accompanying financial information from the issuer's registered office.

Johannesburg, South Africa - Coordinates 26.10675° S, 28.05790° E

CONTENTS

2022 Reflections

Responsible investment and environment

Named **Best Responsible ESG Investor Africa** by Capital Finance International for the 2nd time

R146 billion
of our funds under management invested in the **Green Economy**

AAA
MSCI ESG Rating on ESG Equity Fund

Active stewardship
968 245
Resolutions
(Voted AGAINST on 10%)

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

Social

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

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

Level 1 B-BBEE certification since 2019

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

R290 million
Invested in SMMEs (2021: R260 million)

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

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

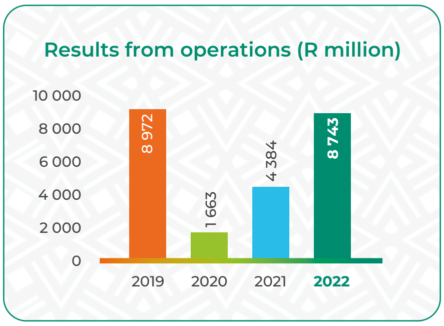
Governance

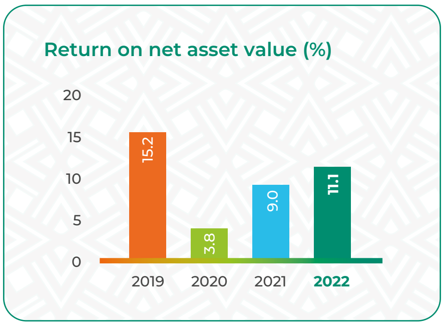
50%
Of **board members are black South Africans** (2021: 50%)

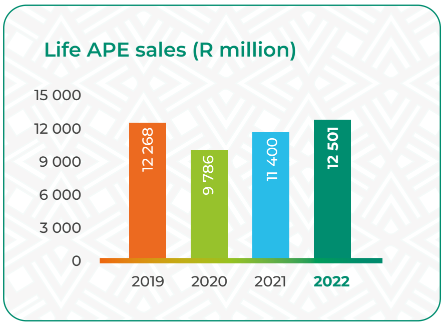
29%
Of **board members** are **female** (2021: 31%)

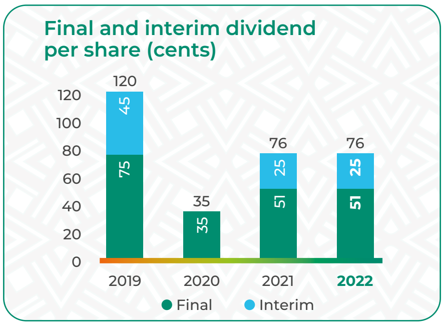
NO
Material **fines issued by regulators in 2022**

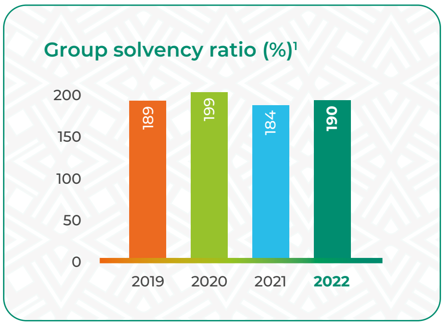
(16%)
reduction in **financial crime** incidents











1. *FY 2020 solvency ratio has been re-presented for the accounting consolidation method. The Group solvency ratio has been calculated in line with the accounting consolidation method since FY 2021.*

A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

1st
insurer to facilitate a B-BBEE share offer to black South African public

R2.1 bn
transformation B-BBEE transaction

DID YOU KNOW

Old Mutual's empowerment transaction, called **Bula Tsela** or Pave the Way in Sesotho, marks a major milestone in South Africa's B-BBEE history.

This deal has put 205.3 million new Old Mutual shares in the hands of ordinary South Africans, unlocking the power of diversity and inclusion by giving qualifying South Africans the opportunity to start saving for their lifetime goals.

Bula Tsela is transformation in action, helping to build a sustainable and positive future for all.

A message from the Chief Executive Officer

Iain Williamson
Chief Executive Officer

I am very pleased with our robust operating performance with strong sales and earnings. We demonstrated resilience as we continued to navigate a challenging environment and remained true to our purpose of championing mutually positive futures every day.

Overview

The Group delivered a solid set of financial results in 2022 despite the difficult macro-economic environment and market volatility. The pressure on our operating earnings caused by the COVID-19 pandemic has lifted as the ongoing impact of the pandemic becomes muted.

Our good sales performance was achieved on the back of successful execution of our strategy as we continued to enhance our customer and adviser experience. We are also building our transactional capabilities in South Africa as a key component of becoming our customers' first choice to sustain, grow and protect their prosperity.

We implemented our Broad-Based Black Economic Empowerment deal, Bula Tsela in November 2022. This transaction aims to increase our B-BBEE ownership to above 30% and has enabled us to deliver on our transformation commitments. The Bula Tsela deal was shortlisted for the 2022 Exxaro DealMakers BEE Deal of the Year Award.

Operating environment

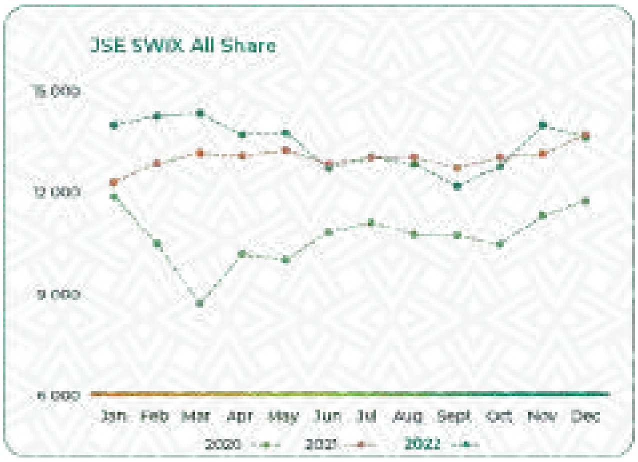
While 2021 experienced significant post COVID-19 growth, 2022 was characterised by the after effects of the rebound, including supply chain constraints, resurgence of COVID-19 in China and the ongoing impact of Russia's war in Ukraine. These factors weighed on global economic activity in 2022. Inflation continued to accelerate as economies experienced a rapid rise in food and energy prices. This resulted in significant interest rate increases as central banks attempted to combat the rise in inflation across most developed and emerging economies.

The South African economy grew by 2% in 2022, lower than the 4.9% achieved in 2021. Severe load shedding and flooding in KwaZulu-Natal, which damaged infrastructure and manufacturing facilities, further hampered economic growth.

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

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

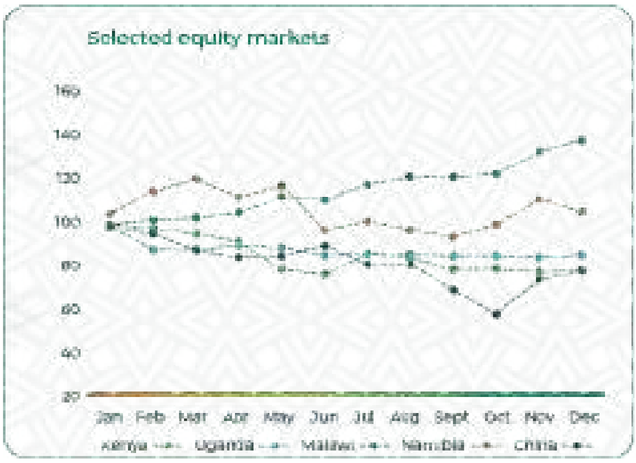
The South African equities markets declined relative to the prior year on the back of global market volatility.



Source: Bloomberg

The operating environment across our Africa regions was similarly challenging with policymakers also having to grapple with exchange rate volatility and shrinking economic resources. In Kenya, Malawi and Ghana, the fiscal pressures resulting from increased debt repayments forced governments into International Monetary Fund budget support programmes. Furthermore, in Malawi, acute dollar scarcity led to fuel shortages and challenges in meeting dollar-denominated obligations. These economic conditions led to reduced customer spending due to lower disposal income and poverty levels, which have limited the affordability of insurance and savings products. Socio-political risk continued to heighten in several countries, exacerbated in Zimbabwe and Nigeria by upcoming elections.

All selected equity indices across our Africa regions (except for Malawi) have decreased relative to the prior year on the back of global market volatility.



Source: Bloomberg

Key performance overview

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

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

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

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

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

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

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

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

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

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

A message from the Chief Executive Officer

Strategic overview

The continued momentum in our financial delivery reinforces the appropriateness of our strategic choices. These choices are anchored in our victory condition of becoming our customers' first choice while responsibly delivering long-term value for all our stakeholders. Over the past year, we continued to shift our focus towards amplifying growth while we deliver on our victory condition. We made steady progress over the year on several fronts.

Growing and protecting the core

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

We have been on a multi-year journey towards embedding digitalisation across our operations. A core part of this was the establishment of our new retail product platform, off which we launched our Old Mutual Protect proposition in 2020, as well as the migration of our South African legacy IT estate.

By December 2022, we successfully migrated 95% of our South African legacy IT estate into the cloud, compared to 51% reported in the prior year. The migration enables us to improve service stability and availability, enhance our estate security and lower our infrastructure costs. Importantly, however, the shift to the cloud allows us to innovate and execute at pace, with significant reductions in lead times to deploy new systems and solutions. Beyond the migration, we also continued to integrate our critical business applications into the cloud-based ecosystem to provide innovative experiences for customers, advisers and employees. Cloud technology has enabled our data platform, which powers our MyOldMutual ecosystem. We believe this improves our competitiveness in the broader industry.

We have seen continued growth in our Rewards programme membership, which reached 1.8 million members, up from 1.3 million as at December 2021. Apart from the continued improvements in scale, we are also starting to see better product cross-holding and persistency across our customer base. Customers that are members of Old Mutual Rewards have, on average, 35% more needs met.

We have progressed the turnaround across our Africa regions as the strategic pivot to corporate business is paying off. Life profits showed a substantial improvement in East and West Africa with more than 80% of operating entities returning profits in 2022.

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

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

Unlocking new growth engines

We are making good progress across our portfolio of new growth engines. While these currently represent a small part of our business, our investments in these initiatives are critical to ensuring sustainable growth over the long term. Most notably, we received regulatory approval to proceed with our application for a banking licence in South Africa. This represents a natural extension of our victory condition by enhancing our transactional capability to better sustain our customers' financial prosperity. The bank build is progressing at pace and we have partnered with some of the leading global technology providers to deliver a future-fit, digital first transactional solution.

Since its inception just over 15 months ago, NEXT176 has built strong momentum in its portfolio. There are five ventures currently in incubation, including a digital wills offering as well as a platform which aims to solve for friction points in the early childhood development sector. We also made strategic investments in CoverGo (a "no code" InsureTech platform), and WIZZIT (a mobile payment solutions company).

Responsible value creation

The concept of responsible value creation represents a core part of our identity. We recognise that the well-being of our business is inextricably linked to the well-being of the environment, the economies and the broader societies that we operate in. I am proud of the continued progress we have made across these areas. Earlier in 2022, we became the first South African insurer to join the Net Zero Asset Owner Alliance. Old Mutual Investments also joined the Net Zero Asset Manager Alliance, demonstrating our commitment to achieving carbon neutrality across our investment portfolios by 2050 or sooner. Our efforts are not going unnoticed, Old Mutual Investment Group was awarded Best Sustainable African Investment Manager at the European Global Banking and Finance Awards.

Earlier this year we also announced the launch of our landmark Broad-Based Black Economic Empowerment deal, Bula Tsela. The deal positioned us as the first insurer to offer shares directly to the black South African public and the first in the country to create an opportunity for lower income earners via our retail scheme. The deal structure aims to support meaningful socio-economic transformation and financial inclusion for our communities and employees. The market response considerably exceeded our expectations with the offer being over-subscribed. The scheme was implemented in November 2022 through the issue of 205.3 million new shares. More than 38 000 black South African individuals, small businesses, and groups such as trusts and stokvels qualified to participate in the retail portion of the scheme.

	KPI	Target	FY 2022	Status
Growth	Results from operations	Deliver 2019 result plus 5% to 10% by 2023	R8.7 billion	Delivered[1]
Returns	Return on net asset value	Between Cost of equity[2] +2% and Cost of equity[2] +4%	11.1%	Improvement continuing into 2023
Efficiencies	Cost efficiencies	R750 million by the end of 2022 through our South African insurance and savings businesses	R942 million of savings	Target exceeded
Efficiencies	Value of new business margin	Between 2% and 3%	2.2%	Within range
Efficiencies	Net underwriting margin	Old Mutual Insure net underwriting margin 4% to 6%	3.1%	Below range due to catastrophe claims
Capital	Solvency	Old Mutual Limited: 170% to 200%	190%	Within range
Capital	Solvency	OMLACSA: 175% to 210%	214%	Above range
Capital returns	Dividend cover	Full year cover: 1.5x to 2.0x	1.73x	In line

1. *On a comparable basis to 2019 excluding costs of new growth and innovation initiatives in the transactional capability and NEXT176*
2. *Cost of equity is set at 11.8% for 2022*

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

We continue to evaluate the impact of IFRS 17 and refine the new financial reporting processes, systems and controls that will underpin our IFRS 17 results. Whilst IFRS 17 will not change the underlying fundamentals of our insurance business, our cash generation or our capital strength, it will significantly change how we report on our insurance business. We remain on track to report under IFRS 17 for the first time for the half-year ended 30 June 2023 and restated comparative information for 2022 will be provided.

A message from the Chief Executive Officer

Outlook for 2023

Economic activity continues to be hampered by significant interest rate increases as central banks attempt to combat rising inflation caused by Russia's war in Ukraine. Severe COVID-19 lockdowns in China dampened growth in 2022, with the recent reopening paving the way for a faster than expected recovery. The International Monetary Fund World Economic Outlook for January 2023 forecasts global economic growth of 2.9% for 2023.

Load shedding in South Africa continues to affect economic activity. Failure to address load shedding will have an impact on crop failure, higher food prices and shortages of certain food products, which will further dampen economic growth. In January 2023, the South Africa Reserve Bank increased the repo rate by 25 basis points to control inflation levels. The International Monetary Fund's World Economic Outlook for January 2023 has forecast growth in Sub-Saharan Africa at 3.8% for 2023.

The macro-economic environment in our markets is expected to remain challenging, which will continue to exacerbate financial pressure on our customers. We remain focused on driving sales volumes and profitable sales mix to improve market share growth in our segments.

Despite the challenging headwinds, we are through our recovery phase and have largely delivered on our medium-term targets one year ahead of schedule. Our next set of results will be prepared on an IFRS 17 basis and we will communicate the revised medium-term targets in due course.

I would like to thank all my colleagues for their contributions in achieving this pleasing set of results. Our focus over 2023 is to continue 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
Chief Executive Officer of Old Mutual Limited

RESULTS COMMENTARY

180
units built

Over
N$80
million in financing

DID YOU KNOW

The development and construction of the **KwaNkomo housing development**, a 180-apartment complex targeting the affordable housing market in Kuisebmond in Walvis Bay, was made possible through bridge financing from the Tunga Real Estate Fund, an unlisted property and housing fund managed by Old Mutual Investment Group Namibia Proprietary Limited.

The apartments will be leased at affordable rates to Kuisebmond residents, increasing the availability of much-needed quality, affordable housing for residents of Walvis Bay.

Walvis Bay, Namibia – Coordinates 22.9584° S, 14.5058° E

Group highlights

GROUP FINANCIAL REVIEW

Key performance indicators

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

Per share measures[3]

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

1 These metrics include the results of Zimbabwe. All other key performance indicators exclude Zimbabwe.
2 Discretionary capital was externally disclosed since September 2022 at R3.5 billion.
3 Per share measures can be found on page 90 of reviewed condensed AFS.
4 Adjusted headline earnings is calculated with reference to adjusted weighted average number of ordinary shares. Weighted average number of shares used in the calculation of the adjusted headline earnings per share is 4 557 million (FY 2021: 4 558 million).
5 Group equity value calculated with reference to closing number of ordinary shares. Closing number of shares used in the calculation of the group equity per share is 4 914 million (FY 2021: 4 709 million).

For more information on our group financial review, see page 32-42.

SEGMENT REVIEWS

Supplementary performance indicators

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

For more information on our segment highlights, see page 44.

Impact on comparability of results

Nedbank unbundling

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

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

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

COVID-19

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

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

Building a transactional capability

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

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

IFRS 17

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

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

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

Refer to the Condensed consolidated annual financial statements from page 111 to 112 for a detailed disclosure on IFRS 17.

Group financial review

Supplementary income statement

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

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

A Net result from group activities[1]

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

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

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

B Shareholder investment return

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

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

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

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

The South African listed protected equity portfolio (excluding Nedbank) returned 4.3% for the year. Over the same period, the Capped SWIX40 Index returned 6.5%, driven by a strong rally in equity markets in the fourth quarter of the year. By year end, the portfolio was fully transitioned from the SWIX40 Index to the Capped SWIX40 Index, with the Capped SWIX40 index outperforming the SWIX40 by 1.9% for the year.

The hedging strategies on the protected equity portfolio, excluding Nedbank, are executed in the form of zero cost collars whereby the exposure to losses is limited to 0% – 15% of the investment value, whilst the underlying equities track the Capped SWIX40 Index. Although the underlying equity holdings passively track the market index, the overall equity strategy protects against downside losses via a hedging overlay structure and is therefore expected to underperform in rapidly rising markets. As the local protected equity strategy is used primarily to reduce capital losses it incurs an opportunity cost to ensure this level of protection. The Protected Equity portfolio targets on average 50%-60% of overall market performance. Thus in 2022, given the market returns of 6.5% this translates to a targeted return of 3.3%-3.9% with our portfolio outperforming the target by yielding a 4.3% return. The investment performance on the protected equity strategy is also limited to the cap levels, which are determined at the onset when entering into the various hedging strategies over the year.

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

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

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

C Finance costs

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

Group financial review

Reconciliation of adjusted headline earnings to IFRS profit after tax

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

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

A Impact of restructuring

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

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

In the prior year, the restructuring line included costs mostly relating to the Nedbank unbundling, with R1.1 billion deferred tax raised on the total stake at 30 June 2021. For the distributed stake, the difference between the carrying value under IFRS 5 and the tax base of the investment was a taxable difference in terms of IAS 12, resulting in a tax liability of R731 million at the capital gains tax rate. This amount was reclassified from deferred tax to a current tax liability upon recognition of the held for distribution liability and was settled prior to 31 December 2021.

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 and volatile currency movements. The decline in Zimbabwe earnings was largely driven by the deterioration of Zimbabwean dollar to the rand and the lower investment returns on equities traded on the Zimbabwe Stock Exchange (ZSE) relative to the prior year.

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

C Residual plc

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

D Property and intangible asset impairments

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

E Disposal of subsidiaries and associated undertakings

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

Management of the Group's balance sheet

Shareholder capital management

Overview

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

Solvency risk management

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

Discretionary capital

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

Capital optimisation

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

Capital allocation

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

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

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

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

Group financial review

Shareholder investments

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

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

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

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

Issuance of tier 2 subordinated debt

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

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

Shareholder liquidity risk management

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

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

Dividend policy

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

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

Asset liability management

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

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

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

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

Balance sheet and capital metrics

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

1 Discretionary capital was externally disclosed since September 2022 at R3.5 billion.
2 Gearing ratios are calculated with reference to the IFRS value of debt that supports the capital structure of the Group and closing adjusted IFRS equity.
3 Refer to table 3.3 in the Additional disclosures for the reconciliation of IFRS value of debt to borrowed funds as disclosed in the IFRS balance sheet.

Adjusted IFRS Equity

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

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

A Return on net asset value

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

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

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

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

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

Group financial review

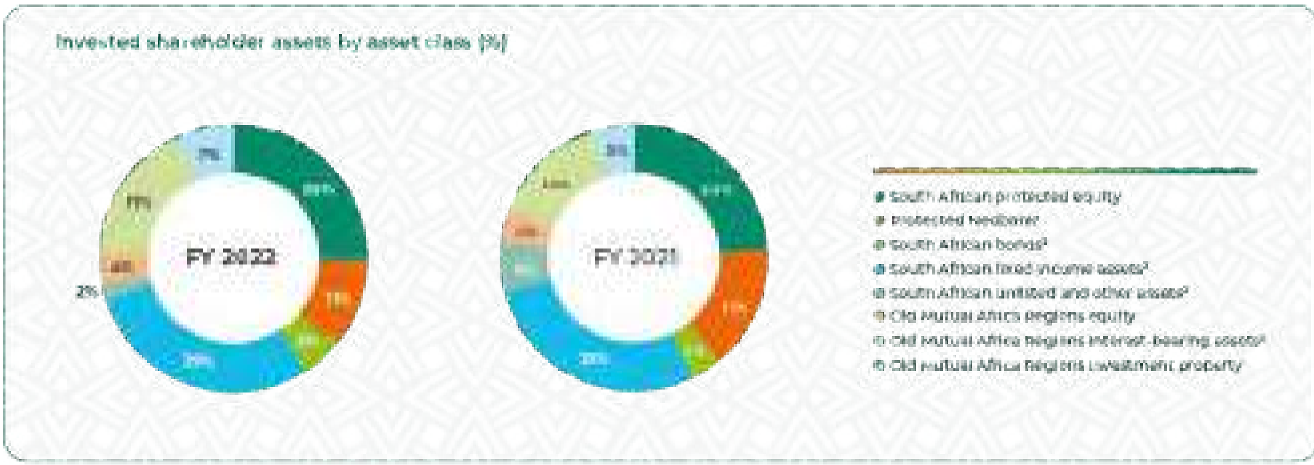
B Invested shareholder assets

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

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

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

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



1 In order to enhance disclosure, previously disclosed South Africa equity has been split out to South Africa protected equity and Protected Nedbank. Protected Nedbank includes the respective values of the hedging instruments. Prior periods have been re-presented to reflect this.
2 In order to enhance disclosure we have further split out previously disclosed South African interest-bearing assets into three categories: South African bonds, South African fixed income, and South African unlisted and other assets. Prior periods have been re-presented to reflect this.
3 We reallocated pooled investments previously disclosed separately to Old Mutual Africa Regions interest-bearing assets category. Prior periods have been re-presented to reflect this.

C Embedded value

Rm (unless otherwise stated)	FY 2022	FY 2021	Change
Adjusted net worth (ANW)	**32 245**	34 982	(8%)
Value in force (VIF)	**32 550**	35 333	(8%)
Embedded value	**64 795**	70 315	(8%)
Operating embedded value earnings	**5 103**	803	>100%
Return on embedded value	**7.3%**	1.2%	610 bps
Value of new business	**1 465**	1 266	16%

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

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

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

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

D Group equity value

Rm	FY 2022 IFRS NAV	FY 2022 Group equity value	FY 2022 Adjusted headline earnings	FY 2021 IFRS NAV	FY 2021 Group equity value	FY 2021 Adjusted headline earnings
Covered business	**35 201**	**64 795**	**5 723**	37 654	70 315	2 621
Non-covered business	**17 819**	**22 631**	**1 707**	12 820	19 738	2 071
Asset Management	**5 481**	**8 301**	**1 023**	4 037	7 927	921
Banking and Lending	**6 335**	**7 945**	**549**	3 457	5 471	945
Property and Casualty	**6 003**	**6 385**	**135**	5 326	6 340	205
Investment in Nedbank	**–**	**–**	**–**	–	–	1 289
Residual plc	**1 368**	**412**	**–**	2 049	1 120	–
Zimbabwe	**2 818**	**–**	**–**	4 414	–	–
Consolidation of funds	**(111)**	**–**	**–**	(116)	–	–
Other including Old Mutual-CHN Energy Life Insurance Company Ltd	**6 746**	**1 560**	**(1 059)**	5 353	820	(579)
Total	**63 841**	**89 398**	**6 371**	62 174	91 993	5 402

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

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

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

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

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

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

The Residual plc contribution to group equity value is based on the realisable economic value of approximately GBP20 million at 31 December 2022, translated at the closing exchange rate. The Residual plc business paid dividends of GBP39 million in the year.

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

The value of Other increased mainly due to dividends received in holding companies from the Covered, Asset Management and Property and Casualty businesses, as well as from Residual Plc. This was partially offset by dividends paid of R3.4 billion and capital injections mainly to Old Mutual Africa Regions and Old Mutual Insure.

Group financial review

E Solvency and capital

Solvency

Rm (unless otherwise stated)	Optimal target range	FY 2022	Re-presented[1] FY 2021	Reported FY 2021	Change (FY 2022 vs Re-presented FY 2021)
OMLACSA					
Eligible own funds		**59 618**	62 372	62 470	(4%)
Solvency capital requirement		**27 853**	30 788	31 084	(10%)
Solvency ratio (%)	175% to 210%	**214%**	203%	201%	1100 bps
Group					
Eligible own funds		**94 271**	91 401	91 401	3%
Solvency capital requirement		**49 533**	49 707	49 707	(0.4%)
Solvency ratio (%)	170% to 200%	**190%**	184%	184%	600 bps

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

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

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

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

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

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

Discretionary capital

The Group's discretionary capital balance was maintained at R3.5 billion as at 31 December 2022. This is the net impact of inflows and capital allocations since 30 September 2022. The main inflows included R330 million from Old Mutual Investments as a result of refinements to the risk management strategy which released capital and GBP39 million from Residual plc. Capital allocations included the buyout of the shares for the minority stake in Old Mutual Finance for R1 082 million and continued investment into our growth and innovation initiatives. The discretionary capital balance at year end is earmarked for the Genric acquisition of R300 million which was concluded in January 2023, the minority buy of Old Mutual Finance Namibia of N$214 million, the acquisition of a strategic equity stake in the Two Mountains Group as well as continued investment in our growth and innovation initiatives. The Group has further earmarked between R1 billion and R1.5 billion for return to shareholders as a share buyback and has initiated approval processes with the Board and Prudential Authority.

Free surplus generated from operations

Rm	FY 2022 Free Surplus Generated	FY 2022 Adjusted headline earnings	FY 2022 %	FY 2021 Free Surplus Generated	FY 2021 Adjusted headline earnings	FY 2021 %
Free surplus generated from operations	**7 473**	**6 371**	**117%**	6 149	5 402	114%

Operating segments generated gross free surplus of R7 473 million, representing 117% of adjusted headline earnings. Our operating segments continue to generate a high proportion of cash earnings which were paid to the Group as dividends. The distributions made to the Group through once-off capital transactions and optimisation initiatives have also increased our free surplus. The free surplus is net of central costs and can be deployed to dividends, working capital and transactions. Distributions include dividends from OMLACSA of R5.5 billion, Old Mutual Investments of R880 million, Residual plc of GBP39 million and other operating subsidiaries net of central costs of R309 million.

F Gearing

Rm (unless otherwise stated)	FY 2022	FY 2021	Change
Gearing[1]			
IFRS value of debt[2]	**9 942**	9 949	(0.1%)
Closing adjusted IFRS equity	**59 766**	55 827	7%
Gearing ratio (%)	**14.3%**	15.1%	(80 bps)
Interest cover			
Finance costs	**662**	543	22%
Adjusted headline earnings before tax and non-controlling interests and debt service costs	**10 158**	8 362	21%
Interest cover (times)	**15.3**	15.4	(1%)

1 Gearing is calculated with reference to the IFRS value of debt that supports the capital structure of the Group and closing adjusted IFRS equity.
2 Refer to table 3.3 in the Additional disclosures for the reconciliation of IFRS value of debt to borrowed funds as disclosed in the IFRS balance sheet.

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

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

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

Group financial review

Final dividend declaration

The Old Mutual Limited Board declared a final dividend of 51 cents per ordinary share. This results in a full dividend cover of 1.73 times for the 2022 year which is in line with Old Mutual Limited's dividend cover target range of 1.50 times to 2.00 times.

The final dividend will be paid out of distributable reserves to all ordinary shareholders recorded on the record date. The dividend will be payable to all shareholders, except for Old Mutual Limited shareholders on the London Stock Exchange (LSE), on 14 April 2023. The dividend payment date for Old Mutual Limited shareholders on the LSE is 15 May 2023.

Shareholders on the London, Zimbabwean, Malawian and Namibian registers will be paid in the local currency equivalents of the final 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 4 913 880 491.

	JSE, MSE, NSX, ZSE	LSE
Declaration date	Tuesday, 14 March 2023	Tuesday, 14 March 2023
Finalisation announcement and exchange rates announced	Wednesday, 22 March 2023 by 11.00	Wednesday, 22 March 2023 by 11.00
Transfers suspended between registers	Close of business on Wednesday, 22 March 2023	Close of business on Wednesday, 22 March 2023
Last day to trade cum dividend for shareholders on the South African Register and Malawi, Namibia and Zimbabwe branch registers	Tuesday, 11 April 2023	N/A
Ex-dividend date for shareholders on the South African Register and Malawi, Namibia and Zimbabwe branch registers	Wednesday, 12 April 2023	N/A
Last day to trade cum dividend for shareholders on the UK register	N/A	Wednesday, 12 April 2023
Ex-dividend date for shareholders on the UK register	N/A	Thursday, 13 April 2023
Record date (South African Register and Malawi, Namibia and Zimbabwe branch registers)	Close of business on Friday, 14 April 2023	N/A
Record date (UK register)	N/A	Close of business, on Friday, 14 April 2023
Transfers between registers restart	Opening of business on Monday, 17 April 2023	Opening of business on Monday, 17 April 2023
Final dividend payment date	Monday, 17 April 2023	Monday, 15 May 2023

1 Tuesday, 21 March is Human Rights Day.

Share certificates for shareholders on the South African register may not be dematerialised or rematerialised between Wednesday, 12 April and Friday, 14 April 2023, both dates inclusive. Transfers between the registers may not take place between Wednesday, 22 March and Friday, 14 April 2023, both dates inclusive. Trading in shares held on the Namibian branch register through Old Mutual (Namibia) Nominees (Pty) Limited will not be permitted between Wednesday, 22 March and Friday, 14 April 2023, 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 40.800 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 residents 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:

Click here

SEGMENT REVIEWS

27 000
South Africans have used Tweak's footprint calculator quiz

On average, **2t** annual reduction of CO_2 emissions by Tweak users

DID YOU KNOW

Tweak, an innovative sustainability tech start-up and a division of Old Mutual's NEXT176, is the first South African environmental accounting platform empowering a community of users to fight climate change.

Tweak helps individuals on their sustainability journey by giving them access to their detailed environmental footprint combined with personalised tips and recommendations on how to live more sustainably, access to tailored ESG investments and curated carbon credit offsets.

To build healthy environmental habits and change behaviours, users receive monetary and social rewards for living sustainably.

Perdekraal East Wind Farm, South Africa – Coordinates 33.0561° S, 20.1094° E

An overview of our segments

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

Mass and Foundation Cluster

Simple financial services product offering for retail customers in the low-income and lower-middle income markets

Lines of business
- Life and Savings
- Banking and Lending

Personal Finance and Wealth Management

Holistic financial advice and long-term solutions for retail customers in the middle income market, as well as high net worth individuals

Lines of business
- Life and Savings
- Asset Management

Old Mutual Investments

Asset management and investment solutions for retail and institutional customers

Lines of business
- Asset Management
- Banking and Lending

Old Mutual Corporate

Traditional employee benefits, including group assurance, investments and advisory solutions for enterprises and small, medium, and micro-sized enterprises

Lines of business
- Life and Savings

Old Mutual Insure

Short-term insurance services for personal, commercial and corporate customers in South Africa

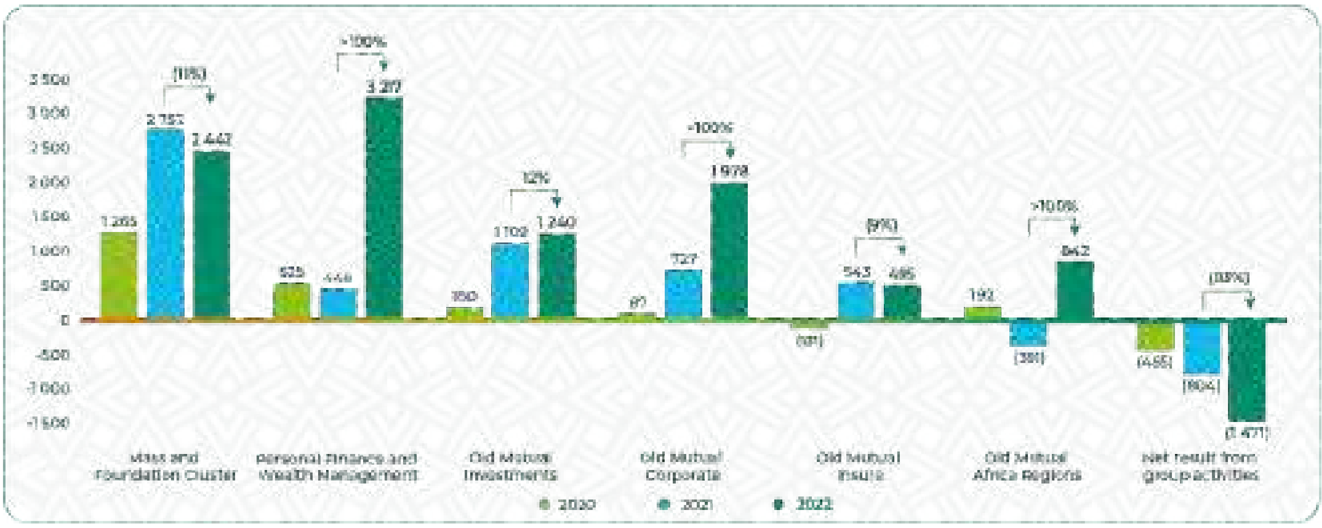
Lines of business
- Property and Casualty

Old Mutual Africa Regions

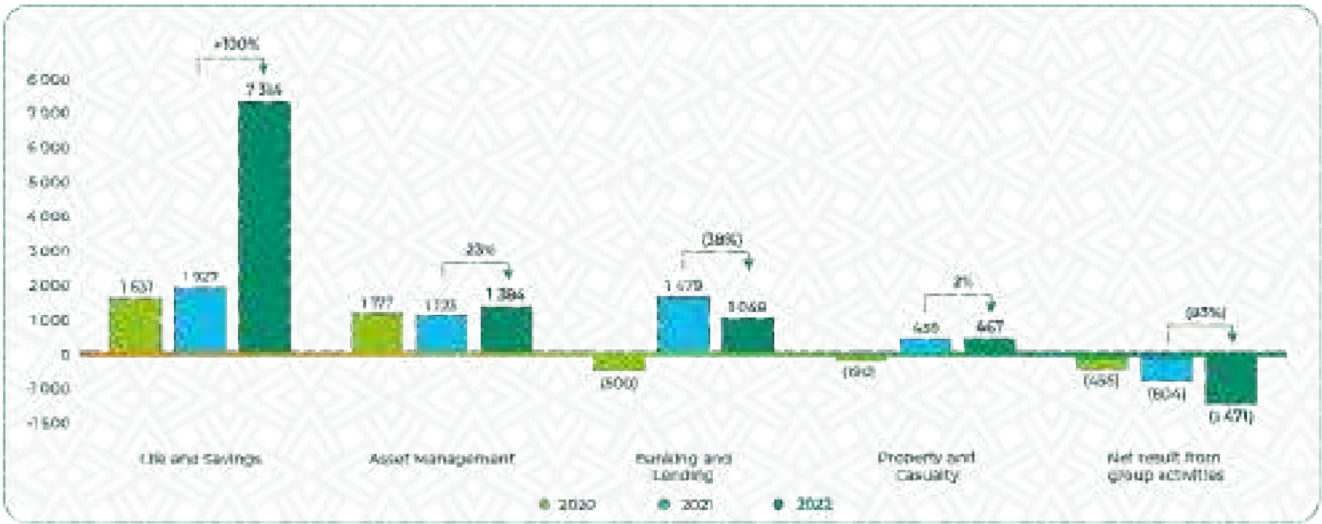
Financial services products, asset management and banking services for retail and corporate customers across 12 countries in Africa

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

Segmental results from operations



Line of business results from operations



Supplementary performance indicators expanded from page 30.

Supplementary performance indicators by segment

FY 2022

Rm (unless otherwise stated)	Mass and Foundation Cluster[1]	Personal Finance and Wealth Management	Old Mutual Investments	Old Mutual Corporate	Old Mutual Insure	Old Mutual Africa Regions	Other Group Activities[2]	Intra-group eliminations	Group
Life and Savings and Asset Management									
Gross flows	12 924	77 130	31 952	32 765		25 109	3 029	(4 882)	178 027
Net client cash flow	5 580	(4 787)	(7 723)	(12 286)		3 840	2 374	577	(12 425)
Funds under management (Rbn)	17.5	596.0	240.2	293.5		110.3	9.8	(38.4)	1 228.9
Life and Savings									
Life APE sales	4 216	4 068		2 212		1 215	1 102	(312)	12 501
Value of new business	945	152		235		133			1 465
Value of new business margin (%)	7.6%	0.5%		1.2%		2.2%			2.2%
Banking and Lending									
Loans and advances	15 512					3 497			19 009
Net lending margin (%)[3]	13.6%					12.9%			13.4%
Property and Casualty									
Gross written premiums					17 190	5 154			22 344
Net underwriting margin (%)[4]					3.1%	(8.4%)			0.5%

FY 2021

Rm (unless otherwise stated)	Mass and Foundation Cluster[1]	Personal Finance and Wealth Management	Old Mutual Investments	Old Mutual Corporate	Old Mutual Insure	Old Mutual Africa Regions	Other Group Activities[2]	Intra-group eliminations	Group
Life and Savings and Asset Management									
Gross flows	12 870	81 186	49 472	33 957		19 888	1 593	(4 209)	194 757
Net client cash flow	4 959	(1 285)	4 907	(12 946)		1 315	824	2 318	92
Funds under management (Rbn)	18.1	618.9	254.6	304.7		104.8	8.2	(35.7)	1 273.6
Life and Savings									
Life APE sales	3 475	4 061		2 416		1 073	599	(224)	11 400
Value of new business	638	285		207		136			1 266
Value of new business margin (%)	6.2%	0.9%		1.0%		2.9%			1.9%
Banking and Lending									
Loans and advances	14 795					4 112			18 907
Net lending margin (%)[3]	18.0%					11.1%			16.4%
Property and Casualty									
Gross written premiums					15 927	4 055			19 982
Net underwriting margin (%)[4]					4.8%	(9.1%)			1.6%

1 Banking and Lending in Mass Foundation Cluster reflects the operations of Old Mutual Finance.
2 Other Group Activities includes investment in China.
3 Net lending margin is calculated as net interest income plus non-interest revenue minus credit losses, as percentage of average loans and advances over the period.
4 Net underwriting margin calculated as net underwriting result divided by net earned premiums.

Segment reviews

Mass and Foundation Cluster

We delivered a strong set of financial results which was consistent with our commitments to the market, representing pleasing progress on our prior year results. We had better mortality experience as the effects of the COVID-19 pandemic eased, which allowed us to release our COVID-19 provisions. However, the growing financial pressure our customers faced worsened our persistency experience and required a strengthening of our persistency basis. Our value of new business grew by 48% with the value of new business margin ending in the middle of our target range of 6%-9%. Our lending business continues to deliver a credit loss ratio and net lending margin that are better than our long-term target ranges despite the constrained environment. We grew our Old Mutual Rewards customer base by 30% from the start of the year to 934 000, with meaningful benefits emerging from increased cross-sell and upsell opportunities. This overall delivery demonstrates the resilience of our business.

We made progress in regaining market share during the year as evidenced in external market surveys[1]. Branch adviser, foundation market, third party and digital channels delivered material growth in sales during 2022, with risk sales now comfortably surpassing 2019 levels. However, our Worksite Adviser and Call Centre channel's performances were slightly dampened by the implementation of DebiCheck within the industry, negatively impacting new business premium collection. Improvement in our sales risk mix was driven in part by the strong growth in our non-advice sales. We have made strategic progress to diversify sales across our portfolio of distribution channels, de-risking our business, and ensuring that our increased points of presence and propositions continue to meet our customers' needs.

Our approach to our lending business, Old Mutual Finance, remains conservative with a strong focus on growing loans and advances within our risk appetite. This translated into significantly higher sales and strong credit performance. We now own 100% of Old Mutual Finance following the buy-out of the minority shareholders' remaining 25% stake in December 2022.

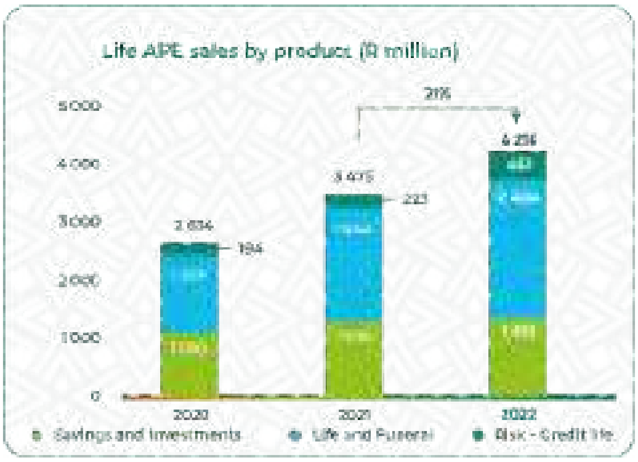
1 NMG consulting

Rm (unless otherwise stated)	**FY 2022**	FY 2021	Change
Results from operations	**2 442**	2 752	(11%)
Gross flows	**12 924**	12 870	0.4%
Life APE sales	**4 216**	3 475	21%
Net client cash flow	**5 580**	4 959	13%
Funds under management (Rbn)	**17.5**	18.1	(3%)
Value of new business	**945**	638	48%
Value of new business margin (%)	**7.6%**	6.2%	140 bps
Old Mutual Finance			
Results from operations	**778**	1 366	(43%)
Loans and advances	**15 512**	14 795	5%
Net lending margin (%)	**13.6%**	18.0%	(440 bps)
Credit loss ratio (%)	**4.8%**	0.9%	390 bps

Performance overview

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

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



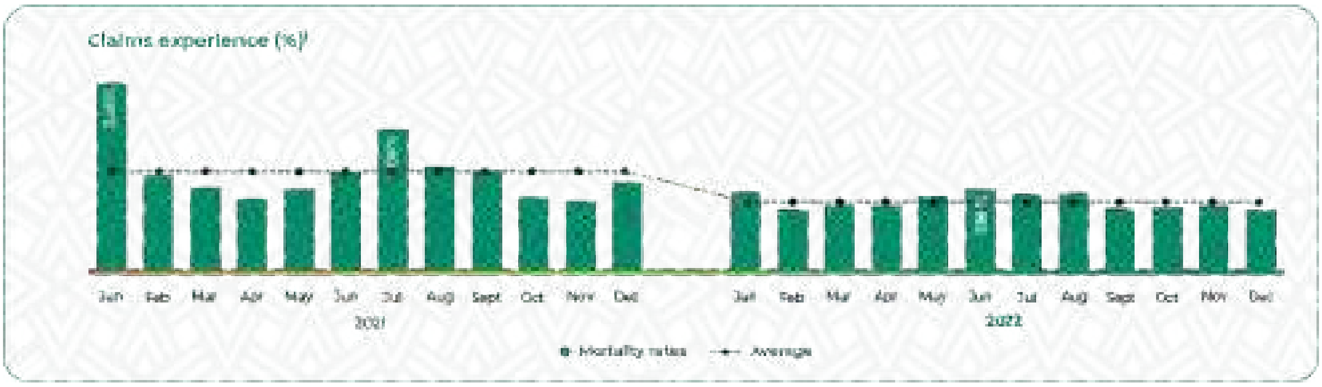
Loans and advances of R15 512 million grew by 5%, supported by the higher levels of sales which included wholesale funding granted to Bridge Taxi Finance.

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

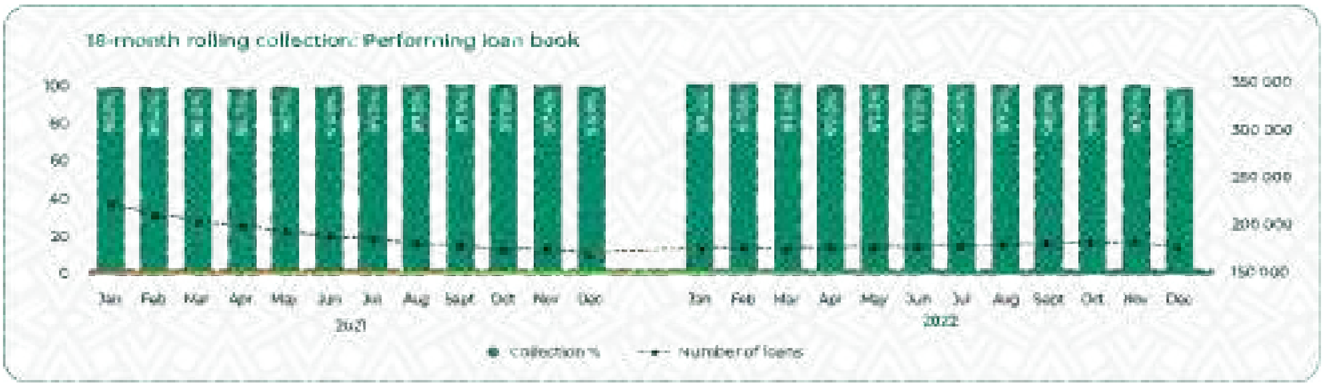
Results from operations declined by 11% to R2 442 million due to lower profits from the Banking and Lending business. The prior year included a significant once-off provision release on the back of a declining loan book.

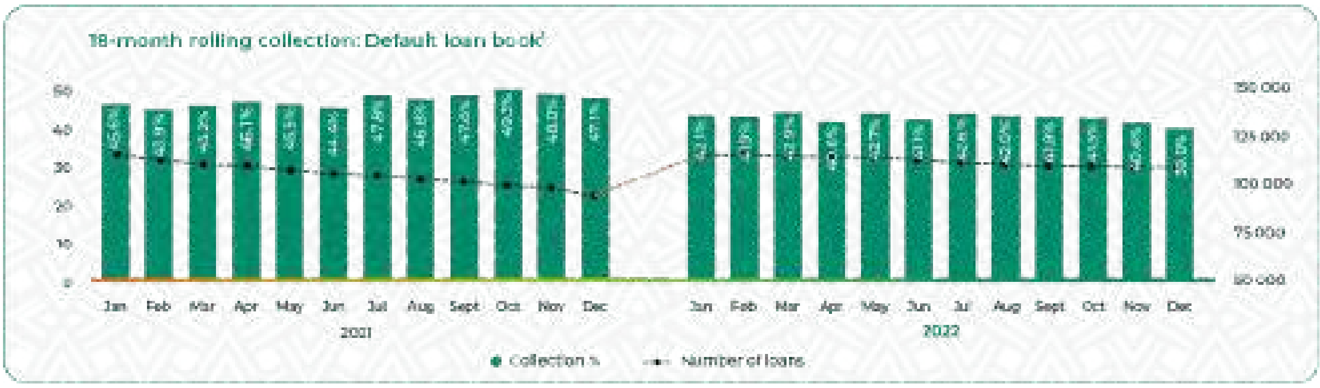
Life profits were well ahead of the prior year due to higher annual premium and cover increases on the existing book, and the net positive effect of basis changes which included economic basis changes related to the refinement of hedging methodology. The claims experience was significantly better due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

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



1 *This represents actual mortality claims paid vs expected mortality claims paid on the Retail Mass Market (RMM) Funeral book and excludes Foundation Market and Savings.*





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 2023

Despite the challenging economic environment and market volatility that is likely to persist in 2023, we are confident that we will maintain our positive sales momentum as we continue to position our portfolio of channels to deliver an optimised mix of advice and non-advice products. This will help us deliver meaningful sales and value of new business growth with the value of new business margin remaining well within our target range of 6%-9%.

In light of the increased pressure on our persistency experience, we remain focused on deploying the identified set of management interventions which we believe will continue to improve our retention outcomes from the peak we experienced in the third quarter of 2022.

We will increase our focus on generating enhanced value from our existing customer base via cross-sell initiatives and deliver increased value from our Old Mutual Rewards customer base, which we will endeavour to grow further.

We will also continue to grow our lending book conservatively to deliver an acceptable credit experience with the desired profitability outcomes. We expect our credit loss ratio and net lending margin to revert to our longer-term target ranges of 6%-8% and 11%-13% respectively during 2023.

We are in the process of acquiring a strategic equity stake in the Two Mountains Group, which is a licensed micro-insurer that distributes and underwrites funeral policies and provides burial services. This transaction will allow us to deliver a more holistic value proposition to customers with better persistency and to grow our distribution reach within the communities we serve. We will continue to establish and mature other strategic partnerships in the funeral services, taxi and stokvel markets.

Personal Finance and Wealth Management

We delivered a strong recovery in earnings on the back of improved mortality experience and proactive refinement of hedging methodology enabling the release of excess discretionary margins.

Life APE sales remained resilient in 2022 despite the overall industry decline in underwritten risk sales[1]. Value of new business was significantly impacted by challenges with sales volumes and business mix but our focused effort led to an improvement in the second half of the year. Our new risk proposition has started to gain market share, growing from 8.8% in 2021 to 10.5% in the first nine months of 2022[1].

We remained focused on efficiencies within key processes by improving customer and planner tools, further integrating with third-party advice tools, enhanced service journeys and bolstering our service capacity. Through these initiatives we saw an improvement in our adviser service experience. The recruitment of experienced advisers progressed well with both the experienced tied adviser and registered financial adviser footprint growing.

In Wealth Management, our advice tool usage was up 21%, improving the consistency of our customer experience. Linking Old Mutual Rewards with our sales front end, rewards sign up increased by approximately 80 000 new members improving client retention and upsell opportunities, and ultimately providing better value to our customers. Digital sales also grew by 21% year-on-year on the back of enhancements to customer journeys in our digital space.

Our customer propositions were enhanced for a more holistic and integrated experience. We made significant progress in building our high net worth business in the Private Client Securities and Treasury Advisory Services. Flows to our internally managed investment solutions improved, particularly for our offshore focused business.

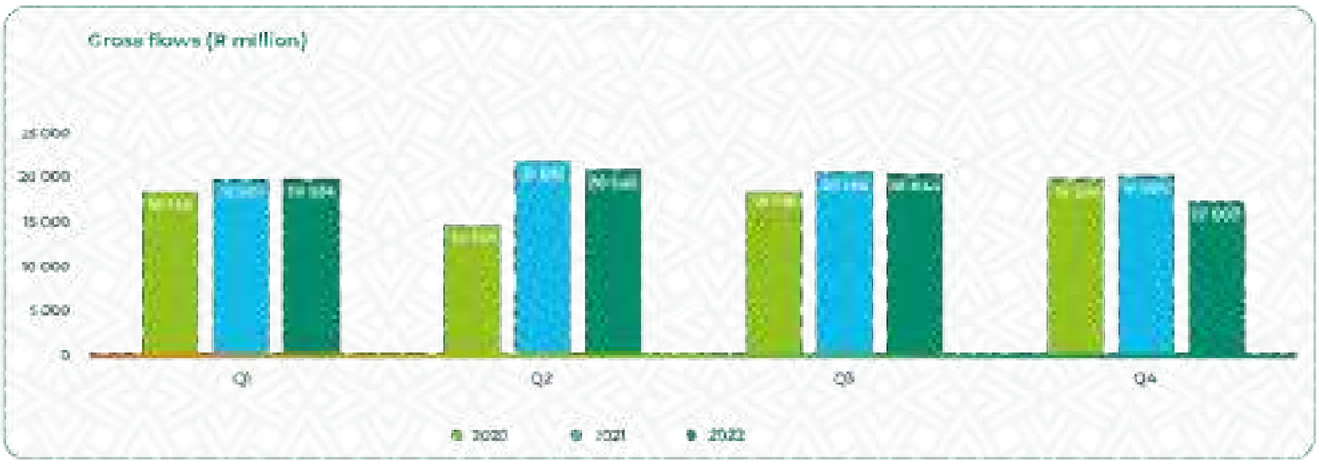
1 NMG Consulting: Life Risk Study

Rm (unless otherwise stated)	**FY 2022**	FY 2021	Change
Results from operations	**3 217**	448	>100%
Personal Finance	**2 667**	(127)	>100%
Wealth Management	**550**	575	(4%)
Gross flows	**77 130**	81 186	(5%)
Life APE sales	**4 068**	4 061	0.2%
Net client cash flow	**(4 787)**	(1 285)	(>100%)
Value of new business	**152**	285	(47%)
Value of new business margin (%)	**0.5%**	0.9%	(40 bps)
Wealth Management			
Assets under management and administration (Rbn)	**335.5**	350.9	(4%)
Funds under management	**397.8**	413.0	(4%)
Intergroup assets	**(62.3)**	(62.1)	(0.3%)
Revenue	**2 750**	2 761	(0.4%)
Annuity	**2 756**	2 691	2%
Non-Annuity	**(6)**	70	(>100%)
Revenue bps- Annuity[1]	**80 bps**	83 bps	3 bps

1 Calculated as annuity revenue divided by average assets under management and administration.

Performance overview

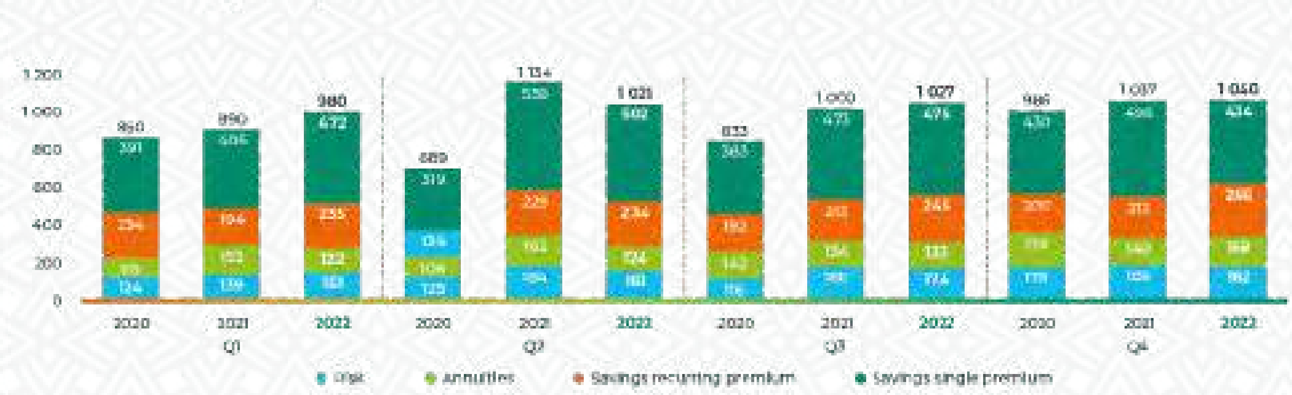
Gross flows decreased by 5% to R77 130 million due to lower annuity sales in Personal Finance and a significant decrease in demand for offshore investments in our Wealth Management business resulting from lower offshore markets and weaker performance of the rand against the US dollar.



Segment reviews

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

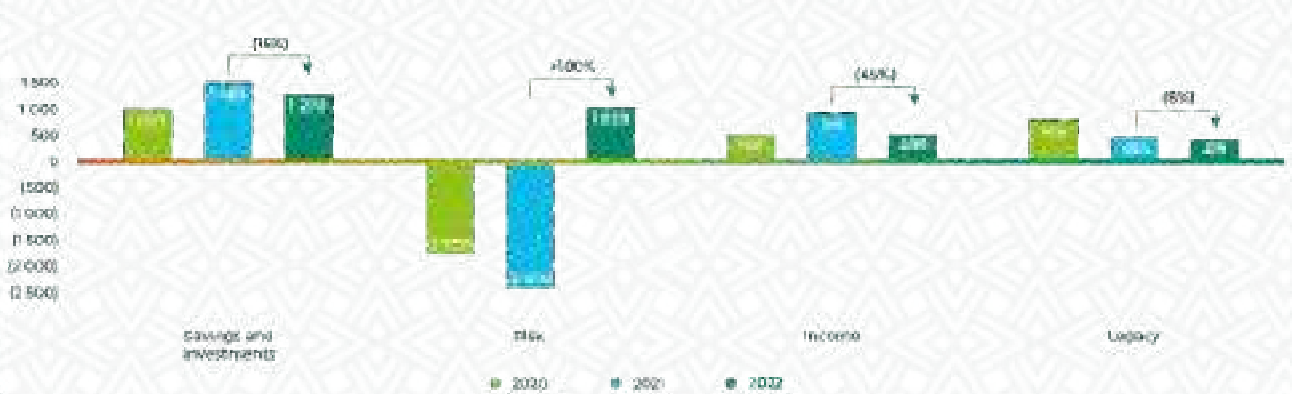
Life APE sales (R million)



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

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

Results from operations split by product (R million)



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

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

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

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

Outlook for 2023

Early indicators of higher market levels will support asset levels and revenue for our investment business but the continued impact of the macro-economic environment on our customers' ability to maintain or increase protection, savings and investment products will remain a challenge in 2023.

We will continue to drive sales activity and the right mix in Personal Finance to accelerate market share growth. However, there is considerable uncertainty over whether the overall industry market will grow in the current economic environment.

We will continue to invest in building the adviser pipeline so that we are the preferred destination for high-calibre advisers. A significant focus for Personal Finance is launching the new Savings and Income proposition, and migrating the Greenlight book to our new platform.

We continue to be focused on making it easier for customers and planners to do business with us. Wealth Management will launch an enhanced discretionary fund management capability and improved private clients offering.

Segment reviews

Old Mutual Investments

The benefit of having a diverse capability set and asset class exposures was evident in 2022 as we delivered double-digit growth in results from operations despite the tough trading conditions.

Our execution on strategy has been pleasing, culminating in the implementation of our Private Markets initiative. This was the repurposing of our credit origination and management capability in Specialised Finance, that exclusively supported the shareholder requirement, to also compete in the third-party institutional market. This credit capability is now housed in our Alternatives business, completing its journey to becoming a multi-strategy alternatives platform. This strategy, along with the significant demand for alternative assets, resulted in record levels of capital being raised and new deals concluded during the year.

Old Mutual Investment Group won Best Sustainable African Investment Manager 2022 at the European Global Banking and Finance awards, and the Capital Finance International award for Best ESG Responsible Investor (Africa) 2022, as well as an award for the 2022 27four ESG Annual Asset Manager Survey, reaffirming our pedigree as a leader in ESG investing. The investment performance for 2022 was not as strong as the preceding 12 months. However, against a volatile backdrop, we believe our investment teams have performed credibly in navigating the year for our clients. Longer term investment performance relative to benchmarks has shown a steady improvement with 75% of our funds above benchmark over the three-year period, up from 50% a year ago.

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 earlier in the year. This, along with the Bula Tsela initiative, moves both Futuregrowth and Old Mutual Investment Group towards becoming majority Black owned.

Rm (unless otherwise stated)	**FY 2022**	FY 2021	Change
Results from operations	**1 240**	1 109	12%
Gross flows	**31 952**	49 472	(35%)
Net client cash flow	**(7 723)**	4 907	(>100%)
Assets under management[1] (Rbn)	**774.0**	809.1	(4%)
Funds under management	**240.2**	254.6	(6%)
Intergroup assets	**533.8**	554.5	(4%)
Total revenue	**3 302**	2 957	12%
Annuity	**2 787**	2 608	7%
Non-annuity	**515**	349	48%

1 Assets under management comprises funds under management as defined for the Group, as well as funds managed on behalf of other entities in the Group, which is reported as funds under management of these respective segments.

Performance overview

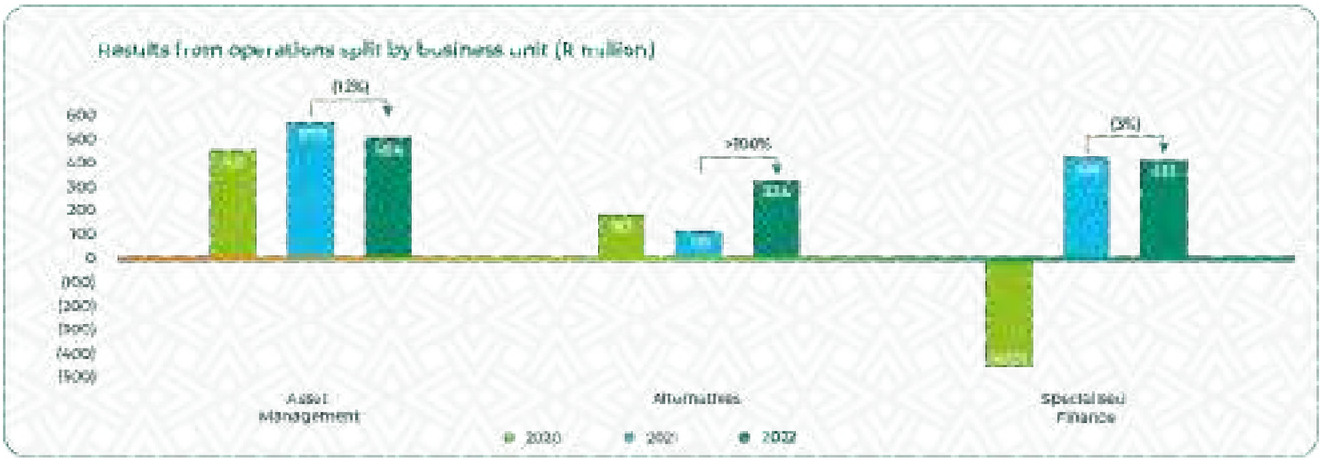
Despite the ongoing market volatility and macro-economic uncertainty, we achieved good results, which benefited from exceptional non-annuity revenue, as well as solid growth in annuity revenue. The combination of lower inflows and a decline in the equity markets saw assets under management decrease by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

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

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

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 were relatively subdued following such a strong performance. In addition higher client liquidity requirements resulted in net outflows from low margin money market funds, which led to negative net client cash flow of R7 723 million. Net client cash flow was also impacted by structural outflows given the ongoing strain in the South African pension fund market, as well as some unexpected terminations and client restructures. Our success in Liability Driven Investment is creating a higher base of expected benefit payments because of the larger book. The overall health of our pipeline supports our expectation of better net client cash flow in future years.

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

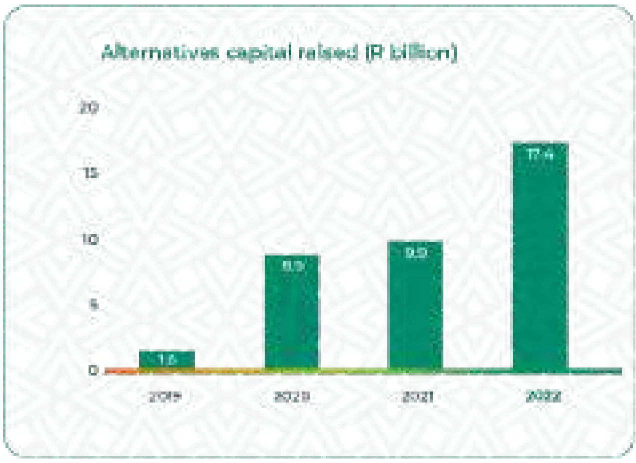


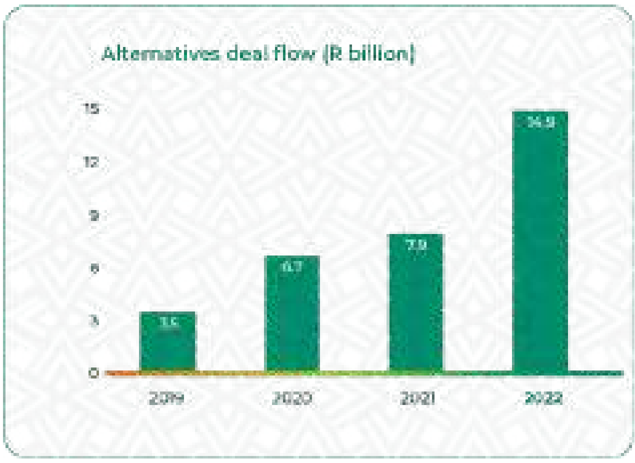
Asset Management

Results from operations were 12% down, largely due to lower non-annuity revenue from reduced performance fees and fair value gains compared to the prior year as well as higher expenses as outlined above. The elevated prior year flows into Liability Driven 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 R3.7 billion, contributed to the negative net client cash flow of R8.0 billion. Flows from our retail channels were up mainly due to higher Money Market net flows.

Alternatives

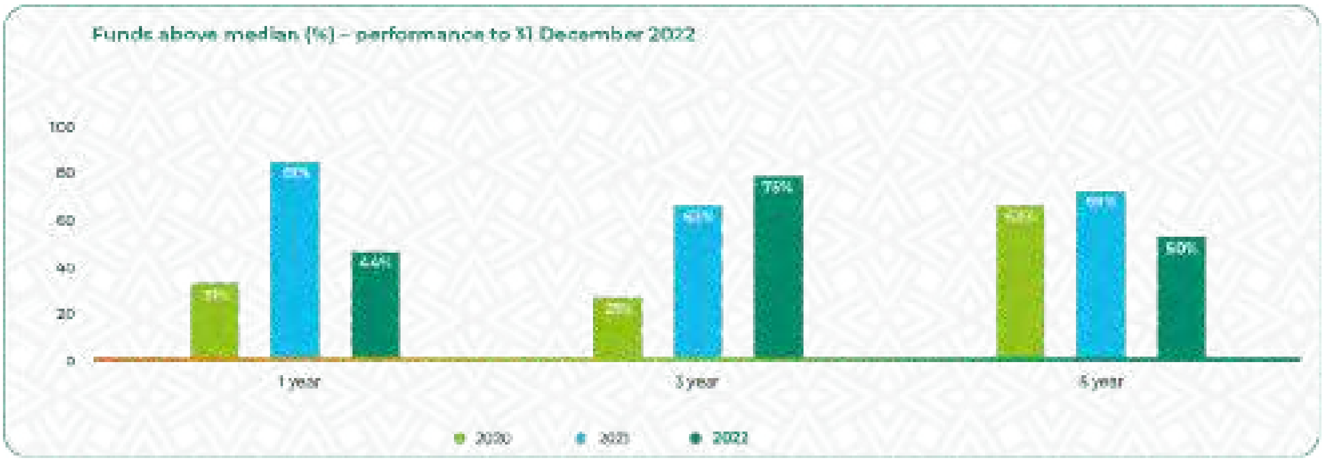
The business produced a strong set of results with R17.4 billion of new capital being raised and R14.9 billion of new deals concluded during the year. Annuity revenue was higher mainly due to the significant increase in capital raised in recent years and the addition of credit capabilities that have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





Specialised Finance

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



Outlook for 2023

As was evident in 2022, we are confident that strategic initiatives focusing on enhancing our client proposition with the addition of new capabilities, along with our diverse asset portfolios, will equip us to navigate the current economic environment and drive value for our stakeholders. The new capital being raised and deployed will help grow our annuity revenue in Alternatives, while we continue to focus on stringent cost management and translating our secured-to-flow deals and high probability pipeline into net client cash flows.

We remain focused on sustainable delivery of excellent investment outcomes for our clients, growing both institutional and retail market share, the latter with the support of our Wealth partners, strengthening our investment platform, recruiting top talent, and driving a technological enhancement throughout our businesses.

Old Mutual Corporate

We delivered strong profits for the year with the normalisation of the COVID-19 mortality experience being a key driver. Business performance was also bolstered by management actions undertaken on business growth and retention as well as forward-looking risk pricing and mitigation actions.

Old Mutual SuperFund remains the largest commercial Umbrella Fund in South Africa by membership and assets under management[1]. During the year, the fund published its first Investment Sustainability Disclosure Report. This was fully aligned with the Group's Responsible Investment philosophy, which aims to reduce our carbon footprint proactively and create shared value for stakeholders.

We launched the Old Mutual South Africa Retirement Gauge 2022 – a publication that provides key insights to employers, employees and umbrella fund trustees on members' retirement readiness – with clear actions to improve retirement outcomes in South Africa.

We continue to grow adjacent propositions, delivering our victory condition of becoming our customers' first choice. Remchannel, which provides broader human capital services to corporates, continues to increase our customer base and contribute positively to profit. We launched innovative solutions that address the needs of small and medium-sized enterprise (SMEs) customers. Our digital channel, SMEgo, has been extended beyond funding concierge to include features that enable SMEs to reduce time spent on enabling activities, allowing them to focus on growth. In November we concluded the acquisition of a 30% stake in a specialist SME lender, Preference Capital, which provides SME finance solutions that help address the funding gap in the market.

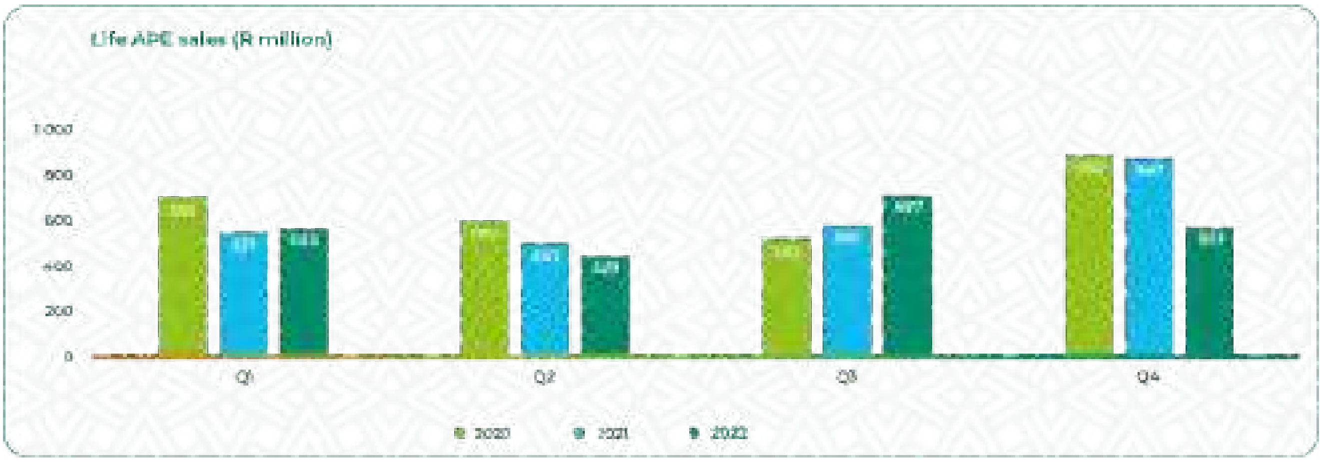
We are deeply committed to supporting our customers through difficult times. Over the last 3 years, we supported customers and their families through the payment of approximately R14 billion in mortality and morbidity claims.

1 *Based on recent Financial Sector Conduct authority survey.*

Rm (unless otherwise stated)	**FY 2022**	FY 2021	Change
Results from operations	**1 978**	727	>100%
Gross flows	**32 765**	33 957	(4%)
Life APE sales	**2 212**	2 416	(8%)
Net client cash flow	**(12 286)**	(12 946)	5%
Funds under management (Rbn)	**293.5**	304.7	(4%)
Value of new business	**235**	207	14%
Value of new business margin (%)	**1.2%**	1.0%	20 bps

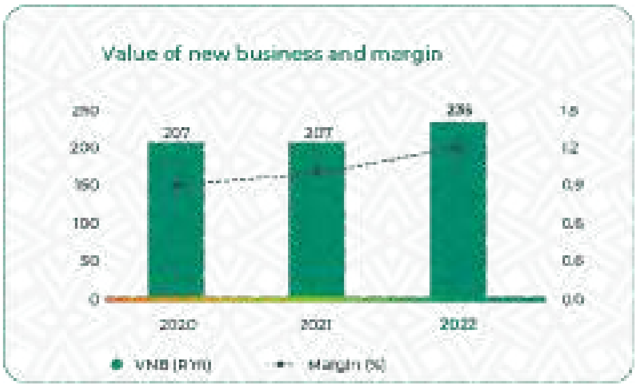
Performance overview

Gross flows decreased by 4% to R32 765 million mainly due to lower pre-retirement single premiums, with the prior year including a very large umbrella deal. Recurring premiums improved with strong Group Assurance new business sales, while flows in our smooth bonus products on our retail platforms grew by 16%. Life APE sales decreased by 8% to R2 212 million mainly due to decline in pre-retirement single premium sales. Following the buy-out of minority shareholders of Old Mutual Finance in December 2022, credit life premium sales were excluded from Old Mutual Corporate' s life sales and reported in Mass Foundation Cluster.

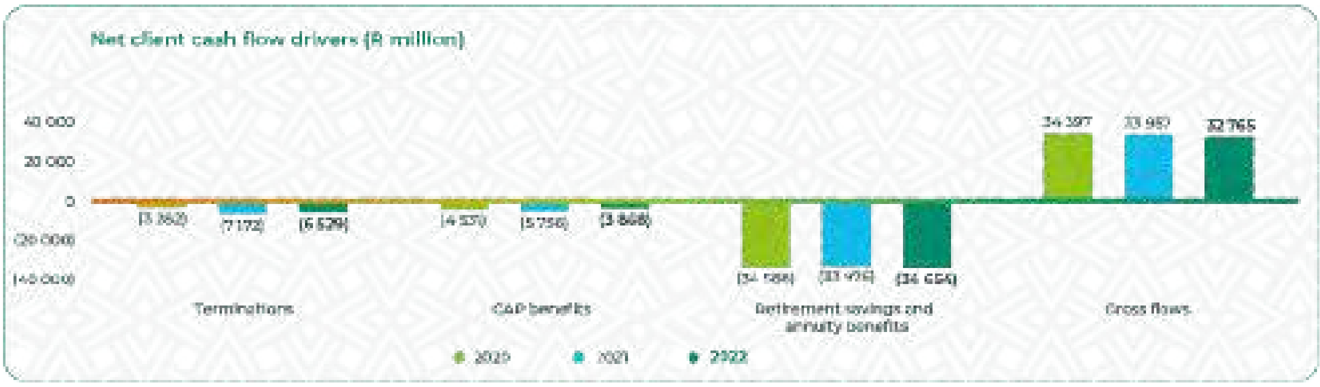


Segment reviews

While Life APE sales decreased, it was pleasing to see that value of new business improved by 14% to R235 million, with a corresponding increase of 20 basis points in the value of new business margin to 1.2%. Value of new business benefited from a more favourable product mix within our investment offering compared to the prior year, improved expense efficiencies and strong growth in Group Assurance new business sales. During 2020 and 2021, we deepened and cultivated relationships with our Group Assurance customers by supporting them through the unique challenges and uncertainties experienced during the pandemic, including several COVID-19 support services made available free of charge. We purposefully followed a customer-specific approach in tailoring solutions for customers, which contributed to the growth in new business in 2022.

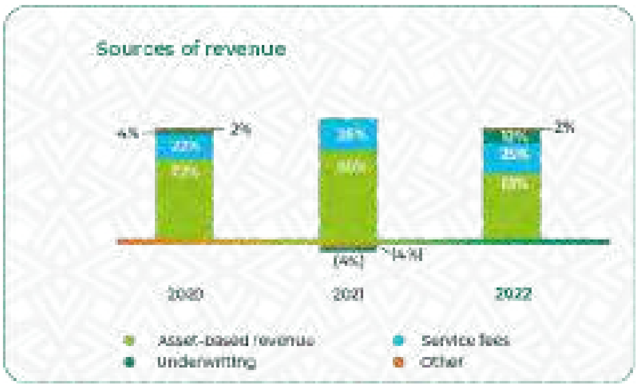


Despite the decline in gross flows, net client cash flow improved by R660 million from the prior year due to lower benefit outflows from mortality and morbidity claims, and lower client terminations.



Funds under management declined by 4% to R293.5 billion due to a weaker performance in the equity market and the impact of negative net client cash flow. A component of the funds under management relates to our flagship smoothed bonus funds, which performed well in an extremely unpredictable market environment. This reduced the market volatility customers experienced through smoothing, whilst building investors' retirement savings by providing consistent real returns.

Results from operations improved substantially from R727 million in the prior year to R1 978 million. The prior year included large net negative basis changes, mostly related to the strengthening of COVID-19 provisions. Results from operations benefited from strong mortality underwriting profits as a result of a muted COVID-19 experience and we released the remaining COVID-19 provision. Net positive economic basis change include a release of discretionary margins in respect of investment guarantees. Our asset-based revenue grew on the back of higher average funds under management over the year.



Outlook for 2023

We will focus on strengthening the employee benefits sales pipeline conversion and retaining existing business by enhancing product offerings and investing in digital and improved service capabilities. Our employee benefits strategy considers emerging regulations and the evolving needs of employers and members. Old Mutual SuperFund continues to drive its sustainability, stewardship and Responsible Investment practices, which are important in the creation of long-term value.

It is important to highlight that, whilst premiums are annually renewable in the Group Assurance market, there is a short-term lag in terms of premiums being fully adjusted to reflect significant changes in experience. This was the experience during COVID-19, with substantial losses reported due to excess claims experienced. Similarly, as premiums are adjusted to be in line with future experience on renewal, we do not expect the level of the 2022 mortality underwriting profit to recur in future periods.

We will grow the core by extending adjacencies including the Remchannel offering and expanding SMEgo features to address the identified needs of SMEs as well as continuing to unlock the value inherent in our partnership with Preference Capital, and access to markets, as well as supporting efficiency in business operations by expanding SMEgo features to address the identified needs of SMEs.

Segment reviews

Old Mutual Insure

We delivered a solid top-line growth across all our divisions in 2022. Credit Guarantee Insurance Corporation continues to demonstrate resilience with a stable underwriting performance despite the challenging operating environment. The Specialty division reported strong performance in the third party cells and moderate growth in Marine, Engineering and Underwriting Management Agencies. Our direct retail offering, iWYZE, continued to show a growth trajectory due to the improvements in claims experience resulting from management actions implemented across all products. However, performance in Retail was impacted by the increase in attritional and weather-related catastrophe claims as well as an increased average cost per claims due to inflationary pressure. The gross claims relating to the KwaZulu-Natal floods was R1.4 billion across Retail, iWYZE, Specialty and ONE Financial Services. Our reinsurance programme effectively mitigated the effects of this catastrophe, reducing the net claims impact to R87 million.

Our execution on strategy was successful as we continued to focus on creating meaningful relationships across our divisions to grow our market share and strengthen our distribution capabilities. We acquired a 51% equity interest in ONE Financial Services, which writes short-term insurance via a cell captive as well as a 51% shareholding in Versma Administrators and Primak Brokerage, both are financial service providers in the short term insurance space. We have also reached an agreement with Letsema Brokerage Solutions to create a new majority Black-owned joint venture which is aimed at acquiring small to medium-sized brokerages and administrators in the short-term insurance industry.

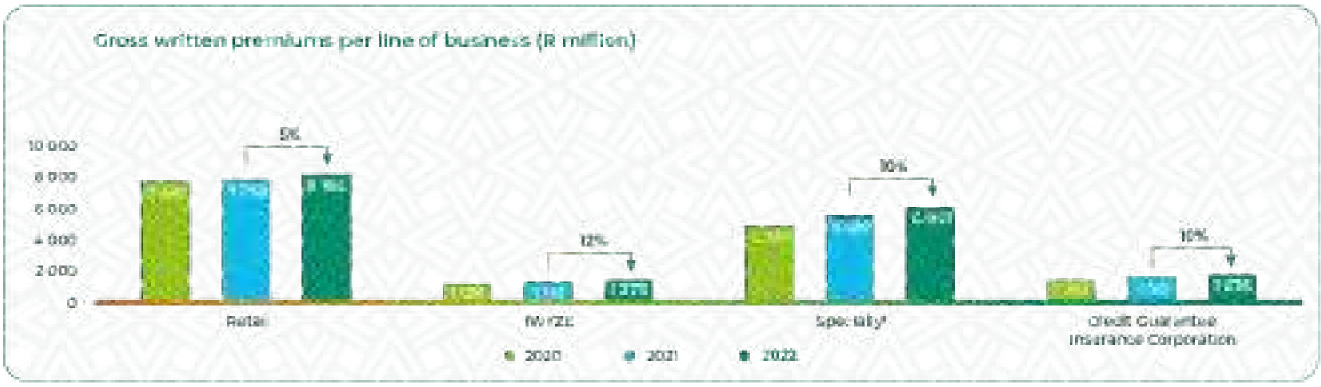
We have retained our level 1 B-BBEE rating for the third consecutive year, a testament to our commitment to driving transformation in all aspects of our business and in the short-term insurance industry. We won the 2022 Institute of Risk Management South Africa Awards in the category of insurance and reinsurance. This award acknowledges and celebrates excellence achieved by individuals and organisations in the risk management industry.

Rm (unless otherwise stated)	FY 2022	FY 2021	Change
Gross written premiums	**17 190**	15 927	8%
Net earned premiums[1]	**11 582**	9 266	25%
Net underwriting result	**362**	449	(19%)
Results from operations	**495**	543	(9%)
Net underwriting margin (%)	**3.1%**	4.8%	(170 bps)
Insurance margin (%)	**4.3%**	5.9%	(160 bps)

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

Rm	FY 2022	FY 2021	Change
Retail	**(392)**	(100)	(>100%)
iWYZE	**100**	67	49%
Specialty	**97**	5	>100%
Credit Guarantee Insurance Corporation	**502**	489	3%
ONE Financial Services[1]	**55**	—	100%
Central expenses	**—**	(12)	100%
Net underwriting result	**362**	449	(19%)
Investment return on insurance funds	**300**	241	24%
Other income and expenses	**(167)**	(147)	14%
Results from operations	**495**	543	(9%)

1 We acquired 51% equity interest in ONE Financial Services in January 2022.



1 Specialty includes premiums from One Financial Services for financial year 2021 and financial year 2022.

Performance overview

Gross written premiums of R17 190 million increased by 8% largely due to good premium growth across all our divisions. The Specialty division on-boarded several new cells in the Mutual and Federal Risk Financing business and new policies were secured in Retail, particularly in the alternative business solutions channel and Elite products. The continued growth of our direct channels in iWYZE benefited from increased customer numbers and in Credit Guarantee Insurance Corporation improved customer retention contributed to the growth in gross written premiums.

Net underwriting results decreased by 25% due to increased claims following severe weather events, the impact of rising inflation on claims costs and an increased claims frequency as a result of load shedding. The KwaZulu-Natal floods had a net negative impact of R87 million and the storms recorded in December negatively impacted the results in the last quarter of the year. Repair and replacement costs increased due to inflation, resulting in an overall increase in the cost of claims. This was partly offset by the release of business interruption reserves held in the prior year amounting to R 83 million, the inclusion of ONE Financial Services profits in the current year, and an increase in Specialty underwriting profits. The decline in underwriting results led to a net underwriting margin of 3.1%, which is below the target range of 4% to 6%.

Results from operations were 9% below prior year, primarily driven by the decrease in net underwriting result which was partially offset by higher investment returns on insurance funds given the higher interest rate environment.

Retail

Net underwriting loss of R392 million significantly increased from the prior year, largely due to a combination of higher volumes of attritional claims and weather-related catastrophe claims related to KwaZulu-Natal, Gauteng and North West floods.

iWYZE

The strong net underwriting result of R100 million was due to a new excess structure implemented across all products, which benefited the claims experience. The weather-related catastrophe events had a minimal impact on the results.

Specialty

Net underwriting result of R97 million substantially improved from the prior year, primarily driven by ongoing prudent underwriting and risk selection practices which assisted in ensuring that the attritional losses remained low. This was partially offset by the catastrophe claims in our Corporate property and Marine lines of business related to the KwaZulu-Natal floods.

Credit Guarantee Insurance Corporation

Net underwriting result marginally increased to R502 million due to continued underwriting discipline, and moderate attritional claims. The business was not directly impacted by the weather-related catastrophe events.

ONE Financial Services

The acquisition of ONE Financial Services has led to additional net earned premiums of R1.2 billion in the current year. Net underwriting results of R55 million improved significantly from a loss of R36 million during the first half of the year due to the effectiveness of remedial actions implemented by management. Management action is ongoing and expected to continue to balance the risk exposure to the benefit of the business. Net underwriting profits were partially offset by increased attritional losses on motor sections as well as the catastrophe events claims.

Outlook for 2023

We remain committed to our strategy of driving organic and inorganic growth. In January 2023, we completed the acquisition of a 100% equity interest in Genric Insurance Company Limited, a licensed non-life and specialist insurer focused on bringing innovative and niche insurance solutions to market. We will be focusing on the integration of our new strategic relationships into our business and realising synergistic benefits from these acquisitions.

We are reviewing our policy wording and our premium rate increases to take into consideration the effects of inflation on our claims and reinsurance costs.

Our focus remains on building a future state technology architecture that enhances customer and intermediary experiences across our divisions. We will continue to respond to customers' needs as we develop new products.

Segment reviews

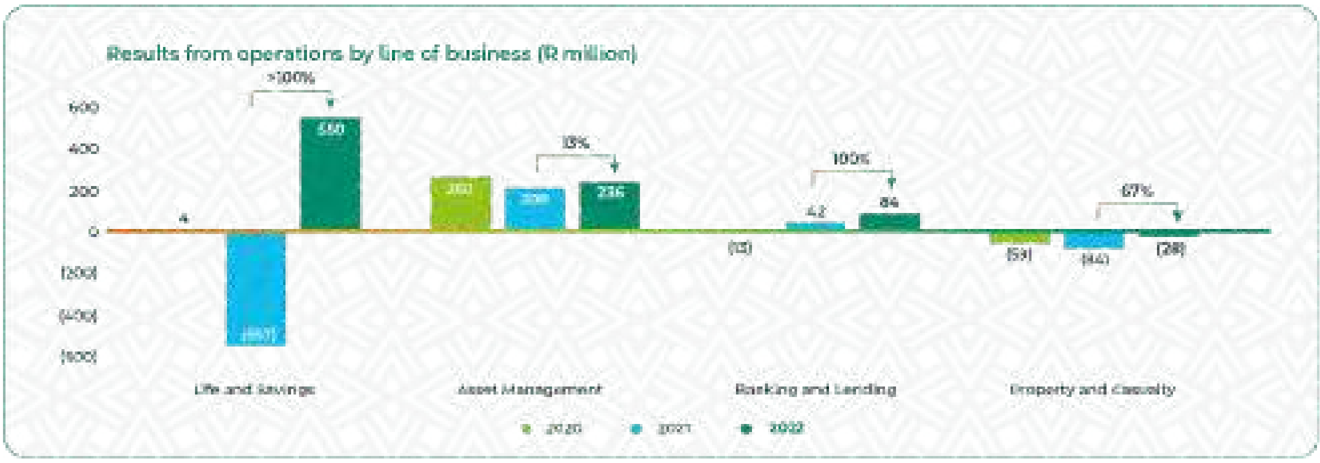
Old Mutual Africa Regions

Our businesses were resilient as we made progress in delivering on our strategy. We delivered strong improvements in our results with more than 80% of our operating entities returning profits in 2022. We reported strong top-line growth across our lines of business, with most key performance indicators exceeding pre-COVID-19 levels. Our strategic pivot to the corporate business in East and West Africa contributed to substantial improvement in profits. Across our markets, the fatalities from COVID-19 reduced significantly resulting in better mortality experience, though still elevated, was much lower than in the previous two years. We experienced an increase in health insurance claims in East Africa and motor insurance claims remained elevated.

In East Africa, we completed the Control Improvement Programme, which had been running for two years, resulting in material improvement in the predictability of our results. In our insurance businesses, we continued investments in distribution and intermediary enablement, which resulted in strong top-line growth. We completed the rebranding of our businesses in Kenya and Rwanda. We made progress in alternative investments targeting sustainable projects in agriculture and renewable energy. Our Zimbabwe business was recognised as a Top Sustainability Oriented Organisation by the CSR Network Awards.

Rm (unless otherwise stated)	FY 2022	FY 2021	Change
Results from operations[1]	**842**	(391)	>100%
Gross flows	**25 109**	19 888	26%
Life APE sales	**1 215**	1 073	13%
Net client cash flow	**3 840**	1 315	>100%
Funds under management (Rbn)	**110.3**	104.8	5%
Value of new business	**133**	136	(2%)
Value of new business margin (%)	**2.2%**	2.9%	(70 bps)
Loans and advances	**3 497**	4 112	(15%)
Net lending margin (%)	**12.9%**	11.1%	180 bps
Gross written premiums	**5 154**	4 055	27%
Net underwriting margin (%)	**(8.4%)**	(9.1%)	70 bps

1 Results from operations at a total Old Mutual Africa Regions level include central regional expenses of R181 million (FY 2021: R182 million).



Southern Africa

Rm (unless otherwise stated)	FY 2022	FY 2021	Change
Results from operations	**984**	(16)	>100%
Gross flows	**13 618**	12 691	7%
Life APE sales	**838**	681	23%
Net client cash flow	**738**	(215)	>100%
Funds under management (Rbn)	**67.1**	64.5	4%
Value of new business	**163**	156	4%
Value of new business margin (%)	**3.6%**	4.8%	(120 bps)
Loans and advances	**1 281**	1 334	(4%)
Net lending margin (%)	**18.3%**	16.3%	200 bps
Gross written premiums	**1 087**	990	10%
Net underwriting margin (%)	**(0.4%)**	0.4%	(80 bps)

Performance overview

Gross flows increased by 7% to R13 618 million due to improved corporate and retail flows in Namibia and Malawi as both markets saw a recovery in operating conditions following a tapering of the COVID-19 pandemic. This, coupled with reduced outflows on account of the non-repeat of the high death claims related to COVID-19 pandemic, resulted in a significant improvement in net client cash flow to R738 million.

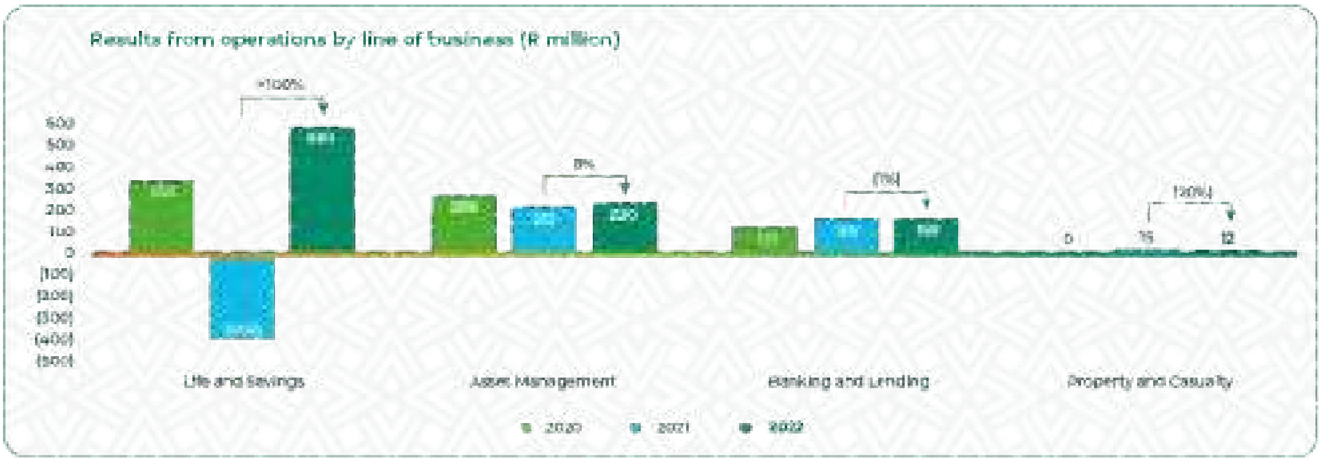
Life APE sales increased by 23% to R838 million due to large single premium corporate inflows as well as improved retail and corporate recurring premium sales in Namibia. The value of new business increased by 4% due to higher sales and profitable sales mix in Namibia. The effects of high expense inflation and increased sales of lower margin group funeral business in Malawi partially offset the increase in value of new business which led to a reduction in the value of new business margin by 120 bps to 3.6%.

The continued tightening of credit granting criteria implemented to manage credit quality resulted in gross loans and advances decreasing by 4% to R1 281 million. These management actions as well as improved collections resulted in lower impairments, which absorbed the reduction in interest income on account of the smaller loan book. As a result, the net lending margin improved by 200 bps to 18.3%.

Gross written premiums increased by 10% to R1 087 million due to higher new business and renewals written in both Namibia and Botswana. Net underwriting margin decreased by 80 bps largely due to adverse claims experience in Botswana's motor book as the lifting of COVID-19 travel restrictions saw a higher incidence of claims and higher severity of claims due to the impact of inflated cost of spare parts.

There was a marked turnaround in results from operations, which increased significantly to R984 million, largely due to a recovery in the Life and Savings business. This was attributable to an improved mortality experience across the region as the COVID-19 excess claims reported during Wave 3 did not repeat in the current year. In addition, improved experience variances and positive assumption changes contributed to the improved results. The assumptions changes in 2022 included a release of COVID-19 provisions, which was offset by strengthening mortality basis in Namibia to mitigate changes in mortality levels from future endemics.

Asset management results from operations increased by 8% to R230 million mainly due to higher fee income on the back of increased funds under management. This was driven by higher flows as well as improved investment returns following a good equity performance in Malawi. The Banking and Lending results from operations were flat on prior year due to the lower interest income earned on the smaller loan book. Property and Casualty results from operations decreased by 20% to R12 million due to the adverse claims experience in Botswana.



Segment reviews

East Africa

Rm (Unless otherwise stated)	FY 2022	FY 2021	Change
Results from operations	**86**	(104)	>100%
Gross flows	**10 943**	6 614	65%
Life APE sales	**214**	201	6%
Net client cash flow	**2 845**	1 243	>100%
Funds under management (Rbn)	**41.6**	38.6	8%
Value of new business	**(8)**	(17)	53%
Value of new business margin (%)	**(0.8%)**	(1.9%)	110 bps
Loans and advances	**2 216**	2 778	(20%)
Net lending margin (%)	**10.0%**	8.7%	130 bps
Gross written premiums	**3 822**	2 873	33%
Net underwriting margin (%)	**(8.7%)**	(8.1%)	(60 bps)

Performance overview

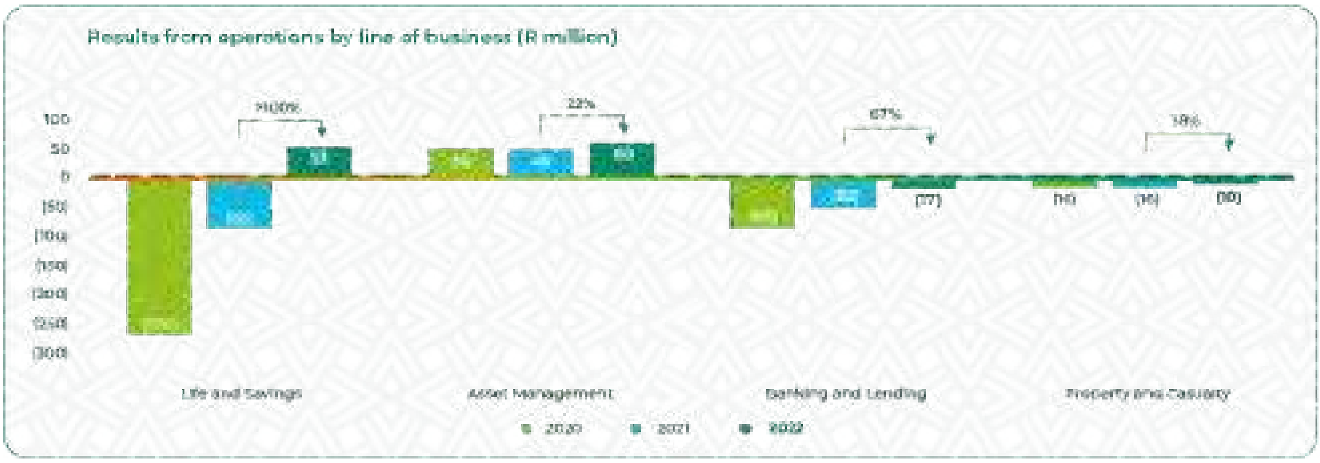
Gross flows increased by 65% to R10 943 million due to strong retail unit trust flows in Uganda and corporate flows in Kenya. Higher gross inflows more than offset higher outflows in Uganda as customers sought liquidity in the challenging economic climate which resulted in net client cash flow of R2 845 million.

Life APE sales increased by 6% to R214 million mainly due to improved productivity, which resulted in increased retail and corporate sales in Uganda and Kenya. There was an improvement in the value of new business and the value of new business margin due to the continued higher proportion of more profitable corporate sales.

Stricter lending criteria as well as buyoffs by mainstream banks led to a 20% decline in loans and advances to R2 216 million. The stricter lending criteria coupled with improved collections translated into lower impairments resulting in a 130 bps improvement in the net lending margin.

Good customer acquisition and retention strategies led to a 33% increase in gross written premiums to R3 822 million. However, poor claims experience resulting from the higher incidence of both health and general insurance claims as well as the higher cost of claim settlement continue to adversely impact the underwriting experience with the net underwriting margin decreasing by 60 bps to negative 8.7%.

A turn around in results from operations, at R86 million, was driven by improvements in all lines of business. Life and Savings results from operations significantly improved due to better mortality experience and positive basis changes related to Kenya. The COVID-19 provision of R21 million was released in the current year. Asset Management results from operations improved by 22% to R60 million due to higher fees generated from higher funds under management, which benefited from the positive net client cash flow of recent years.



Banking and Lending results from operations improved by R35 million mainly due the lower impairments stemming from improved collections and a stabilising loan book. Property and Casualty results from operations improved by R6 million due to higher investment returns driven by growth in fixed interest assets backing policyholder liabilities due to the growth in business written, as well as higher yields on fixed assets in Kenya and Uganda. These returns offset an underwriting loss as a result of high claims in health and motor insurance lines.

West Africa

Rm (Unless otherwise stated)	FY 2022	FY 2021	Change
Results from operations	**(47)**	(89)	47%
Gross flows	**548**	583	(6%)
Life APE sales	**163**	191	(15%)
Net client cash flow	**257**	287	(10%)
Funds under management (Rbn)	**1.6**	1.7	(6%)
Value of new business	**(22)**	(3)	(>100%)
Value of new business margin (%)	**(5.2%)**	(0.6%)	(460 bps)
Gross written premiums	**245**	192	28%
Net underwriting margin (%)	**(31.3%)**	(100.2%)	6 890 bps

Performance overview

Despite increased corporate flows in Nigeria, in line with the strategy to pivot towards corporate business, gross flows decreased by 6% to R548 million due to a 39% appreciation of the Rand against the Ghana cedi. In local currency, Ghana flows increased by 10% due to higher corporate and retail flows. Net client cash flow decreased by 10% as the lower outflows partially offset the decrease in inflows, driven by better claims experience.

Life APE sales decreased by 15% to R163 million due to the appreciation of the rand against the Ghana cedi. In local currency, Life APE sales increased by 2% due to improved retail and corporate sales in Ghana, which were partially offset by the closure of an unprofitable product line to new business in Nigeria. Value of new business and value of new business margin worsened due to low margin product mix as well as new business initial expense losses in retail book.

Gross written premiums increased by 28% to R245 million due to new business onboarded as well as improved productivity. Despite the impact of high inflation on expenses, the strong top-line performance coupled with the containment of claims resulted in a significant improvement to the net underwriting margin.

Life and Savings results from operations loss improved by 4% to R26 million due to positive basis changes related to the refinement of hedging methodology. Property and Casualty results from operations loss improved by 66% to R21 million driven by the improved underwriting result and higher investment returns on assets backing policyholder liabilities due to higher interest rates.

Old Mutual Africa Regions: Outlook for 2023

We expect economic growth to strengthen in East Africa, supported by economic recovery in China. Southern and West Africa are expected to slow down, weighed by softening commodity prices, climate shocks and escalating external debt servicing challenges. Elections in Zimbabwe pose stability risk in the first half of the year. Rising religious and ethnic tensions across the Sahel region weigh on our outlook of the West African region's stability.

The pressure on customers' incomes will continue impacting persistency, lapses and the credit quality of our loan book. We will roll out initiatives to improve our underwriting capabilities, claims management and customer engagement. We will refresh our current retail life propositions and launch new ones in our quest to remain our customers' first choice financial services partner in Southern Africa while we grow our corporate offering and customer base in East and West Africa. To support our strategy in a rapidly changing business environment, we will invest in new economy skills and strengthen the leadership bench in our markets. We will materially complete the turnaround of loss making businesses in 2023 so that in 2024, at least 90% of our operating entities will be profitable.

REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 000
permanent jobs created on the farm

2 000
ha of Gala Macs operations as at July 2022

DID YOU KNOW

Formerly a tobacco farm, Macadamia Nut Farms (**Gala Macs**) outside Lilongwe, now farms and processes macadamia nuts for local consumption and export. This sustainability story includes developing people from local communities around the farms into outgrowers, as well as drawing water from rainwater-harvesting dams and boreholes.

The investment in Gala Macs allows Old Mutual Investment Group (Malawi) to demonstrate its potential to create value for customers while delivering sustainable job creation, support for local communities and economic development.

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

CONTENTS

Independent auditors' review report on condensed consolidated financial statements

To the shareholders of Old Mutual Limited

We have reviewed the condensed consolidated financial statements of Old Mutual Limited, contained in the accompanying preliminary report set out on pages 67 – 112, which comprise the condensed consolidated statement of financial position as at 31 December 2022 and the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year ended, and selected explanatory notes, however excluding the condensed consolidated supplementary income statement.

Directors' Responsibility for the Condensed Consolidated Financial Statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in note A1 to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Other matters

The condensed consolidated financial statements of Old Mutual Limited for the year ended 31 December 2021, were reviewed by joint auditors, one of whom is no longer the joint auditor in the current period. The joint auditors for the prior year expressed an unmodified review opinion on those financial statements on 15 March 2022.

Auditors' Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Old Mutual Limited for the year ended 31 December 2022 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in note A1 to the financial statements, and the requirements of the Companies Act of South Africa.

Deloitte & Touche
Per Gerdus Dixon
Chartered Accountant (SA)
Registered Auditor
Partner
14 March 2023

The Ridge
6 Marina Road
Cape Town
8001

Ernst & Young Inc.
Per Malcolm Rapson
Chartered Accountant (SA)
Registered Auditor
Director
14 March 2023

3rd Floor, Waterway House
3 Dock Road
Cape Town
8001

Reviewed condensed consolidated income statement

For the year ended 31 December 2022

Rm	Notes	December 2022	December 2021
Revenue			
Gross insurance premium revenue		**85 668**	83 841
Outward reinsurance		**(11 131)**	(11 290)
Net earned premiums		**74 537**	72 551
Investment return (non-banking)[1]		**20 646**	157 047
Banking interest and similar income[2]		**4 505**	4 347
Interest income on the effective interest method		**2 828**	3 432
Other interest income		**1 677**	915
Banking trading, investment and similar income		**1 026**	433
Fee and commission income, and income from service activities		**11 560**	11 827
Other income[3]		**935**	1 609
Total revenue	D1	**113 209**	247 814
Expenses			
Gross claims and benefits (including change in insurance contract provisions)		**(77 754)**	(139 245)
Reinsurance recoveries		**8 272**	7 679
Net claims and benefits incurred		**(69 482)**	(131 566)
Change in investment contract liabilities		**7 657**	(54 947)
Credit impairment charges		**(1 079)**	(667)
Finance costs		**(662)**	(543)
Banking interest payable and similar expenses		**(830)**	(755)
Fee and commission expenses, and other acquisition costs		**(10 401)**	(10 506)
Change in third-party interests in consolidated funds		**(1 846)**	(11 874)
Other operating and administrative expenses[4]		**(27 400)**	(24 896)
Total expenses		**(104 043)**	(235 754)
Share of gains of associated undertakings and joint ventures after tax		**118**	1 385
Reversal of impairment of investments in associated undertakings		**–**	18
Loss on disposal of subsidiaries and associated undertakings	H5	**(133)**	(36)
Profit before tax		**9 151**	13 427
Income tax expense		**(1 352)**	(5 964)
Profit after tax for the financial year		**7 799**	7 463
Attributable to			
Equity holders of the parent		**7 325**	6 662
Non-controlling interests			
Ordinary shares		**474**	801
Profit after tax for the financial year		**7 799**	7 463
Earnings per ordinary share			
Basic earnings per ordinary share (cents)	C1(a)	**166.0**	151.3
Diluted earnings per ordinary share (cents)	C1(b)	**163.0**	148.9

1 *Investment return (non-banking) include R1 257 million (2021: R879 million) of interest income on the effective interest method.*
2 *The presentation of the consolidated income statement, including comparatives, has been amended to include additional information regarding interest income calculated on the effective interest method on banking interest and similar income.*
3 *Included in other income is R536 million (2021: R200 million) which relates to insurance proceeds received from a SASRIA claim.*
4 *Included in other operating and administrative expenses is finance costs of R783 million (2021: R731 million) which includes interest relating to funding that support the operations of the Group (funding within policyholder investments) of R665 million (2021: R620 million) and interest on lease liabilities of R118 million (2021: R111 million). Refer to note D7 in full AFS for further information.*

Reviewed condensed consolidated statement of comprehensive income

For the year ended 31 December 2022

Rm	31 December 2022	31 December 2021
Profit after tax for the financial year	**7 799**	7 463
Other comprehensive income for the financial year		
Items that will not be reclassified to profit or loss		
Gains on property revaluations	**990**	817
Remeasurement gains on defined benefit plans	**29**	22
Fair value movements related to credit risk on borrowed funds	**(42)**	(64)
Share of other comprehensive income from associated undertakings and joint ventures	**(70)**	(40)
Shadow accounting[1]	**(344)**	(219)
Income tax on items that will not be reclassified to profit or loss	**(224)**	(20)
	339	496
Items that may be reclassified to profit or loss		
Currency translation differences on translating foreign operations[2]	**(4 171)**	187
Exchange differences recycled to profit or loss on disposal of businesses[2]	**–**	203
Share of other comprehensive income from associated undertakings and joint ventures[3]	**–**	(75)
	(4 171)	315
Total other comprehensive income for the financial year	**(3 832)**	811
Total comprehensive income for the financial year	**3 967**	8 274
Attributable to		
Equity holders of the parent	**4 001**	7 411
Non-controlling interests		
Ordinary shares	**(34)**	863
Total comprehensive income for the financial year	**3 967**	8 274

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 gain or loss on assets that have a direct effect on the measurement of the related insurance assets and liabilities.*
2 *No tax impacts are associated with these line items.*
3 *Included in this line item for prior year are FCTR of R42 million which bears no tax consequences, and equity accounted other comprehensive income of R33 million which has been accounted for net of tax.*

Condensed consolidated supplementary income statement

For the year ended 31 December 2022

Rm	Notes	December 2022	December 2021
Mass and Foundation Cluster	B	**2 442**	2 752
Personal Finance and Wealth Management	B	**3 217**	448
Old Mutual Investments	B	**1 240**	1 109
Old Mutual Corporate	B	**1 978**	727
Old Mutual Insure	B	**495**	543
Old Mutual Africa Regions	B	**842**	(391)
Central expenses	B	**(1 471)**	(804)
Results from operations		**8 743**	4 384
Shareholder investment return		**1 468**	2 726
Finance costs		**(662)**	(543)
Share of gains of associated undertakings and joint ventures after tax		**(53)**	1 252
Adjusted headline earnings before tax and non-controlling interests		**9 496**	7 819
Shareholder tax		**(2 866)**	(2 088)
Non-controlling interests		**(259)**	(329)
Adjusted headline earnings after tax and non-controlling interests		**6 371**	5 402
Adjusted weighted average number of ordinary shares (millions)	C1(a)	**4 557**	4 558
Adjusted headline earnings per share (cents)		**139.8**	118.5
Adjusted diluted weighted average number of ordinary shares (millions)[1]		**4 495**	4 630
Adjusted diluted headline earnings per share (cents)[1]		**141.7**	116.7

1 *Adjusted diluted headline earnings per share added for enhanced disclosure purposes. Adjusted diluted earnings per share recognises the dilutive impact of shares and options held in ESOP and similar trusts, Black Economic Empowerment trusts and the Retail and Community BEE Schemes, to the extent they have value, in the calculation of the weighted average number of shares, as if the relevant shares were in issue for the full year.*

Reconciliation of adjusted headline earnings to IFRS profit after tax[1]

Rm	Notes	December 2022	December 2021
Adjusted headline earnings after tax and non-controlling interests		**6 371**	5 402
Investment return on Group equity and debt instruments held in policyholder funds	A1.6(a)	**422**	(190)
Impact of restructuring	A1.6(b)	**(152)**	(1 482)
Operations in hyperinflationary economies	A1.6(c)	**1 134**	3 489
Non-core operations	A1.6(d)	**173**	(10)
Headline earnings		**7 948**	7 209
Impairment of goodwill and other intangible assets and property, plant and equipment and other headline earnings adjustments		**(492)**	(559)
Remeasurement of non-current asset held for sale		**–**	4
Reversal of impairment of associated undertakings		**–**	37
Profit on disposal of property, plant and equipment		**–**	7
Loss on disposal of subsidiaries and associated undertakings		**(131)**	(36)
Profit after tax for the financial period attributable to equity holders of the parent		**7 325**	6 662

1 *Refer to Note A1.6 for more information on the basis of preparation of adjusted headline earnings and the adjustments applied in the determination of adjusted headline earnings.*

The amounts reflected are after tax and non-controlling interests.

Reviewed condensed consolidated statement of financial position

As at 31 December 2022

Rm	Notes	At 31 December 2022	At 31 December 2021
Assets			
Goodwill and other intangible assets		**6 934**	6 234
Mandatory reserve deposits with central banks		**173**	195
Property, plant and equipment		**8 275**	9 155
Investment property		**42 530**	38 672
Deferred tax assets		**1 911**	2 455
Investments in associated undertakings and joint ventures		**1 065**	908
Deferred acquisition costs		**455**	405
Costs of obtaining contracts		**1 390**	1 496
Loans and advances		**18 772**	18 722
Investments and securities[1]		**889 591**	899 388
Other investments and securities including term deposits		**864 267**	877 198
Cash and cash equivalents		**25 324**	22 190
Reinsurers' share of policyholder liabilities	F1	**9 544**	13 372
Current tax receivable		**412**	459
Trade, other receivables and other assets		**35 879**	22 802
Derivative financial instruments		**9 688**	6 391
Cash and cash equivalents		**37 467**	32 931
Assets held for sale	H4	**370**	269
Total assets		**1 064 456**	1 053 854
Liabilities			
Life insurance contract liabilities	F1	**145 118**	155 349
Investment contract liabilities with discretionary participating features	F1	**233 695**	245 483
Investment contract liabilities	F1	**375 044**	393 787
Property and Casualty liabilities	F1	**11 706**	11 206
Third-party interests in consolidated funds		**100 249**	77 308
Borrowed funds	F2	**16 713**	17 506
Provisions		**1 749**	1 767
Contract liabilities		**1 355**	1 272
Deferred tax liabilities		**3 293**	6 453
Current tax payable		**701**	499
Trade, other payables and other liabilities		**91 001**	63 934
Amounts owed to bank depositors		**4 706**	5 905
Derivative financial instruments		**12 580**	8 084
Total liabilities		**997 910**	988 553
Net assets		**66 546**	65 301
Shareholders' equity			
Equity attributable to equity holders of the parent		**63 841**	62 174
Non-controlling interests			
Ordinary shares		**2 705**	3 127
Total non-controlling interests		**2 705**	3 127
Total equity		**66 546**	65 301

1 The presentation of the statement of financial position, including the comparatives, has been amended to include additional information regarding the cash and cash equivalents component included in investments and securities. Refer to note H6 for more information.

Reviewed condensed consolidated statement of cash flows

For the year ended 31 December 2022

Rm	Notes	**December 2022**	Restated[1] December 2021
Cash flows from operating activities			
Profit before tax		**9 151**	13 427
Non-cash movements and adjustments to profit before tax		**(9 388)**	9 978
Net changes in working capital		**35 806**	1 187
Taxation paid		**(4 127)**	(4 473)
Net cash inflow from operating activities[2]		**31 442**	20 119
Cash flows from investing activities			
Acquisition of financial investments		**(15 226)**	(13 137)
Acquisition of investment properties		**(659)**	(1 077)
Proceeds from disposal of investment properties		**126**	1
Dividends received from associated undertakings		**89**	219
Acquisition of property, plant and equipment		**(1 100)**	(874)
Proceeds from disposal of property, plant and equipment		**56**	55
Acquisition of intangible assets		**(1 108)**	(984)
Acquisition of interests in subsidiaries, associated undertakings and joint ventures		**(615)**	(104)
Net cash outflow from investing activities		**(18 437)**	(15 901)
Cash flows from financing activities			
Dividends paid to			
Ordinary equity holders of the Company	C4	**(3 424)**	(2 686)
Non-controlling interests and preferred security interests		**(340)**	(156)
Interest paid (excluding banking interest paid)		**(780)**	(645)
Proceeds from shares issued by subsidiaries[3]		**98**	–
Acquisition of treasury shares – ordinary shares		**(370)**	(1 047)
Proceeds from disposal of treasury shares – ordinary shares		**337**	1 142
Proceeds from change in participation in subsidiaries		**201**	64
Lease liabilities repayments		**(506)**	(528)
Proceeds from borrowed funds		**3 404**	3 451
Repayment of borrowed funds		**(2 960)**	(3 443)
Net cash outflow from financing activities		**(4 340)**	(3 848)
Net cash inflow		**8 665**	370
Effects of exchange rate changes on cash and cash equivalents		**(1 017)**	(87)
Cash and cash equivalents at beginning of the year		**55 316**	55 033
Cash and cash equivalents at end of the year		**62 964**	55 316
Comprising			
Mandatory reserve deposits with central banks		**173**	195
Cash and cash equivalents included in investments and securities		**25 324**	22 190
Cash and cash equivalents		**37 467**	32 931
Total		**62 964**	55 316

1 *These numbers have been restated, refer to note H6.*
2 *Net cash inflow from operating activities include interest income of R30 473 million (2021: R27 417 million), dividend income from investments and securities of R15 327 million (2021: R12 535 million) and interest paid amounting to R1 500 million (2021: 1 375 million).*
3 *Shares issued in terms of the retail scheme entity.*

Reviewed condensed consolidated statement of changes in equity

For the year ended 31 December 2022

Year ended 31 December 2022 Rm	Notes	Millions Number of shares issued and fully paid	Share capital
Shareholders' equity at beginning of the year		**4 709**	**85**
Profit after tax for the financial year		–	–
Other comprehensive income for the financial year			
Items that will not be reclassified to profit or loss			
Gains on property revaluations		–	–
Remeasurement gains on defined benefit plans		–	–
Fair value movement related to credit risk on borrowed funds		–	–
Share of other comprehensive income from associated undertakings and joint ventures		–	–
Shadow accounting		–	–
Income tax on items that will not be reclassified to profit or loss		–	–
		–	–
Items that may be reclassified to profit or loss			
Currency translation differences on translating foreign operations		–	–
Total comprehensive income/(loss) for the financial year		–	–
Transactions with the owners of the Company			
Contributions and distributions			
New issuance of share capital during the year		**205**	**159**
Dividends for the year	C4	–	–
Share-based payment reserve movements		–	–
Transfer between reserves		–	–
Other movements in share capital[2]		–	–
Total contributions and distributions		–	–
Changes in ownership and capital structure			
Acquisition/change in participation in subsidiaries[3]		–	–
Total changes in ownership and capital structure		–	–
Total transactions with the owners of the Company		–	–
Shareholders' equity at end of the year		**4 914**	**244**

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. Refer to notes E4 and G3(d) for information regarding amounts repaid.*

2 *Other movements in share capital includes a movement in retained earnings of R387 million (2021: R770 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 *Included in the NCI transfer to Retained Earnings is R636 million that relates to OMCH purchasing the remaining 25% interest held by Business Doctor in Old Mutual Finance. Refer to note H3.*

	Fair-value reserve	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
	15	1 101	873	(335)	(7 568)	68 003	62 174	3 127	65 301
	–	–	–	–	–	7 325	7 325	474	7 799
									–
									–
	–	990	–	–	–	–	990	–	990
	–	–	–	–	–	29	29	–	29
	–	–	–	(42)	–	–	(42)	–	(42)
	–	(70)	–	–	–	–	(70)	–	(70)
	–	(344)	–	–	–	–	(344)	–	(344)
	–	(36)	–	–	–	(188)	(224)	–	(224)
	–	540	–	(42)	–	(159)	339	–	339
									–
	–	–	–	–	(3 663)	–	(3 663)	(508)	(4 171)
	–	540	–	(42)	(3 663)	7 166	4 001	(34)	3 967
									–
									–
	–	–	–	–	–	(159)	–	–	–
	–	–	–	–	–	(3 424)	(3 424)	(340)	(3 764)
	–	–	331	–	–	–	331	–	331
	(15)	–	(82)	–	–	2	(95)	95	–
	–	40	–	–	–	6	46	6	52
	(15)	40	249	–	–	(3 575)	(3 142)	(239)	(3 381)
									–
	–	–	–	–	–	808	808	(149)	659
	–	–	–	–	–	808	808	(149)	659
	(15)	40	249	–	–	(2 767)	(2 334)	(388)	(2 722)
	–	1 681	1 122	(377)	(11 231)	72 402	63 841	2 705	66 546

Reviewed condensed consolidated statement of changes in equity

For the year ended 31 December 2022

		Millions	
Year ended 31 December 2021 **Rm**	Notes	Number of shares issued and fully paid	Share capital
Shareholders' equity at beginning of the year		4 709	85
Profit after tax for the financial year		–	–
Other comprehensive income for the financial year			
Items that will not be reclassified to profit or loss			
Gains on property revaluations		–	–
Remeasurement gains on defined benefit plans		–	–
Fair value movement related to credit risk on borrowed funds		–	–
Share of other comprehensive income from associated undertakings and joint ventures		–	–
Shadow accounting		–	–
Income tax on items that will not be reclassified to profit or loss		–	–
		–	–
Items that may be reclassified to profit or loss			
Currency translation differences on translating foreign operations		–	–
Exchange differences reclassified to profit or loss on disposal of businesses		–	–
Share of other comprehensive income from associated undertakings and joint ventures		–	–
Income tax on items that may be reclassified subsequently to profit or loss		–	–
Total comprehensive (loss)/income for the financial year		–	–
Transactions with the owners of the Company			
Contributions and distributions			
Dividends for the year	C4	–	–
Share-based payment reserve movements		–	–
Transfer between reserves		–	–
Other movements in share capital		–	–
Total contributions and distributions		–	–
Changes in ownership and capital structure			
Acquisition/change in participation in subsidiaries		–	–
Total changes in ownership and capital structure		–	–
Total transactions with the owners of the Company		–	–
Shareholders' equity at end of the year		4 709	85

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
10	550	749	(271)	(7 854)	73 726	66 995	2 328	69 323
–	–	–	–	–	6 662	6 662	801	7 463
–	817	–	–	–	–	817	–	817
–	–	–	–	–	22	22	–	22
–	–	–	(64)	–	–	(64)	–	(64)
–	(35)	–	–	–	(5)	(40)	–	(40)
–	(219)	–	–	–	–	(219)	–	(219)
–	(12)	–	–	–	(8)	(20)	–	(20)
–	551	–	(64)	–	9	496	–	496
–	–	–	–	125	–	125	62	187
–	–	–	–	203	–	203	–	203
(33)	–	–	–	(42)	–	(75)	–	(75)
–	–	–	–	–	–	–	–	–
(33)	551	–	(64)	286	6 671	7 411	863	8 274
–	–	–	–	–	(13 342)	(13 342)	(156)	(13 498)
–	–	259	–	–	34	293	–	293
–	–	(135)	–	–	101	(34)	34	–
38	–	–	–	–	802	840	(6)	834
38	–	124	–	–	(12 405)	(12 243)	(128)	(12 371)
–	–	–	–	–	11	11	64	75
–	–	–	–	–	11	11	64	75
38	–	124	–	–	(12 394)	(12 232)	(64)	(12 296)
15	1 101	873	(335)	(7 568)	68 003	62 174	3 127	65 301

Notes to the reviewed condensed consolidated financial statements

For the year ended 31 December 2022

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 preliminary reviewed condensed consolidated financial statements for the year ended 31 December 2022 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 reviewed condensed consolidated financial statements comprise the condensed consolidated statement of financial position at 31 December 2022, condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated supplementary income statement (which is not reviewed), condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year ended 31 December 2022 and selected explanatory notes. The reviewed condensed consolidated financial statements have been prepared under the supervision of CG Troskie CA(SA) (Chief Financial Officer). The accounting policies and method of computation applied in the preparation of these reviewed condensed consolidated 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 reviewed condensed consolidated financial statements.

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

The Directors of the Group take full responsibility for the preparation of the reviewed condensed consolidated financial statements and have reviewed and approved the reviewed condensed consolidated financial statements on 14 March 2023.

The Group's independent auditors Deloitte & Touche and Ernst & Young Inc. have reviewed these condensed consolidated financial statements and their unmodified review conclusion is presented on page 66 and is available for inspection at the registered office. The auditors' review report does not necessarily report on all of the information contained in these reviewed preliminary annual results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditors' engagement they should refer to the auditors' review report on page 66, or they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

Any reference to future financial performance has not been reviewed by or reported on by the Group's auditors.

1.2 Comparative information

Unless otherwise indicated, 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.

1.3 Accounting policy elections

The following significant accounting policy elections have been made by the Group:

Area	Details
Financial instruments	The Group has elected to designate certain financial assets and liabilities at fair value through profit or loss to reduce the accounting mismatch that would arise otherwise. This measurement election is typically utilised in respect of financial assets held to support liabilities in respect of contracts with policyholders. Regular way purchases or sales of financial assets are recognised and derecognised using trade date accounting.
Investment properties	The Group has elected to recognise all investment properties at fair value, with changes in fair value being recognised in profit or loss.
Property, plant and equipment	Land and buildings are stated at revalued amounts, being fair value less subsequent depreciation and impairment. Revaluation surpluses are recognised in equity, through other comprehensive income. When the property is disposed of, the cumulative revaluation surplus is transferred directly to retained earnings. Plant and equipment are carried at cost less accumulated depreciation.
Investment in venture capital divisions and investment-linked insurance funds	In venture capital divisions and investment-linked insurance funds, the Group has elected to carry associate and joint-venture entities at fair value through profit or loss.
Policyholder liabilities: insurance contracts and investment contracts with discretionary participating features	Although not an accounting policy election, the measurement of policyholder liabilities under IFRS 4 *Insurance Contracts* currently refers to existing local practice. In South Africa, the valuation basis of such policyholder liabilities is made in accordance with the Financial Soundness Valuation basis as set out in actuarial guidance issued by the Actuarial Society of South Africa in Standard of Actuarial Practice (SAP) 104. Under this guidance, provisions are valued using realistic expectations of future experience, with margins for prudence and deferral of profit emergence. For territories outside of South Africa, local actuarial practices and methodologies are applied.
Investments in subsidiaries, associated undertakings and joint ventures	The Group has elected to recognise these investments at cost in the Company financial statements.

1.4 Going concern

The Group has performed a going concern assessment in order to support the 2022 annual reporting process. This assessment has relied on the Group's 2022 interim financial results as well as the 2023 to 2025 operational business plan. The operational business plan considered the projected new business, profitability and solvency over the plan period together with other items which may impact the business's ability to continue as a going concern.

Despite the challenging local economic environment, the results of the projections indicate that the Group is expected to remain sufficiently capitalised to continue as a going concern. No material uncertainty in relation to the going concern has been identified and no items were identified through the operational business plan process that are expected to negatively impact the ability to continue as a going concern.

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 annual financial statements.

Notes to the reviewed condensed consolidated financial statements

For the year ended 31 December 2022

A: Significant accounting policies continued

A1: Basis of preparation continued

1.5 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 (being the South African Rand), using the period-end exchange rates, and their income and expenses using the average exchange rates for the year. 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. 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).

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

	Year ended 31 December 2022		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)
Pound sterling	**20.1673**	**20.5865**	20.3372	21.5601
US dollar	**16.3700**	**17.0374**	14.7870	15.9372
Kenyan shilling	**0.1388**	**0.1381**	0.1348	0.1409
Zimbabwe dollar[1]	**0.0237**	**0.0237**	0.1099	0.1099

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

1.6 Basis of preparation of adjusted headline earnings

Purpose of adjusted headline earnings

Adjusted headline earnings 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 adjusted headline earnings is an appropriate alternative basis by which to assess the operating results of the Group and that it enhances the comparability and understanding of the financial performance of the Group. It is calculated as headline earnings in accordance with JSE Listings Requirements and SAICA Circular 01/2021 adjusted for items that are not considered reflective of the long-term economic performance of the Group. Adjusted headline earnings 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 adjusted headline earnings are explained below.

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

The adjustments applied in the determination of adjusted headline earnings are:

(a) Investment return adjustment for 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 before tax, but are added back in the calculation of adjusted headline earnings. 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 adjusted headline earnings 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. 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.

(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 adjusted headline earnings. 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 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 adjusted headline earnings.

1.7 Basis of preparation of other non-IFRS measures

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

(a) Return on adjusted net asset value
Return on adjusted net asset value (expressed as a percentage), is calculated as adjusted headline earnings divided by the average of the opening, mid-year and closing balances of adjusted IFRS equity. Adjusted IFRS equity is calculated as IFRS equity attributable to operating segments before adjustments related to the Group shares. It excludes equity related to the Residual plc, discontinued operations (if applicable) and operations in hyperinflationary economies. A reconciliation is presented in Note C3.

Return on adjusted net asset value 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 adjusted headline earnings to ensure consistency of the numerator and denominator in the calculation of return on adjusted net asset value.

(b) Adjusted headline earnings per share
Adjusted headline earnings per share is calculated as adjusted headline earnings 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 adjusted headline earnings. Refer to Note C1 for more information.

Adjusted headline earnings 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.

Notes to the reviewed condensed consolidated financial statements

For the year ended 31 December 2022

A: Significant accounting policies continued

A2: Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions 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.

Critical accounting judgements

The following sets out the items that require the Group to make critical estimates and judgements in the application of the relevant accounting policy, with additional detail provided below on key accounting judgements applied in the current and prior period.

Critical accounting judgements	Accounting policy reference
Nedbank unbundling and dividend in specie	A2(a)
Accounting matters relating to Zimbabwe	A2(b)

(a) Investment in Nedbank

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

A critical judgement for the Group is the estimation of the Zimbabwean exchange rate and valuation of assets within Zimbabwe. Other accounting matters that the Group have considered include the hyperinflation economy and IFRS profits earned in Zimbabwe.

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 auction trading system does not prioritise transactions of a capital nature, and therefore in our capacity as shareholders of Old Mutual Zimbabwe Limited, we do not consider the Group to effectively have access to this rate, and therefore there is a long-term lack of exchangeability.

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 31 December 2022 reporting, a ZWL$ to US dollar exchange rate of 720 to 1 (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 213% on average year to date, mainly due to global supply constraints as a result of the war 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 remain 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 while the Group's unlisted investment portfolio primarily comprises of private equity investments. All assets have applied valuation principles as outlined within IFRS.

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 13 672.91 at 31 December 2022 (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 R466 million (2021: R94 million).

IFRS profits earned within Zimbabwe

During the current period, our operations in Zimbabwe reported pre-tax IFRS profits of R1.4 billion (2021: R4.1 billion), of which R928 million (2021: R3.1 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 80% (2021: 311%) 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 are volatile and 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% (ZWL$: 0.0118 ZAR) and 75% (ZWL$: 0.0059 ZAR) of the existing rate. In addition, the results have also been stated at the closing auction rate (ZWL$: 0.0254 ZAR) and inter-bank rate (ZWL$: 0.0249 ZAR) as at 31 December 2022.

Notes to the reviewed condensed consolidated financial statements

For the year ended 31 December 2022

A: Significant accounting policies continued

A2: Critical accounting estimates and judgements continued

Critical accounting judgements continued

(b) Accounting matters relating to Zimbabwe continued

Condensed income statement for the year ended 31 December 2022

Exchange rate (Rm)	As reported ZWL$: 0.02 ZAR	ZWL$: 0.01 ZAR	ZWL$: 0.01 ZAR	Auction ZWL$: 0.03 ZAR	Interbank ZWL$: 0.03 ZAR
Total revenues	**14 345**	**6 875**	**3 438**	**14 745**	**14 467**
Total expenses	**(12 972)**	**(6 218)**	**(3 109)**	**(13 334)**	**(13 083)**
Profit before tax	**1 373**	**657**	**329**	**1 411**	**1 384**
Income tax expense	**(90)**	**(42)**	**(22)**	**(93)**	**(91)**
Profit after tax for the financial period	**1 283**	**615**	**307**	**1 318**	**1 293**

Condensed income statement for the year ended 31 December 2021

Exchange rate (Rm)	As reported ZWL$: 0.11 ZAR	ZWL$: 0.05 ZAR	Auction ZWL$: 0.08 ZAR	ZWL$: 0.15 ZAR
Total revenues	18 513	9 257	12 783	24 703
Total expenses	(14 441)	(7 221)	(9 971)	(19 270)
Profit before tax	4 072	2 036	2 812	5 433
Income tax expense	(138)	(69)	(95)	(184)
Profit after tax for the financial period	3 934	1 967	2 717	5 249

Condensed statement of financial position at 31 December 2022

Exchange rate (Rm)	As reported ZWL$: 0.02 ZAR	ZWL$: 0.01 ZAR	ZWL$: 0.01 ZAR	Auction ZWL$: 0.03 ZAR	Interbank ZWL$: 0.03 ZAR
Total assets	**23 008**	**11 504**	**5 752**	**24 671**	**24 207**
Total liabilities	**(19 821)**	**(9 911)**	**(4 955)**	**(21 254)**	**(20 854)**
Net assets	**3 187**	**1 593**	**797**	**3 417**	**3 353**

Condensed statement of financial position at 31 December 2021

Exchange rate (Rm)	As reported ZWL$: 0.11 ZAR	ZWL$: 0.05 ZAR	ZWL$: 0.08 ZAR	Auction ZWL$: 0.15 ZAR
Total assets	28 141	14 070	19 430	37 550
Total liabilities	(23 158)	(11 579)	(15 990)	(30 901)
Net assets	4 983	2 491	3 440	6 649

For the year ended 31 December 2022

Exchange Rate (Rm)	As reported ZWL$: 0.02 ZAR	ZWL$: 0.01 ZAR	ZWL$: 0.01 ZAR	Auction ZWL$: 0.03 ZAR	Interbank ZWL$: 0.03 ZAR
Profit after tax attributable to equity holders of the parent	**1 134**	**540**	**270**	**1 159**	**1 137**
Equity attributable to equity holders of the parent	**2 818**	**1 409**	**705**	**3 022**	**2 965**

For the year ended 31 December 2021

Exchange Rate (Rm)	As reported ZWL$: 0.11 ZAR	ZWL$: 0.05 ZAR	ZWL$: 0.08 ZAR	Auction ZWL$: 0.15 ZAR
Profit after tax attributable to equity holders of the parent	3 513	1 756	2 425	4 687
Equity attributable to equity holders of the parent	4 411	2 205	3 046	5 886

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 Zimbabwean Stock Exchange (ZSE).

For the period ended 31 December 2022, the ZSE recorded a gain of 80% (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 31 December 2022, the Zimbabwe shareholder portfolio generated a return of R928 million, with R692 million of this being generated from local equities.

For the year ended 31 December 2022

Equity risk sensitivity Rm	As reported	50% increase	50% decrease	75% decrease
Profit after tax attributable to equity holders of the parent	**1 134**	**1 606**	**662**	**426**
Equity attributable to equity holders of the parent	**2 818**	**3 290**	**2 346**	**2 110**
Listed equities (total for both shareholders and policyholders)	**5 605**	**8 408**	**2 803**	**1 401**

For the year ended 31 December 2021

Equity risk sensitivity Rm	As reported	50% increase	50% decrease	75% decrease
Profit after tax attributable to equity holders of the parent	3 513	5 518	1 507	504
Equity attributable to equity holders of the parent	4 411	6 416	2 405	1 403
Listed equities (total for both shareholders and policyholders)	13 319	19 979	6 660	3 330

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 Investments, 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).
- **Old Mutual Africa Regions:** 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. This segment was previously known as Rest of 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

The primary measure of the business performance of the operating segments. Calculated as adjusted headline earnings before shareholder tax and non-controlling interests, excluding net investment return on shareholder assets, finance costs and income from Group associates. Included in the adjusting items and reclassifications are mainly adjustments derived from adjusted headline earnings and the Zimbabwe business to reconcile back to IFRS.

Notes to the reviewed condensed consolidated financial statements

For the year ended 31 December 2022

B: Segment information

B2: Segmental income statement

For the year ended 31 December 2022 Rm	Mass and Foundation Cluster	Personal Finance and Wealth Management	Old Mutual Investments
Revenue			
Gross insurance premium revenue	12 988	16 199	–
Outward reinsurance	(41)	(1 511)	–
Net earned premiums	12 947	14 688	–
Investment return (non-banking)	208	(13 032)	6 412
Banking interest and similar income	2 664	–	–
Banking trading, investment and similar income	–	–	–
Fee and commission income, and income from service activities	479	6 896	2 917
Other income	220	321	156
Total revenue	16 518	8 873	9 485
Expenses			
Gross claims and benefits (including change in insurance contract provisions)	(5 923)	(12 758)	–
Reinsurance recoveries	39	1 614	–
Net claims and benefits incurred	(5 884)	(11 144)	–
Change in investment contract liabilities	(16)	14 369	(5 096)
Credit impairment charges	(722)	(21)	–
Finance costs	–	–	–
Banking interest payable and similar expenses	(387)	–	–
Fee and commission expenses, and other acquisition costs	(2 705)	(3 215)	(478)
Change in third-party interest in consolidated funds	–	–	–
Other operating and administrative expenses	(4 385)	(7 083)	(2 644)
Policyholder tax	23	1 438	(27)
Total expenses	(14 076)	(5 656)	(8 245)
Share of gains of associated undertakings and joint ventures after tax	–	–	–
Impairment of investments in associated undertakings	–	–	–
Profit on disposal of subsidiaries and associated undertakings	–	–	–
Results from operations[1]	2 442	3 217	1 240
Shareholder investment return	–	–	–
Finance costs	–	–	–
Share of gains of associated undertakings and joint ventures after tax	–	–	–
Adjusted headline earnings before tax and non-controlling interests	2 442	3 217	1 240
Shareholder tax	(794)	(867)	(343)
Non-controlling interests	(133)	(2)	(22)
Adjusted headline earnings	1 515	2 348	875
Investment return adjustment for Group equity and debt instruments held in policyholder funds	–	–	–
Impact of restructuring	(39)	–	–
Operations in hyperinflationary economies	–	–	–
Non-core operations	–	–	–
Headline earnings	1 476	2 348	875
Adjustments			
Remeasurement of non-current asset/disposal group HFS	–	–	–
Reversal of impairment of goodwill and other intangibles assets and property, plant and equipment	–	(3)	–
Impairment of investments in associated undertakings	–	–	–
Profit on disposal of subsidiaries and associated undertakings	–	–	(12)
Profit after tax for the financial year attributable to equity holders of the parent	1 476	2 345	863
Profit for the financial period attributable to non-controlling interests	138	11	24
Profit after tax for the financial year	1 614	2 356	887

1 *Results from operations is a segmental performance measure used by the Group and is defined in Note B1 (1.2).*

Total inter-segments revenue included in total revenue is as follows: Mass and Foundation Cluster is R1 153 million (2021: R1 082 million), Personal Finance and Wealth Management is R6 002 million (2021: R5 395 million), Old Mutual Investments is R6 244 million (2021: R5 568 million), Old Mutual Corporate is R10 066 million (2021: R9 329 million), Old Mutual Insure is R10 million (2021: R1 million), Old Mutual Africa Regions is R11 million (2021: R51 million) and Other Group Activities is R12 324 million (2021: R12 732 million).

Segmental income statements are disclosed to match the way the business is managed. This will not align to disaggregated revenue (D8) as it represents the IFRS 15 view of income.

Old Mutual Corporate	Old Mutual Insure	Old Mutual Africa Regions	Other Group Activities and inter-company eliminations	Adjusted headline earnings	Consolidation of funds	Adjusting items and reclassifications	Total IFRS
27 238	17 010	11 511	(789)	84 157	–	1 511	85 668
(2 225)	(5 428)	(1 816)	196	(10 825)	–	(306)	(11 131)
25 013	11 582	9 695	(593)	73 332	–	1 205	74 537
8 672	335	3 599	(1 824)	4 370	3 431	12 845	20 646
–	–	623	–	3 287	–	1 218	4 505
–	–	72	–	72	–	954	1 026
467	1 354	1 231	(2 033)	11 311	(637)	886	11 560
730	(190)	383	(88)	1 532	131	(728)	935
34 882	13 081	15 603	(4 538)	93 904	2 925	16 380	113 209
				–			–
(27 740)	(11 248)	(10 208)	51	(67 826)	–	(9 928)	(77 754)
1 900	3 968	743	(81)	8 183	–	89	8 272
(25 840)	(7 280)	(9 465)	(30)	(59 643)	–	(9 839)	(69 482)
(1 098)	–	(107)	261	8 313	–	(656)	7 657
40	–	(68)	(237)	(1 008)	–	(71)	(1 079)
–	–	–	–	–	–	(662)	(662)
–	–	(202)	–	(589)	–	(241)	(830)
(1 016)	(2 815)	(1 137)	1 450	(9 916)	(192)	(293)	(10 401)
–	–	–	–	–	(1 846)	–	(1 846)
(4 871)	(2 491)	(3 619)	1 213	(23 880)	(887)	(2 633)	(27 400)
(119)	–	(163)	410	1 562	–	(1 562)	–
(32 904)	(12 586)	(14 761)	3 067	(85 161)	(2 925)	(15 957)	(104 043)
–	–	–	–	–	–	118	118
–	–	–	–	–	–	–	–
–	–	–	–	–	–	(133)	(133)
1 978	495	842	(1 471)	8 743	–	408	9 151
–	50	727	691	1 468	–	(1 468)	–
–	(31)	(99)	(532)	(662)	–	662	–
–	–	–	(53)	(53)	–	53	–
1 978	514	1 470	(1 365)	9 496	–	(345)	9 151
(556)	(192)	(395)	281	(2 866)	–	1 514	(1 352)
–	(130)	28	–	(259)	–	(215)	(474)
1 422	192	1 103	(1 084)	6 371	–	954	7 325
–	–	272	150	422	–	(422)	–
–	–	(78)	(35)	(152)	–	152	–
–	–	1 134	–	1 134	–	(1 134)	–
–	–	–	173	173	–	(173)	–
1 422	192	2 431	(796)	7 948	–	(623)	7 325
				–			–
–	–	–	–	–	–	–	–
–	–	(185)	(304)	(492)	–	492	–
–	–	–	–	–	–	–	–
–	16	–	(135)	(131)	–	131	–
1 422	208	2 246	(1 235)	7 325	–	–	7 325
54	130	117	–	474	–	–	474
1 476	338	2 363	(1 235)	7 799	–	–	7 799

Notes to the reviewed condensed consolidated financial statements

For the year ended 31 December 2022

B: Segment information continued

B2: Segmental income statement continued

For the year ended 31 December 2021 Rm	Mass and Foundation Cluster	Personal Finance and Wealth Management	Old Mutual Investments
Revenue			
Gross insurance premium revenue	12 762	16 657	–
Outward reinsurance	(39)	(1 426)	–
Net earned premiums	12 723	15 231	–
Investment return (non-banking)	4 706	56 224	8 108
Banking interest and similar income	2 796	–	–
Banking trading, investment and similar income	–	–	–
Fee and commission income, and income from service activities	435	7 384	2 721
Other income	246	365	122
Total revenue	20 906	79 204	10 951
Expenses			
Gross claims and benefits (including change in insurance contract provisions)	(10 574)	(31 458)	–
Reinsurance recoveries	46	3 655	–
Net claims and benefits incurred	(10 528)	(27 803)	–
Change in investment contract liabilities	(23)	(37 554)	(7 109)
Credit impairment charges	(136)	(136)	–
Finance costs	–	–	–
Banking interest payable and similar expenses	(428)	(1)	–
Fee and commission expenses, and other acquisition costs	(2 604)	(4 038)	(420)
Change in third-party interest in consolidated funds	–	–	–
Other operating and administrative expenses	(4 225)	(7 278)	(2 297)
Policyholder tax	(210)	(1 946)	(16)
Total expenses	(18 154)	(78 756)	(9 842)
Share of gains of associated undertakings and joint ventures after tax	–	–	–
Impairment of investment in associated undertakings	–	–	–
Loss on disposal of subsidiaries, associated undertakings and strategic investments	–	–	–
Results from operations	2 752	448	1 109
Shareholder investment return	–	–	–
Finance costs	–	–	–
Share of gains of associated undertakings and joint ventures after tax	–	–	–
Adjusted headline earnings before tax and non-controlling interests	2 752	448	1 109
Shareholder tax	(862)	(87)	(292)
Non-controlling interests	(239)	(1)	(22)
Adjusted headline earnings	1 651	360	795
Investment return adjustment for Group equity and debt instruments held in policy holder funds	–	–	–
Impact of restructuring	(288)	–	–
Operations in hyperinflationary economies	–	–	–
Non-core operations	–	–	–
Headline earnings	1 363	360	795
Adjustments			
Remeasurement of non-current asset/disposal Group HFS	–	–	–
Reversal of impairment/(impairment) of goodwill and other intangibles assets and property plant and equipment and other headline earnings adjustments	–	1	–
Profit on disposal of property, plant and equipment	–	–	–
Reversal of impairment on associated undertakings	–	–	1
Profit on disposal of subsidiaries and associated undertakings	–	–	14
Profit for the financial year attributable to equity holders of the parent	1 363	361	810
Profit for the financial period attributable to non-controlling interests	243	9	22
Profit after tax for the financial year	1 606	370	832

Old Mutual Corporate	Old Mutual Insure	Old Mutual Africa Regions	Other Group activities and inter-company eliminations	Adjusted headline earnings	Consolidation of funds	Adjusting items and reclassifications	Total IFRS
27 829	15 914	9 648	(409)	82 401	–	1 440	83 841
(1 995)	(6 649)	(1 417)	407	(11 119)	–	(171)	(11 290)
25 834	9 265	8 231	(2)	71 282	–	1 269	72 551
52 131	96	6 582	(2 145)	125 702	13 709	17 636	157 047
–	–	724	–	3 520	–	827	4 347
–	–	79	–	79	–	354	433
398	1 408	1 092	(1 906)	11 532	(668)	963	11 827
614	4	262	(49)	1 564	92	(47)	1 609
78 977	10 773	16 970	(4 102)	213 679	13 133	21 002	247 814
(66 832)	(6 158)	(12 607)	168	(127 461)	–	(11 784)	(139 245)
2 605	662	765	(110)	7 623	–	56	7 679
(64 227)	(5 496)	(11 842)	58	(119 838)	–	(11 728)	(131 566)
(8 927)	–	(796)	322	(54 087)	–	(860)	(54 947)
(91)	–	(106)	–	(469)	–	(198)	(667)
–	–	–	–	–	–	(543)	(543)
–	–	(266)	–	(695)	–	(60)	(755)
(844)	(2 626)	(947)	1 559	(9 920)	(277)	(309)	(10 506)
–	–	–	–	–	(11 874)	–	(11 874)
(3 952)	(2 108)	(3 304)	1 518	(21 646)	(982)	(2 268)	(24 896)
(209)	–	(100)	(159)	(2 640)	–	2 640	–
(78 250)	(10 230)	(17 361)	3 298	(209 295)	(13 133)	(13 326)	(235 754)
–	–	–	–	–	–	1 385	1 385
–	–	–	–	–	–	18	18
–	–	–	–	–	–	(36)	(36)
727	543	(391)	(804)	4 384	–	9 043	13 427
–	203	795	1 728	2 726	–	(2 726)	–
–	(29)	(90)	(424)	(543)	–	543	–
–	–	–	1 252	1 252	–	(1 252)	–
727	717	314	1 752	7 819	–	5 608	13 427
(204)	(255)	(148)	(240)	(2 088)	–	(3 876)	(5 964)
–	(101)	34	–	(329)	–	(472)	(801)
523	361	200	1 512	5 402	–	1 260	6 662
–	–	(93)	(97)	(190)	–	190	–
–	–	(9)	(1 185)	(1 482)	–	1 482	–
–	–	3 489	–	3 489	–	(3 489)	–
–	–	–	(10)	(10)	–	10	–
523	361	3 587	220	7 209	–	(547)	6 662
–	–	–	4	4	–	(4)	–
–	–	1	(560)	(558)	–	558	–
–	–	3	4	7	–	(7)	–
–	–	–	36	37	–	(37)	–
–	–	–	(51)	(37)	–	37	–
523	361	3 591	(347)	6 662	–	–	6 662
38	101	388	–	801	–	–	801
561	462	3 979	(347)	7 463	–	–	7 463

Notes to the reviewed condensed consolidated financial statements

For the year ended 31 December 2022

B: Segment information continued

B3: Segmental statement of financial position

At 31 December 2022 Rm	Mass and Foundation Cluster	Personal Finance and Wealth Management	Old Mutual Investments	Old Mutual Corporate
Total assets[1]	**37 565**	**390 647**	**72 247**	**318 878**
Policyholder liabilities	**(14 789)**	**(353 244)**	**(60 463)**	**(278 328)**
Life insurance contracts liabilities	**1 322**	**(77 700)**	**(10)**	**(59 726)**
Investment contract liabilities with discretionary participating features	**(16 049)**	**(15 643)**	**–**	**(169 359)**
Investment contract liabilities	**(62)**	**(259 901)**	**(60 453)**	**(49 243)**
Property and Casualty insurance liabilities	**–**	**–**	**–**	**–**
Other liabilities	**(18 817)**	**(33 219)**	**(7 005)**	**(39 834)**
Total liabilities	**(33 606)**	**(386 463)**	**(67 468)**	**(318 162)**
Net assets	**3 959**	**4 184**	**4 779**	**716**

At 31 December 2021 Rm	Mass and Foundation Cluster	Personal Finance and Wealth Management	Old Mutual Investments	Old Mutual Corporate
Total assets[1]	36 847	412 951	68 049	318 611
Policyholder liabilities	(16 070)	(381 024)	(58 111)	(288 282)
Life insurance contracts liabilities	(141)	(83 787)	(3)	(62 926)
Investment contract liabilities with discretionary participating features	(15 845)	(16 911)	–	(176 462)
Investment contract liabilities	(84)	(280 326)	(58 108)	(48 894)
Property and Casualty insurance liabilities	–	–	–	–
Other liabilities	(17 253)	(28 200)	(5 345)	(29 769)
Total liabilities	(33 323)	(409 224)	(63 456)	(318 051)
Net assets	3 524	3 727	4 593	560

1 *Total assets held for sale included in total assets is as follows: Mass and Foundation Cluster is R1 million (2021: R23 million), Personal Finance and Wealth Management is RNil (2021: R46 million), Old Mutual Investments is R17 million (2021: RNil), Old Mutual Corporate is RNil (2021: R200 million), Old Mutual Africa Regions is RNil (2021: RNil) and Old Mutual Insure is RNil (2021: RNil), Other Group Activities R352 million (2021: RNil).*

Old Mutual Insure	Old Mutual Africa Regions	Other Group activities and inter-company eliminations	Consolidation of funds	Total IFRS
18 331	**84 159**	**24 989**	**117 640**	**1 064 456**
–	**(49 779)**	**2 746**	**–**	**(753 857)**
–	**(9 961)**	**957**	**–**	**(145 118)**
–	**(32 645)**	**1**	**–**	**(233 695)**
–	**(7 173)**	**1 788**	**–**	**(375 044)**
(7 570)	**(4 060)**	**(76)**	**–**	**(11 706)**
(5 628)	**(14 215)**	**4 122**	**(117 751)**	**(232 347)**
(13 198)	**(68 054)**	**6 792**	**(117 751)**	**(997 910)**
5 133	**16 105**	**31 781**	**(111)**	**66 546**

Old Mutual Insure	Old Mutual Africa Regions	Other Group Activities and inter-company eliminations	Consolidation of funds	Total IFRS
16 971	88 693	29 091	82 641	1 053 854
–	(53 945)	2 813	–	(794 619)
–	(9 305)	813	–	(155 349)
–	(36 265)	–	–	(245 483)
–	(8 375)	2 000	–	(393 787)
(7 630)	(3 576)	–	–	(11 206)
(5 071)	(14 424)	91	(82 757)	(182 728)
(12 701)	(71 945)	2 904	(82 757)	(988 553)
4 270	16 748	31 995	(116)	65 301

Notes to the reviewed condensed consolidated financial statements

For the year ended 31 December 2022

C: Other key performance information

C1: Earnings and earnings per share

Year ended 31 December	Source of guidance	Notes	2022	2021
Basic earnings/(loss) per share	IFRS	C1(a)	**166.0**	151.3
Diluted earnings/(loss) per share	IFRS	C1(b)	**163.0**	148.9
Headline earnings per share	JSE Listings Requirements SAICA Circular 01/2021	C1(c)	**180.1**	163.8
Diluted headline earnings per share	JSE Listings Requirements SAICA Circular 01/2021	C1(c)	**176.8**	161.2

(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.

Year ended 31 December Rm	2022	2021
Profit for the financial year attributable to equity holders of the parent	**7 325**	6 662

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

Year ended 31 December	2022	2021
Weighted average number of ordinary shares in issue (millions)	**4 735**	4 709
Shares held in charitable foundations and trusts (millions)	**(26)**	(18)
Shares held in ESOP and similar trusts (millions)	**(152)**	(133)
Adjusted weighted average number of ordinary shares (millions)	**4 557**	4 558
Shares held in policyholder and consolidated investment funds (millions)	**(118)**	(139)
Shares held in Black Economic Empowerment Trusts and Retail Schemes (millions)	**(27)**	(17)
Weighted average number of ordinary shares used to calculate basic earnings per share (millions)	**4 412**	4 402
Basic earnings per ordinary share (cents)	**166.0**	151.3

(b) Diluted earnings per share

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

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

For the year ended 31 December	Note	2022	2021
Profit attributable to ordinary equity holders (Rm)		**7 325**	6 662
Weighted average number of ordinary shares (millions)	C1(a)	**4 412**	4 402
Adjustments for share options held by ESOP and similar trusts (millions)		**63**	54
Adjustments for share options held in Black Economic Empowerment Trusts (millions)		**20**	17
Weighted average number of ordinary shares used to calculate diluted earnings per share (millions)		**4 495**	4 473
Diluted earnings per ordinary share (cents)		**163.0**	148.9

(c) Headline earnings per share

The Group is required to calculate headline earnings per share (HEPS) in accordance with the Johannesburg Stock Exchange (JSE) Listings 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 year attributable to equity holders of the parent to headline earnings and summarises the calculation of basic HEPS:

		2022		2021	
Year ended 31 December	Notes	Gross	Net of tax and non-controlling interests	Gross	Net of tax and non-controlling interests
Profit attributable to ordinary equity holders (Rm)			**7 325**		6 662
Adjustments:					
Impairments of goodwill, intangible assets and property, plant and equipment[1]		**585**	**492**	648	559
Impairment/(reversal of impairment) of investment in associated undertakings	I2(a)	–	–	(18)	(37)
Remeasurement of non-current asset held for sale		–	–	(18)	(4)
Profit on disposal of property and equipment		–	–	(7)	(7)
Loss on disposal of subsidiaries, associated undertakings and joint ventures		**133**	**131**	36	36
Total adjustments (Rm)		**718**	**623**	641	547
Headline earnings (Rm)			**7 948**		7 209
Weighted average number of ordinary shares (millions)	C1(a)		**4 412**		4 402
Diluted weighted average number of ordinary shares (millions)	C1(b)		**4 495**		4 473
Headline earnings per share (cents)			**180.1**		163.8
Diluted headline earnings per share (cents)[2]			**176.8**		161.2

1 *Impairment of intangible assets of R183 million have been recognised 2022. Refer to Note H1 for more disclosure. Impairment of property, plant and equipment of R402 million have been recognised in 2022. Refer to Note H2 for more disclosure.*
2 *Diluted headline earnings per share has been calculated using the same weighted average number of ordinary shares used to calculate diluted loss per share, in accordance with the South African Institute of Chartered Accountants' Circular 01/2021 'Headline Earnings'.*

Notes to the reviewed condensed consolidated financial statements

For the year ended 31 December 2022

C: Other key performance information continued

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

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

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

At 31 December Rand	2022	2021
Net asset value per share	**14.1**	13.9
Net tangible asset value per share	**12.7**	12.5

C3: Return on net asset value

The following table outlines the calculation of return on net asset value, using adjusted headline earnings disclosed in the consolidated supplementary income statement. The basis of preparation of return on net asset value is described in Note A1.7.

At 31 December Rbn or %	2022	2021
Return on net asset value (%)	**11.1%**	9.0%
Average adjusted IFRS equity (Rbn)[1]	**57.3**	59.8
Closing adjusted IFRS equity (Rbn)	**59.8**	55.8

1 *Following the unbundling of 12.2% of the Group's stake in Nedbank in November 2021, and the exclusion from adjusted headline earnings of the distributed stake effective 30 June 2021, for the purposes of the return on net asset value calculation, the equity attributable to the distributed stake is recognised for the same proportion of the year that earnings was recognised in adjusted headline earnings.*

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

Rbn	2022	2021
Equity attributable to the holders of the parent	**63.8**	62.2
Equity in respect of operations in hyperinflationary economies	**(2.8)**	(4.4)
Equity in respect of non-core operations	**(1.3)**	(2.1)
Consolidation adjustments	**0.1**	0.1
Closing adjusted IFRS equity	**59.8**	55.8

C4: Dividends

For the year ended 31 December Rm	Ordinary dividend payment date	2022	2021
2020 Final dividend paid – 35.00c per share	24 May 2021		1 565
2021 Interim dividend paid – 25.00c per share	11 October 2021		1 121
2021 Dividend in specie (refer to Note A2(a))	8 November 2021		10 656
2021 Final dividend paid – 51.00c per share	23 May 2022	**2 286**	–
2022 Interim dividend paid – 25.00c per share	17 October 2022	**1 138**	–
Dividend payments to ordinary equity holders for the year		**3 424**	13 342

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

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

A final dividend of 51 cents (2021: 51 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 April 2023 to shareholders on all registers, except for shareholders on the London Stock Exchange who will be paid on 15 May 2023.

Notes to the reviewed condensed consolidated financial statements

For the year ended 31 December 2022

D: Other consolidated income statement notes

D1: Revenue from contracts with customers

Revenue from contracts with customers is 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. Revenue from contracts with customers are assessed if they contain contract assets.

Year ended 31 December 2022 Rm	Mass and Foundation Cluster	Personal Finance and Wealth Management	Old Mutual Investments
Revenue from contracts with customers			
Fee and commission income	**479**	**6 859**	**2 871**
Transaction and performance fees	**–**	**60**	**46**
Change in contract liabilities	**–**	**(23)**	**–**
Fee and commission income, and income from service activities	**479**	**6 896**	**2 917**
Non-IFRS 15 revenue			
Banking	**2 664**	**–**	**–**
Insurance	**12 947**	**14 688**	**–**
Investment return and other	**439**	**(12 687)**	**6 557**
Total revenue from other activities	**16 050**	**2 001**	**6 557**
Total revenue	**16 529**	**8 897**	**9 474**

Year ended 31 December 2021 Rm	Mass and Foundation Cluster	Personal Finance and Wealth Management	Old Mutual Investments
Revenue from contracts with customers			
Fee and commission income	435	7 327	2 652
Transaction and performance fees	–	69	69
Change in contract liabilities	–	(12)	–
Fee and commission income, and income from service activities	435	7 384	2 721
Non-IFRS 15 revenue			
Banking	2 796	–	–
Insurance	12 723	15 231	–
Investment return and other	4 986	56 658	8 232
Total revenue from other activities	20 505	71 889	8 232
Total revenue	20 940	79 273	10 953

Old Mutual Corporate	Old Mutual Insure	Old Mutual Africa Regions	Other Group activities and inter-company eliminations	Consolidation of funds	Total
467	**1 365**	**1 495**	**(1 995)**	**(637)**	**10 904**
–	**–**	**624**	**(38)**	**–**	**692**
–	**(11)**	**(2)**	**–**	**–**	**(36)**
467	**1 354**	**2 117**	**(2 033)**	**(637)**	**11 560**
–	**–**	**2 867**	**–**	**–**	**5 531**
25 013	**11 582**	**10 901**	**(594)**	**–**	**74 537**
9 552	**146**	**14 822**	**(810)**	**3 562**	**21 581**
34 565	**11 728**	**28 590**	**(1 404)**	**3 562**	**101 649**
35 032	**13 082**	**30 707**	**(3 437)**	**2 925**	**113 209**

Old Mutual Corporate	Old Mutual Insure	Old Mutual Africa Regions	Other Group Activities and Inter-company eliminations	Consolidation of funds	Total
398	1 419	1 328	(1 839)	(668)	11 052
–	–	727	(65)	–	800
–	(11)	–	–	–	(23)
398	1 408	2 055	(1 904)	(668)	11 829
–	–	1 985	–	–	4 781
25 834	9 265	9 498	(2)		72 549
53 050	419	22 590	(1 081)	13 801	158 655
78 884	9 684	34 073	(1 083)	13 801	235 985
79 282	11 092	36 128	(2 987)	13 133	247 814

Notes to the reviewed condensed consolidated financial statements

For the year ended 31 December 2022

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 31 December 2022 Rm	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investments and securities	**879 979**	**467 779**	**369 703**	**42 497**
Derivative financial instruments – assets	**9 688**	**53**	**9 635**	**–**
Total financial assets measured at fair value	**889 667**	**467 832**	**379 338**	**42 497**
Financial liabilities measured at fair value				
Investment contract liabilities	**373 810**	**–**	**373 810**	**–**
Third-party interests in consolidated funds	**100 249**	**–**	**100 249**	**–**
Borrowed funds	**9 024**	**–**	**9 024**	**–**
Other liabilities	**10 035**	**–**	**10 035**	**–**
Derivative financial instruments – liabilities	**12 580**	**13**	**12 567**	**–**
Total financial liabilities measured at fair value	**505 698**	**13**	**505 685**	**–**

At 31 December 2021 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[1]	893 261	439 936	407 899	45 426
Derivative financial instruments – assets	6 391	–	6 391	–
Total financial assets measured at fair value	903 396	443 680	414 290	45 426
Financial liabilities measured at fair value				
Investment contract liabilities[2]	392 567	–	392 567	–
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	–	496 350	–

1 *An error was detected regarding the fair value hierarchy pertaining to investments and securities. Consequently, investments and securities to the value of R1.2 billion were reclassified from Level 1 to Level 2, as these securities were not actively traded on their primary exchange during the reporting period.*

2 *In 2021, investment contract liabilities were incorrectly included in level 1 as the value of the liabilities were derived from underlying assets that are classified as level 1. The amount has been reclassified to level 2 as the fair value on investment contract liabilities is derived from valuation techniques based on observable inputs.*

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 these valuations, 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.

(b) Level 3 fair value hierarchy disclosure

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

Year ended 31 December **Rm**	**2022**	2021
Level 3 financial assets – Investments and securities		
At beginning of the year	**45 426**	37 117
Total net fair value losses recognised in profit or loss	**(4 285)**	12
Purchases	**17 023**	8 316
Sales	**(15 464)**	(2 133)
Transfers in	**424**	574
Transfers out	**(164)**	(172)
Net movement on consolidated investment funds[1]	**7 502**	(4 571)
Foreign exchange and other	**(7 965)**	6 283
Total Level 3 financial assets	**42 497**	45 426
Unrealised fair value (losses)/gains recognised in profit or loss	**(1 094)**	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.

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 year listed debt securities to the value of R4 014 million (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, listed bonds to the value of R2 147 million (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. Pooled investments to the value of R50 million (2021: R452 million) were also transferred from Level 2 to Level 1 as markets in which these instruments trade, have become active. Pooled investments to the value of R1 308 million (2021: RNil) were also transferred from Level 1 to Level 2 as markets in which these instruments trade, have become less active.

A transfer between Level 2 and Level 3 occurs when any significant inputs used to determine fair value of the instrument become unobservable. At 31 December 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. Pooled investments (R168 million), unlisted debt securities (R26 million) and equity securities (R10 million) were transferred from Level 2 to Level 3, reflecting the valuation technique used to value these investments as inputs became observable. Equity securities to the value of R220 million were transferred from Level 1 to Level 3, reflecting the valuation technique used to value these investments as inputs became unobservable.

During the period, equities and debt securities to the value of R164 million were transferred from Level 3 to 2 reflecting the valuation technique used to value these investments as the inputs became observable.

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

E: Financial assets and liabilities continued

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

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

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

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

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

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

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

		Range of unobservable inputs	
Valuation technique	**Significant unobservable input**	**2022**	2021
Discounted cash flow (DCF)	Risk adjusted discount rate:		
	– Equity risk premium	**2.5% – 6.0%**	0.25% – 20.0%
	– Liquidity discount rate	**3.9% – 40.0%**	5.0% – 40.0%
	– Nominal risk-free rate	**3.8% – 17.6%**	5.0% – 13.0%
	– Credit spreads	**1.5% – 13.1%**	1.51% – 13.65%
	– Dividend growth rate	**Not applicable**	5.0% – 20.0%
	– Internal rate of return	**13.0% – 30.0%**	16.0% – 40.0%
	– Preference dividend accrual rate	**5.9% – 12.5%**	7.0% – 11.0%
	– Marketability discount	**10.0% – 30.0%**	5.0% – 30.0%
Price earnings (PE) model/multiple/ embedded value	PE ratio/multiple	**2 – 10 times**	3.0 – 15.0 times
Sum of parts	PE ratio and DCF	**See PE ratio and DCF**	See PE ratio and DCF

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 2022. 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	**At 31 December 2022**	At 31 December 2021			**At 31 December 2022**	At 31 December 2021
Types of financial instruments	**Fair values**		**Valuation techniques used**	**Significant unobservable input**	**Fair value measurement sensitivity to unobservable inputs**	
Assets						
Investments and securities	**42 497**	45 426	Discounted cash flows (DCF) Market comparable companies approach 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 rate PE ratio/multiple	**Favourable: 3 487** **Unfavourable: 3 275**	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 31 December 2022:

Rm	**At 31 December 2022**	At 31 December 2021		**At 31 December 2022**		At 31 December 2021	
				Sensitivities			
Types of financial instruments	**Fair values**		**Most significant unobservable input**	**Favourable impact**	**Unfavourable impact**	Favourable impact	Unfavourable impact
Assets							
Debt securities, preference shares and debentures	**5 981**	18 983	Discount rates Credit spreads	**272**	**258**	1 196	1 170
Equity securities	**25 901**	19 244	Discount rate Price earnings ratio/multiple Marketability discount rate	**1 946**	**1 752**	1 264	1 215
Pooled investments	**10 615**	7 199	Net asset value of underlying investments	**1 269**	**1 265**	359	358
Total	**42 497**	45 426		**3 487**	**3 275**	2 819	2 743

Fair value losses of R4 285 million (2021: R12 million) were recognised on Level 3 assets during the year. The loss is attributable to the approach followed in performing valuations due to the high levels of uncertainty in respect of the economic outlook and due to the function of lower comparable multiples.

Notes to the reviewed condensed consolidated financial statements

For the year ended 31 December 2022

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

Financial instruments have been classified as designated as fair value through profit and loss where the Group has satisfied the criteria as described in the accounting policies (refer to Note E1). Fair value movements on financial assets designated at fair value through profit or loss is recognised in investment return (non-banking) 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 a mismatch between the valuation of the investment assets and the valuation of the policyholder liability. The policyholder liability is valued at fair value through profit or loss and hence the assets backing the policyholder liability 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 documented 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. This was done to eliminate a mismatch between the valuation of the investment assets and the valuation of the policyholder liability. 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 year**	**Cumulative**	**Contractual maturity amount**
Borrowed funds at 31 December 2022	**9 024**	**42**	**379**	**8 883**
Borrowed funds at 31 December 2021	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) and a risk-free liability curve. This difference is cross-checked to market-related data on credit spreads, where available. The basis for not using credit default swaps to determine the change in fair value due to credit risk is the unavailability of reliable market priced instruments.

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

Certain financial instruments of the Group are not carried at fair value, principally investments and securities, loans and advances, certain borrowed funds and other financial assets and financial liabilities 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 their carrying value, except for loans and advances for which the fair value is set out below.

The table below shows the fair value hierarchy only for those assets and 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.

			Fair value hierarchy		
Rm	**Carrying value**	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets					
Investments and securities at 31 December 2022	**9 612**	**9 374**	**–**	**6 706**	**2 668**
Investments and securities at 31 December 2021	6 127	6 035	–	6 035	–
Financial liabilities					
Borrowed funds at 31 December 2022	**7 689**	**7 689**	**–**	**7 689**	**–**
Borrowed funds at 31 December 2021	9 032	9 032	–	9 032	–

Investments and securities

For investments that are carried at amortised cost in terms of IFRS 9 and included in Level 2, 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. The fair value of investments and securities included in Level 3 has been determined using discounted cash flow analysis and third-party valuations.

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

Per the note above 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

Life insurance contract liabilities

While 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 cash flows 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 through vaccinations and prior infections.

Rm	Mass and Foundation Cluster	Personal Finance	Old Mutual Corporate	Old Mutual Africa Regions	Group
Pandemic provisions at 31 December 2021	353	1 761	372	378	2 864
Released to the income statement	(353)	(1 761)	(372)	(378)	(2 864)
Pandemic provisions at 31 December 2022	–	–	–	–	–
Best estimate liability including prescribed margin	–	–	–	–	–
Discretionary margin	–	–	–	–	–

The pandemic impact related to COVID-19 in the table above represents the total impact in the current year Income Statement. The pandemic reserves at 31 December 2022 have been released from 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, all short-term provisions have been released, as actual experience was materially lighter than expected experience. Rather an allowance for COVID-19 becoming endemic was included in the long-term mortality bases for underwritten risk products, to allow for the future impact of excess COVID-19-related mortality on our experience.

Sensitivity analysis of the COVID-19 provisions was not updated for the period, given that the provisions have been released.

Notes to the reviewed condensed consolidated financial statements

For the year ended 31 December 2022

F: Analysis of financial assets and liabilities continued

F1: Insurance and investment contracts continued

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

Actuarial basis changes

Rm	2022 South Africa	2022 Old Mutual Africa Regions	2022 Group	2021 South Africa	2021 Old Mutual Africa Regions	2021 Group
Non-economic assumption changes	**162**	**140**	**302**	(2 687)	(484)	(3 171)
Economic assumption changes	**1 181**	**171**	**1 352**	432	14	446
Total basis changes	**1 343**	**311**	**1 654**	(2 255)	(470)	(2 725)

Assumption changes were less negative in 2022, with the release of remaining COVID-19 provisions being partially offset by strengthening of persistency basis and mortality basis (to include expected future endemic COVID-19 costs into base mortality).

(b) Policyholder liabilities

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

Year ended 31 December Rm	2022 Gross	2022 Reinsurance	2022 Net	2021 Gross	2021 Reinsurance	2021 Net
Life assurance policyholder liabilities						
Total life insurance contracts liabilities	**145 118**	**(3 427)**	**141 691**	155 349	(4 099)	151 250
Life insurance contracts liabilities	**141 718**	**(3 095)**	**138 623**	151 451	(3 628)	147 823
Outstanding claims	**3 400**	**(332)**	**3 068**	3 898	(471)	3 427
Investment contract liabilities	**608 739**	**–**	**608 739**	639 270	(3 759)	635 511
Unit-linked investment contracts and similar contracts	**373 540**	**–**	**373 540**	392 705	(3 744)	388 961
Other investment contracts	**1 504**	**–**	**1 504**	1 082	–	1 082
Investment contracts with discretionary participating features	**233 695**	**–**	**233 695**	245 483	(15)	245 468
Total life assurance policyholder liabilities	**753 857**	**(3 427)**	**750 430**	794 619	(7 858)	786 761
Property and Casualty liabilities						
Claims incurred but not reported	**2 268**	**(1 201)**	**1 067**	2 589	(970)	1 619
Unearned premiums	**3 899**	**(1 251)**	**2 648**	3 400	(1 273)	2 127
Outstanding claims	**5 539**	**(3 665)**	**1 874**	5 217	(3 271)	1 946
Total Property and Casualty liabilities	**11 706**	**(6 117)**	**5 589**	11 206	(5 514)	5 692
Total policyholder liabilities	**765 563**	**(9 544)**	**756 019**	805 825	(13 372)	792 453

Of the R9 544 million (2021: R13 372 million) included in reinsurers' share of life assurance policyholder and Property and Casualty liabilities is an amount of R6 526 million (2021: R10 738 million) which is recoverable within 12 months from the reporting date. The remainder is recoverable more than 12 months from the reporting date.

Sensitivity analysis – life assurance

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:

	Change in assumption percentage	Increase/(decrease) in liabilities	
Year ended 31 December Rm	**2022 and 2021**	**2022**	2021
Assumption			
Increase in mortality and morbidity rates – assurance	**10**	**7 358**	7 410
Decrease in mortality rates – annuities (longevity)	**(10)**	**1 206**	1 184
Lapse rates	**10**	**(42)**	(107)
Expenses (maintenance)	**10**	**1 345**	1 241
Valuation discount rate	**1**	**305**	272

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 to the applicable yield curve.

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 since 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 this rate by 100 bps (with a corresponding reduction in the valuation inflation rate) would have no significant impact on insurance contract liabilities or profit in 2022. There continues to be no significant impact in 2021 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.

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

Notes to the reviewed condensed consolidated financial statements

For the year ended 31 December 2022

F: Analysis of financial assets and liabilities continued

F2: Borrowed funds

At 31 December 2022 Rm		Mass and Foundation Cluster	Old Mutual Insure	Old Mutual Africa Regions	Other Group activities	Total
Term loans	G3(a)	**3 950**	**–**	**2 839**	**–**	**6 789**
Revolving credit facilities	G3(b)	**250**	**–**	**650**	**–**	**900**
Subordinated debt securities	G3(c)	**–**	**–**	**–**	**9 024**	**9 024**
Total borrowed funds		**4 200**	**–**	**3 489**	**9 024**	**16 713**

At 31 December 2021 Rm		Mass and Foundation Cluster	Old Mutual Insure	Old Mutual Africa Regions	Other Group activities	Total
Term loans	G3(a)	5 000	–	2 532	–	7 532
Revolving credit facilities	G3(b)	350	–	650	–	1 000
Subordinated debt securities	G3(c)	–	500	–	8 474	8 974
Total borrowed funds		5 350	500	3 182	8 474	17 506

On 28 October 2022 and 23 June 2022, Old Mutual Life Assurance Company (South Africa) Limited (OMLACSA) issued a R500 million and R1.1 billion floating rate subordinated debt instrument under the R25 billion Multi-Issuer Note Programme. The subordinated note is guaranteed by Old Mutual Limited and has a coupon rate of 3-month Johannesburg Interbank Average Rate (JIBAR) plus 155 bps, payable quarterly in arrears. The maturity date of this instrument is 27 October 2027 and 23 June 2027. Instruments totalling R977 million were redeemed by OMLACSA in 2022. In 2022 Old Mutual Insure redeemed R500 million.

Included in the amounts shown above are R3 954 million (2021: R2 136 million) that are regarded as current, with the remainder regarded as non-current.

Breaches of covenants

As at 31 December 2022, the financial covenants on five existing loans were in breach. The funding was raised to support operations in the Old Mutual Africa Regions segment.

The loans in breach totalled R553 million (US$32.5 million) (2021: R130 million (US$8 million)). Waivers for three of the breached loans were received and the Group is still in negotiation with the remaining lenders, which equals a debt value R187 million (2021: R64 million), 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 31 December 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

(a) Fair value hierarchy of the Group's property

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 65.2% (Dec 2021: 60.4%) of total property assets and is predominantly exposed to the retail property sector.

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:

The information in the table below discloses the significant unobservable inputs used at year end 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 – office/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: 8.25% (2021:8.25%) Discount rates: 12.75% (2021:12.75%) Market rentals: R270 per m² (2021: R90 to R190 per m²) Vacancy rates: 0.0% (2021: 0.0%) **Retail** Capitalisation rates: 6.75% to 10% (2021: 6.75% to 11.0%) Discount rates: 12.75% to 15.5% (2021: 11.25% to 16.75%) Market rentals: R58.51 to R287.84 per m² (2021: R33.66 to R2 691.26 per m²) Vacancy rates: 0.0% to 9.84% (2021: 0.0% to 15.5%) **Industrial** Capitalisation rates: 8.5% to 11.0% (2021: 8.75% to 11.0%) Discount rates: 13.25% to 15% (2021: 13.25% to 15.0%) Market rentals: R33.71 to R77.58 per m² (2021: R29.75 to R71.28 per m²) Vacancy rates 0% to 6.60% (2021: 0.0% to 18.3%) **Bulgarian properties** **Office** Capitalisation rates: 7.4% to 7.6% (2021: 7.4% to 7.6%) Discount rates: 10.9%% to 11.1% (2021: 9.25% to 9.45%) Market rentals: EUR 11 to EUR 16 per m² (2021: EUR 10.84 to EUR 15.14 per m²) Vacancy rates: 2.5% to 2.75% (2021: 2.5% to 2.75%) **Romanian properties** **Office** Discount rates: 8.9% (2021: 8.35% to 8.4%) Market rentals: EUR 15 per m² (2021: EUR 15.0 per m²) Vacancy rates: 2.5% (2021: 2.5%) **East Africa** **Office** Capitalisation rates: 8% to 12.3% (2021: 7.92% to 8.92%) Discount rates: 11.75% to 15% (2021: 12.92% to 14.92%) Market rentals: USD 8.5 to USD 35 per m² (2021: USD 8.56 to USD 9.51 per m²) **Zimbabwe properties** Capitalisation rates: 6.3% to 9.5% (2021: 4.55% to 8.00%) Market rentals: ZWL$3500 to ZWL$7600 per m² (2021: ZWL$104 to ZWL$2 148 per m²) Vacancy rates: 19.7% (2021: 10%)

Notes to the reviewed condensed consolidated financial statements

For the year ended 31 December 2022

G: Non-financial assets and liabilities continued

(a) Fair value hierarchy of the Group's property continued

Type of property	Valuation approach	Key unobservable inputs	Range of estimates for unobservable inputs
Land (South Africa)	Valued according to the existing zoning and town planning scheme at the date of valuation. 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: R100 to R250 (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 R250 (2021: R75 to R733)

(b) Sensitivity analysis

The table below indicates the sensitivity of the aggregate property market values for a movement in discount and capitalisation rates and market rentals:

Year ended 31 December Rm	2022	2021
An increase of 1% in discount rates would decrease the fair value by:	**(1 186)**	(1 632)
A decrease of 1% in discount rates would increase the fair value by:	**1 266**	1 810
An increase of 1% in capitalisation rates would decrease the fair value by:	**(3 136)**	(2 869)
A decrease of 1% in capitalisation rates would increase the fair value by:	**3 626**	3 781
An increase of 10% in market rentals per m² would increase the fair value by:	**3 066**	2 818
A decrease of 10% in market rentals per m² would decrease the fair value by:	**(3 005)**	(2 842)

H: Other assets

H1: Related parties

There were no one-off significant transactions with related parties of the Group during the current reporting period.

H2: Contingent liabilities

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

Contingent liabilities – legal proceedings

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

Tax

The Group is committed to conducting its tax affairs in accordance with the tax legislation of the jurisdictions 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. All positions taken are vigorously tested and are defensible.

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 jurisdictions in which the Group operates routinely review historic transactions undertaken and tax law interpretations made by the Group.

There are occasions where the Group's interpretation of tax law may be challenged by the Revenue Authorities. The financial statements include provisions that reflect the Group's assessment of liabilities which might reasonably be expected to materialise as part of their review.

The Board is satisfied that adequate provisions have been made to cater for the resolution of 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.

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) Proprietary Limited (OMUT).

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 Proprietary Limited (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. 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 prior to effecting payment.

OMUT was granted leave to appeal the court judgement ordering OMUT to pay R1.6 billion to the Supreme Court of Appeal. No further information is disclosed as the outcome of the liability, as quantified in the judgment of 12 July 2022, is subject to appeal proceedings.

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 12 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 Residual UK Limited (formerly Old Mutual plc), 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 Residual UK Limited 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 Residual UK Limited in the circumstances where Old Mutual Residual UK Limited 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 Residual UK Limited and F&G, as well as the current financial strength and regulatory capital position of F&G, a licensed US life insurer.

Notes to the reviewed condensed consolidated financial statements

For the year ended 31 December 2022

H: Other assets continued

H3: Commitments

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

At 31 December Rm	2022	2021
Investment property	**580**	716
Intangible assets	**167**	190

Future potential commitments

Old Mutual Finance Proprietary Limited put option

The Group and the Business Doctor Consortium Limited and its associates (Business Doctor) established Old Mutual Finance (RF) Proprietary Limited (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 R1.100 billion. The Group's 75% shareholding in Old Mutual Finance is held by Old Mutual Capital Holding Proprietary Limited (OMCH), a wholly owned subsidiary of Old Mutual Emerging Markets Proprietary Limited (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. OMCH exercised its call option to acquire Business Doctor's 25% shareholding in Old Mutual Finance in November 2022. During December 2022, a market value of R1.082 billion was agreed between OMCH and Business Doctor as the purchase price for the 25% shareholding. In addition to acquiring the 25% shareholding, OMCH also acquired preference share and debt instruments held by Business Doctor in Old Mutual Finance at a total cost of R166 million. The total consideration was settled in January 2023.

OMCH's exercising of the call option also triggered an acquisition of a 25% shareholding held by Business Doctor in Old Mutual Finance Namibia Proprietary Limited by Old Mutual Holding Namibia Proprietary Limited (OMHN). A market value of N$214 million was agreed between OMHN and Business Doctor as the purchase price for the shareholding. The purchase price was settled in February 2023.

Commitments under derivative instruments

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

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

Other commitments

OMLACSA has entered into agreements where it has committed to provide capital to funds and partnerships that it has invested in. The total undrawn commitment is R17 776 million at 31 December 2022 (2021: R12 746 million).

H4: Assets and liabilities held for sale

The Group disposed of an investment property (R119 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 reclassification occurred due to the terms of the sales agreement not being met within the provided timelines and as a result expired. Included in 2022 is Investment property held for sale of R352 million relating to the consolidation of funds. The net fair value gain arising from the valuation of these properties on transfer date amounted to RNil (2021: R35 million) and was recognised in investment returns in the income statement. The Group further classified total assets of R17 million into assets held for sale. The assets held for sale comprise mainly of investment in associate of R14 million and other assets of R3 million relating to the restructure that will be effected in 2023. Assets and liabilities held for sale per segment have been included in note B3.

H5: Acquisitions and disposals of businesses and other similar transactions

(a) 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 marketplace.

The non-controlling interest mentioned below was measured at their proportionate share of the acquiree's identifiable net assets. Goodwill of R261 million has been recognised mainly due to intangible assets that do not qualify for separate recognition.

Details of the consideration paid, assets acquired and liabilities assumed, at fair value, are as follows:

Rm	Fair value recognised on acquisition date
Consideration at date of acquisition	
Cash[1]	**515**
Total consideration	**515**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Goodwill and intangible assets	**234**
Property, plant and equipment	**125**
Deferred tax liabilities	**(50)**
Loans and advances	**13**
Current tax receivable	**2**
Trade, other receivables and other assets	**305**
Cash and cash equivalents	**70**
Current tax payable	**–**
Trade, other payables and other liabilities	**(201)**
Total identifiable net assets	**498**
Total non-controlling interest	**(244)**
Goodwill	**261**
Total	**515**

1 *Per the sales purchase agreement the purchase price comprised of a base amount of R515 million and earn out targets. In completing the Purchase Price Allocation (PPA) it does not appear that the earn out targets will be achieved. As a result, no adjustments to the base amount of R515 million were made.*

From the date of acquisition, ONE Financial Services Holding Proprietary Limited contributed R38 million profit and R1 187 million to the Group profit after tax and total revenue respectively.

A summary of the total net cash outflow and cash and cash equivalents related to acquisition is included below:

Year ended 31 December Rm	2022
Summary of net cash outflows due to acquisitions	**445**

Notes to the reviewed condensed consolidated financial statements

For the year ended 31 December 2022

H: Other assets continued

H5: Acquisitions and disposals of businesses and other similar transactions continued

(b) Acquisitions of businesses prior the current reporting period

There were no acquisitions of businesses during the previous reporting period.

(c) Disposals of businesses and other similar transactions during the current reporting period

The Group disposed of Old Mutual International Guernsey Limited on 30 November 2022. Investments and securities and investment contract liabilities of R4 592 million were disposed of. The Group incurred a loss on disposal of R108 million. Other immaterial disposals amounted to R25 million loss on disposal.

(d) Disposals of businesses and other similar transactions during the prior reporting period

The loss on disposal of subsidiaries largely represents the loss incurred by Old Mutual Real Estate Holding Company Proprietary Limited on the disposal of its investment in We Are Egg Proprietary Limited.

H6: Cash flow restatement

Included in Investment and securities is cash and cash equivalents held for investment purposes within the policyholder portfolio and cash held for risk management in the statement of financial position. In considering the definition of cash and cash equivalents as per IAS 7 Statement of Cash Flows, these cash flows should be included in the statement of cash flows as 'cash flows from investing activities' as they comprise money at call and short notice. The classification has been amended by restating each of the affected financial statement line items for the prior period. The presentation of the statement of financial position was amended accordingly to include disclosure of cash and cash equivalents within the investments and securities line. There is no impact on the statement of comprehensive income.

The extent to which this amendment has impacted the statement of cash flows as at 31 December 2021 is set out in the following table:

Rm	As previously reported 31 December 2021	Amendment	Restated after 31 December 2021
Cash flows from investing activities			
Acquisition of financial investments	**(14 089)**	**952**	**(13 137)**
Net cash outflow from investing activities	**(16 853)**	**952**	**(15 901)**
Net increase/(decrease) in cash and cash equivalents	**(582)**	**952**	**370**
Cash and cash equivalents at beginning of the year	**33 795**	**21 238**	**55 033**
Total cash and cash equivalents at end of the year	**33 126**	**22 190**	**55 316**

H7: Events after the reporting date

On 6 January 2023, Old Mutual Insure acquired 100% of Genric Insurance Company Limited, a diversified short-term insurer which focuses mainly on Accident and Health and other niche classes of insurance for a purchase consideration of R300 million.

Old Mutual Funeral Services Proprietary Limited, a wholly owned subsidiary of Old Mutual Limited, has entered into a Share Purchase Agreement to acquire a 75% equity stake in each of Two Mountains Underwriters Proprietary Limited, Two Mountains Burial Services Proprietary Limited and Two Mountains Financial Services Proprietary Limited (together 'Two Mountains'). Two Mountains is a licensed micro-insurer that distributes and underwrites funeral policies and provides undertaking services. The transaction is still subject to regulatory approvals, customarily associated with such transactions.

Old Mutual Holding Namibia Proprietary Limited (OMHN) acquired a 25% shareholding held by Business Doctor Consortium Limited and its associates in Old Mutual Finance Namibia Proprietary Limited. A market value of N$214 million was agreed between OMHN and Business Doctor as the purchase price for the shareholding. The purchase price was settled in February 2023.

Furthermore, continued loadshedding and the declaration of a National State of Disaster in South Africa will put additional pressure on our clients' disposable income as the economic impacts filter down to household level. We are however positive that the measures put in place through the state of disaster will accelerate the resolution of the energy crisis.

On 24 February 2023 South Africa was 'greylisted' by the Financial Action Task Force. While this decision could have potential financial and economic impacts, at Old Mutual, we do not expect South Africa's 'greylisting' to have a material impact on our relationship with our customers. Old Mutual has always taken care to safeguard our customers' investments and we will continue to do so through our processes and controls to manage the risk of money-laundering, proliferation, and terrorist financing.

Other than the aforementioned, the Directors are not aware of any material events (as defined per IAS 10 *Events after the Reporting Period*) after the reporting date of 31 December 2022 until the date of authorisation of these reviewed consolidated financial statements.

H8: IFRS 17 *Insurance Contracts* (IFRS 17)

(a) Summary

IFRS 17 *Insurance Contracts* (IFRS 17) is a comprehensive new accounting standard for insurance contracts that governs recognition, measurement, presentation and disclosure. It was initially published by the IASB in May 2017, and will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005.

Whereas IFRS 4 allowed insurers to use existing local practice for the measurement of policyholder liabilities, IFRS 17 provides for a comprehensive and consistent approach to insurance contracts. 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) as well as investment contracts with discretionary participation features (such as with-profit annuities and smooth bonus investments). The most significantly impacted subsidiary will be Old Mutual Life Assurance Company (South Africa) Limited (OMLACSA). However, all other Group entities with life and property & casualty insurance licences will also be impacted.

South African local practice for the measurement of policyholder liabilities under IFRS 4 for long-term insurers follows the Financial Soundness Valuation basis as set out in actuarial guidance issued by the Actuarial Society of South Africa in Standard of Actuarial Practice 104. Under this guidance, provisions are valued using realistic expectations of future experience, with margins for prudence and deferral of profit emergence. Local practice for the measurement of property & casualty insurance policyholder liabilities follows Advisory Practice Note 401 issued by the Actuarial Society of South Africa. For territories outside of South Africa, local actuarial practices and methodologies are applied.

IFRS 17 introduces a measurement model for insurance contracts based on the estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk (together these represent the fulfilment cash flows) and a contractual service margin (CSM).

Estimates of the present value of future cash flows under IFRS 17 are calculated similarly to the local practice applied in South Africa under IFRS 4. The main difference between IFRS 4 and IFRS 17 measurement relates to how margins are calculated and released over time (i.e. compulsory and discretionary margins for prudence applied under IFRS 4, versus the risk adjustment for non-financial risk and CSM required under IFRS 17).

Contracts where components of the contract are currently separated between IFRS 4 and IFRS 9 *Financial Instruments* (IFRS 9) based on investment fund choice, can no longer be separated under IFRS 17. Investment contracts with smoothed bonus investment options meet the definition of an investment contract with discretionary participation features and are therefore accounted for under IFRS 17 as a whole, resulting in a reclassification from IFRS 9 to IFRS 17.

The default model is the General Measurement Model (GMM), which is mainly used for measuring life risk (including reinsurance) and annuity contracts. The GMM is supplemented by a specific modification called the Variable Fee Approach (VFA) for measurement of contracts where policyholders participate in underlying items (life savings contracts and other with-profits contracts). IFRS 17 also makes provision for a simplified approach, the Premium Allocation Approach (PAA), mainly for short-duration contracts. The majority of these are within the property & casualty businesses.

Regardless of the measurement model used, the basic revenue recognition principle of IFRS 17 is that profit is recognised over the lifetime of a group of insurance contracts, as services are provided, but losses are recognised immediately if the group of insurance contracts is onerous. No profit is recognised on initial recognition.

Under IFRS 17, the discount rate used to reflect the time value of money in the fulfilment cash flows must be based on the characteristics of the liability.

On transition, IFRS 17 requires the standard to be applied either retrospectively (full or modified retrospective approaches) or using the fair value approach. The Group has applied the full retrospective approach in instances where reliable and accurate data and actuarial models are available. For certain groups of contracts issued, the modified retrospective approach and the fair value approach were applied.

The standard is effective for reporting periods starting on or after 1 January 2023. As such, the 30 June 2023 interim financial statements will be the first interim results, and the 31 December 2023 annual financial statements the first annual results, presented on an IFRS 17 basis.

H: Other assets continued

H8: IFRS 17 *Insurance Contracts* (IFRS 17) continued

(b) Estimated impact of the adoption of IFRS 17

The Group estimates that, based on assessments undertaken to date, the impact of initial application of IFRS 17 on the consolidated financial statements will be in the region of R3 750 million to R4 500 million decrease to the Group's total equity at 1 January 2022, net of adjustments relating to consequential amendments to other IFRS standards. This range has been determined in line with the principles underlying the use of ranges in trading statements as per the JSE's Listings Requirements. Total equity as at 31 December 2021 under IFRS 4 was R65 301 million. The increase in liabilities that results in the decrease in total equity is not material relative to the size of the total IFRS 17 liabilities (less than 1% change).

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

The various portfolios of business in the Group are impacted in different ways by the transition to IFRS 17. The majority of the Group impact arises from OMLACSA, and within OMLACSA mostly from Mass and Foundation Cluster. The impacts for the other Group entities are less material. The most material impact observed is for the Mass and Foundation Cluster Risk portfolio where liabilities increase on transition to IFRS 17. IFRS 4 required the set-up of material lapse margins associated with expected higher levels of lapses at early durations for this portfolio – these margins were then released into profit at early durations under IFRS 4 as the high early lapse risk expired. Under IFRS 17 the CSM is released more slowly as service is provided – as noted in section 1.4.3(g) the measure of service provided for this portfolio is based on the sum assured for the contracts rather than the level of lapses. This, together with a history of favourable basis changes following management and other interventions that increase the CSM under IFRS 17 rather than directly impacting profit as was the case under IFRS 4, result in an increase in liabilities which will be released over time into profit.

The reporting requirements introduced by IFRS 17 also result in a shift of liabilities for segmental reporting purposes, with no overall impact for OMLACSA or the Group, from Old Mutual Corporate to Personal Finance and Wealth Management.

The Group continues to evaluate the impact of the adoption of the standard and to refine the new financial reporting processes, systems and controls required for the application of IFRS 17. As noted above, the Group will report under the new standard for the first time for the half-year ended 30 June 2023, and will provide restated comparative information for 2022 together with those interim and then the annual financial statements for 2023. The restated comparative information will include the impact on the IFRS 17 financial statements of assumption and model changes made as at 31 December 2022.

IFRS 17 is an accounting standard change that does not change the underlying economics of our business or our strategy. While IFRS 17 does result in changes to the timing of profit recognition from insurance contracts, it does not change the overall level of profit. It does not have any impact on our non-insurance, for example asset management, businesses.

(c) IFRS 17 Implementation programme

In 2017 the Group instituted an implementation programme under the sponsorship of the Chief Financial Officer, who chaired 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, Old Mutual Africa Regions and Old Mutual Insure) was also governed by a delivery committee, which consisted of senior finance and actuarial managers who made 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 its own governance and decision-making forums. All decisions relating to the interpretation of the standard (i.e. policies and methodologies) were made by a Technical Review committee, which consisted of actuarial and finance subject matter experts across the Group. Ratification of major decisions was 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 complete.

Actuarial modelling development was completed in 2022. The build of a robust financial data model, CSM calculation engine and results repository was initiated in 2019 and the key focus in 2022 was completing the remaining build and testing activities and ensuring successful user adoption across the Group. The Group also undertook a number of dry run and user acceptance testing exercises during 2022.

Design of disclosures continued in 2022, as did related build and enhancements to reporting and disclosure tools.

Group assurance roles are fulfilled by Group internal audit as well as second line internal control functions. Group assurance on policy and methodology decisions is complete. Their reviews on transition methodology, approaches and results, as well as new modelling and reporting solutions are substantially complete. The assurance by Group assurance on the process control environment across the Group was initiated in 2021, continued throughout 2022 and will be completed in early 2023.

The IAS 8 disclosures will be included in the audited set of annual financial statements.

Refer to note K1 section 1.4.5 in the annual financial statements for more information on transition to IFRS 17.

Administration

Registered name:	Old Mutual Limited
Country of incorporation:	South Africa
Registration number:	2017/235138/06
Income tax reference number:	9267358233
Equity Share code (JSE, LSE, MSE and ZSE):	OMU
Equity Share code (NSX):	OMM
Debt Share code (JSE):	OMLI
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Sponsor

JSE equity sponsor:	Merrill Lynch South Africa (Proprietary) Limited t/a BofA Securities
JSE debt sponsor:	Nedbank Corporate and Investment Banking, a division of Nedbank Limited
NSX:	PSG Wealth Management (Namibia) (Proprietary) Limited
ZSE:	Imara Capital Zimbabwe plc
MSE:	Stockbrokers Malawi Limited

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James Mwangi
Nomkhita Nqweni
Stewart van Graan

Non-executive
Thoko Mokgosi-Mwantembe

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

Group Company Secretary:
Elsabé Kirsten

Public Officer:
Nazrien Kader

Debt officer:
Martin van der Walt

Resignation: Nosipho Molope – 27 May 2022
Retirement: Marshall Rapiya – 31 July 2022

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