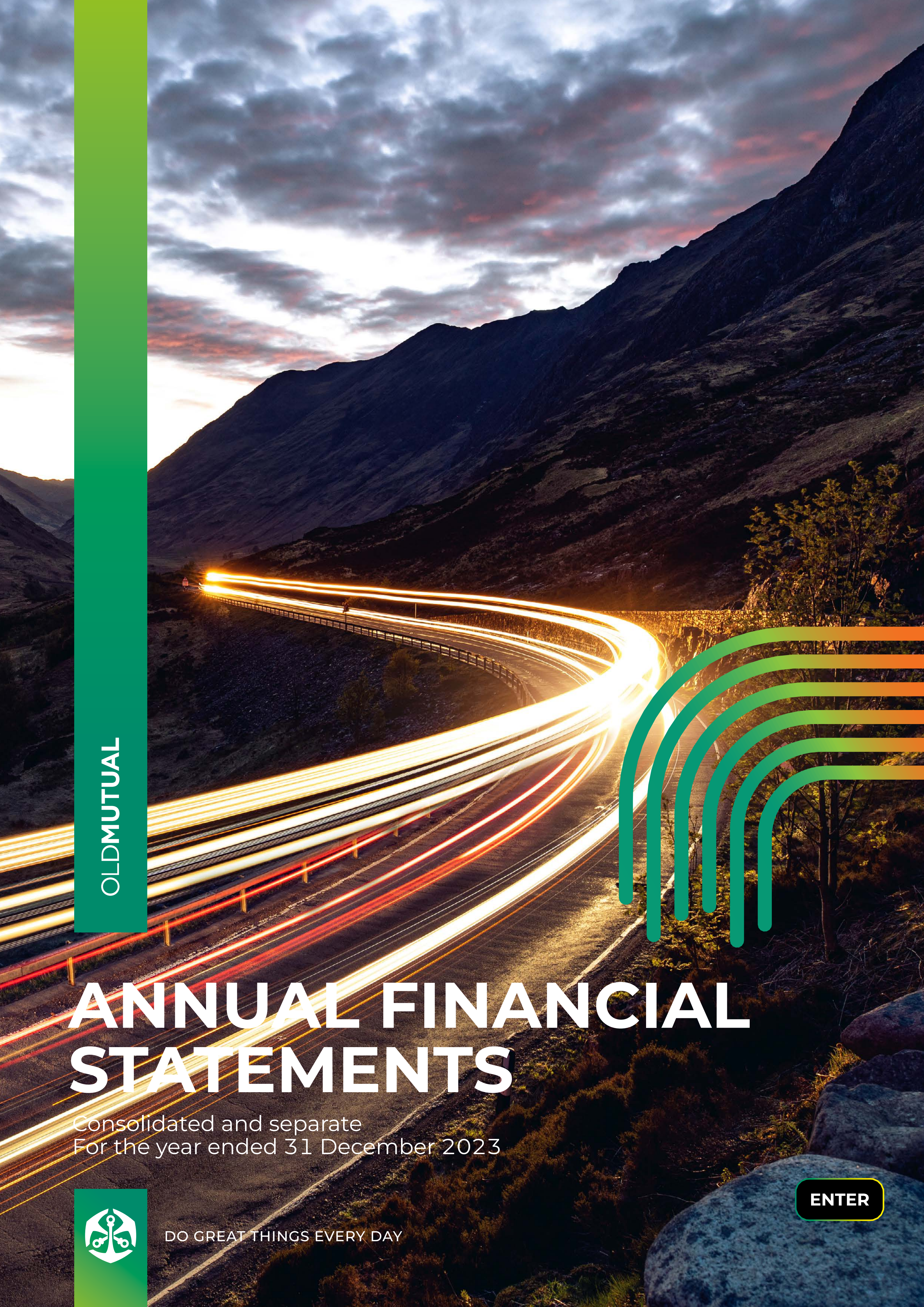


OLDMUTUAL

ANNUAL FINANCIAL STATEMENTS

Consolidated and separate
For the year ended 31 December 2023

ENTER

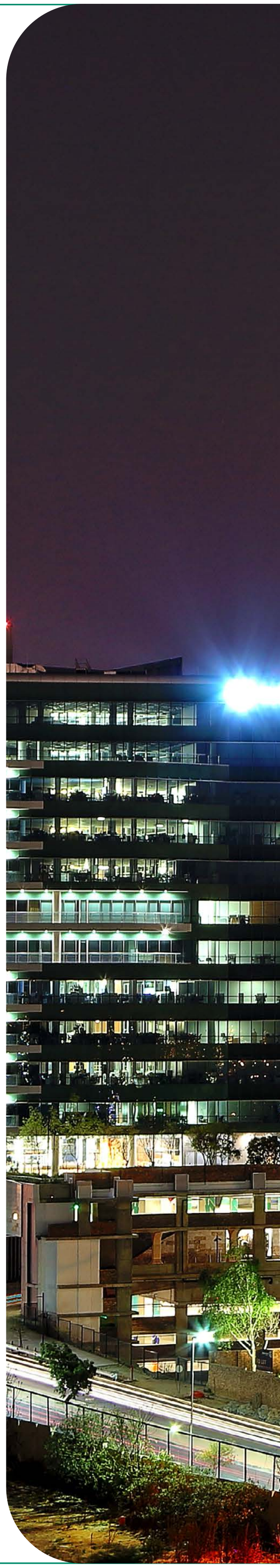
DO GREAT THINGS EVERY DAY

CONTENTS

Index to the Annual Financial Statements

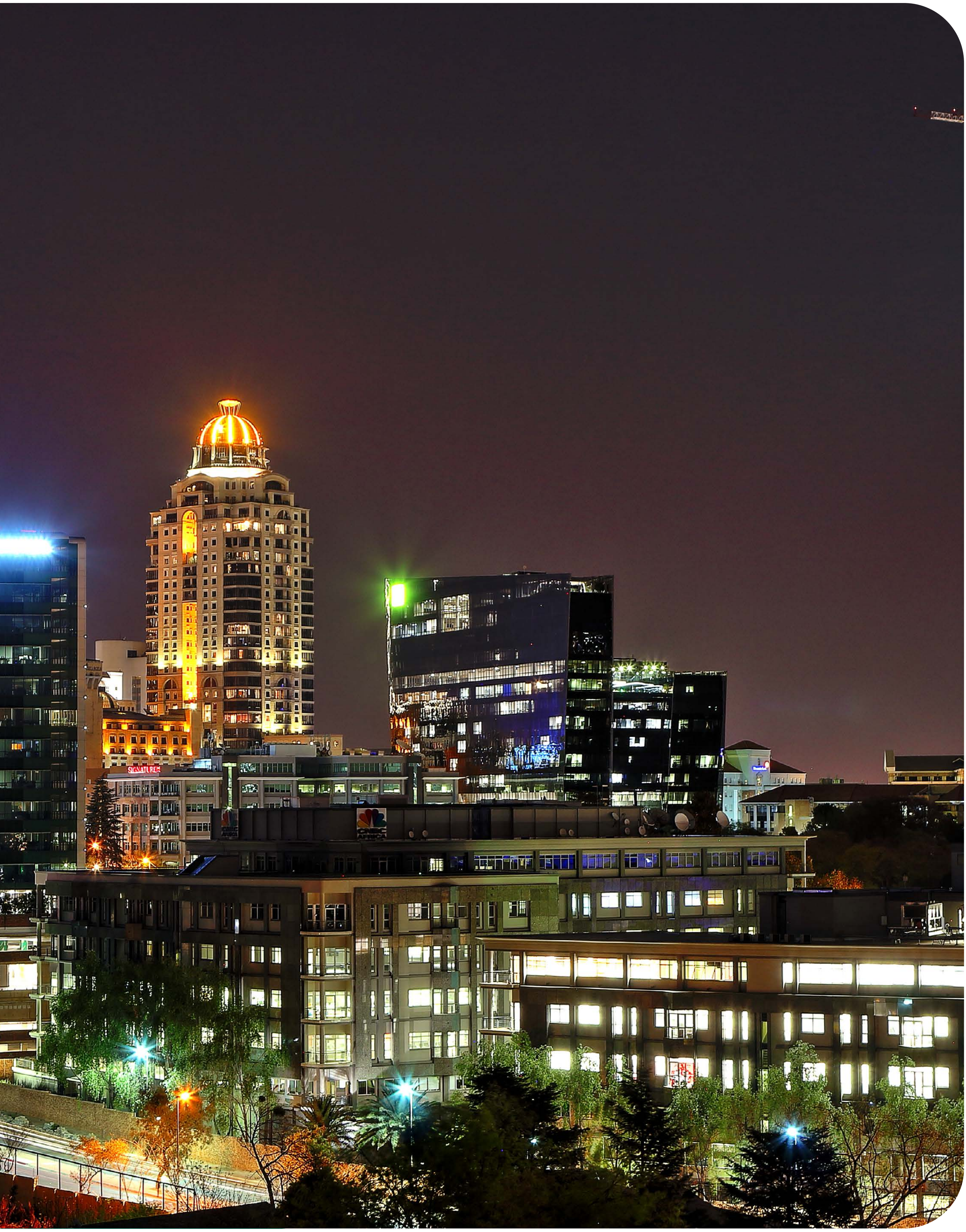
Company Annual Financial Statements

The consolidated and separate financial statements were audited in terms of the Companies Act, 71 of 2008 (as amended). The preparation of the Group and separate Annual Financial Statements was supervised by Casper Troskie CA(SA), Chief Financial Officer.



Feedback

Your feedback is important to us, and we welcome your input to enhance the quality of our reporting. For any further feedback, please contact Investor Relations.



Directors’ responsibility and approval statement

The directors of Old Mutual Limited (the Company) are required by the South African Companies Act, 71 of 2008, as amended (the Companies Act), to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial and non-financial information included in this report.

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements of Old Mutual Limited, comprising the consolidated and separate statements of financial position at 31 December 2023, the consolidated income statement, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and cash flows for the year then ended, and the consolidated and separate notes thereto, including the consolidated supplementary income statement, which includes material accounting policy elections and other explanatory notes in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), including interpretations of IFRS as issued by the IFRS Interpretations Committee (IFRIC), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements, and requirements of the Companies Act. In addition, the directors are responsible for the preparation of the directors’ report.

The directors are also ultimately responsible for such internal controls as they determine are necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records in addition to reducing the risk of loss or error cost-effectively and effective risk management. An effective system of internal financial controls provides reasonable assurance as to the reliability of financial information being reported. To the best of their knowledge and belief, the directors are satisfied that the system of internal controls provides reasonable assurance that reliance can be placed on financial records used in the preparation of the consolidated and separate financial statements during the financial year ended 31 December 2023.

The directors have made an assessment of the ability of the Group and Company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the foreseeable future.

It is the responsibility of the Group’s independent external auditors to report on the fair presentation of the consolidated and separate financial statements. These financial statements have been audited in terms of section 29(1) of the Companies Act. Their unmodified report appears on pages 7 to 16.

Approval of consolidated and separate annual financial statements

The consolidated and separate annual financial statements of Old Mutual Limited, as identified in the first paragraph, were approved by the Board of directors on 26 March 2024 and signed on their behalf by:

TA Manuel
Chairman

IG Williamson
Chief Executive Officer

Cape Town
26 March 2024

Chief Executive Officer and Chief Financial Officer's responsibility statement

Each of the directors, whose names are stated below, hereby confirms that:

(a) The annual financial statements set out on pages 4 to 219 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS

(b) To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading

(c) Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer

(d) The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as Executive Directors with primary responsibility for implementation and execution of controls

(e) Where we are not satisfied, we have disclosed to the Audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies

(f) We are not aware of any fraud involving directors

IG Williamson
Chief Executive Officer

CG Troskie
Chief Financial Officer

Cape Town
26 March 2024

Certificate by the Group Company Secretary

In terms of section 88(2)(e) of the South African Companies Act, 71 of 2008, as amended, I certify that Old Mutual Limited has lodged with the Commissioner all such returns and notices as required by the Companies Act for the year ended 31 December 2023, and that all such returns and notices appear to be true, correct and up to date.

EM Kirsten
Group Company Secretary

26 March 2024

Directors' report

Nature of the business

Old Mutual Limited (the Company or the Group) is a premium African financial services group, listed on the Johannesburg Stock Exchange (JSE), and has a standard listing on the London Stock Exchange and secondary listings on the Stock Exchanges of Malawi, Namibia and Zimbabwe. The Company is registered and incorporated in South Africa (registration number: 2017/235138/06).

The Company, through its subsidiaries, distributes products and services to customers through a multi-channel distribution network spanning tied and independent advisers, branches, bancassurance, direct and digital channels and worksites.

Subsidiary companies

The Company is the ultimate holding company of a number of subsidiaries, the details of which are reflected on page 134 herein. These subsidiaries have various lines of business in the Financial Services industry, including Life and Savings, Property and Casualty, Asset Management and Banking and Lending.

Financial statements

Details of the financial results are set out on pages 17 to 198 of the consolidated annual financial statements and on pages 200 to 219 of the separate annual financial statements. The directors have approved the consolidated and separate annual financial statements as reflected on pages 17 to 219, including the certificate by the Group Company Secretary on page 3 and the Audit committee report for the 2023 financial year on pages 7 to 10.

Year under review

The operating results and financial position of the Group and Company are set out in the annual consolidated and separate income statements, statements of comprehensive income, statements of financial position, statements of changes in equity, statements of cash flows and accompanying notes. The year under review is fully analysed in the Group Annual Results for 2023, which is available on our website at http://www.oldmutual.com/investor-relations/reporting-centre/reports

The Group profit after tax for the year ended 31 December 2023 was R7 633 million (2022: R5 651 million).

Share capital

The Company's authorised share capital at 31 December 2023 was 10 000 000 000 (ten billion) ordinary shares and 10 000 000 (ten million) preference shares.

At 31 December 2023, the issued number of shares is 4 790 906 428 (2022: 4 913 880 491) ordinary shares. No preference shares were issued during the year ended 31 December 2023. Refer to page 198 for more information.

Due to CREST rules, beneficial entitlement to ordinary uncertificated shares listed on the London Stock Exchange is held through Company Depository Interests.

Ownership

The Company is a publicly listed company, and no single shareholder, or group of shareholders, controls the Company. Further details of shareholders are included in the Integrated Report and are available on our website as noted herein above.

Dividends

The following dividends were declared in respect of the years ended 31 December 2023 and 31 December 2022:

- 2023 final ordinary dividend of 49 cents per share declared by Old Mutual Limited
- 2023 interim ordinary dividend of 32 cents per share declared by Old Mutual Limited
- 2022 final ordinary dividend of 51 cents per share declared by Old Mutual Limited
- 2022 interim ordinary dividend of 25 cents per share declared by Old Mutual Limited

Borrowings

The directors may from time to time exercise all of the powers of the Company to (a) borrow for the purposes of the Company such sums as they think fit; and (b) secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of any securities, mortgage or charge upon all or any of the property or assets of the Company.

Property and equipment

There was no material change in the nature of the fixed assets of the Group or its subsidiaries or in the policy regarding their use during the year.

Notice in terms of section 45(5) of the Companies Act

The Company, as an essential part of conducting the business of the Old Mutual Group, is required to provide financial assistance to Group companies as part of its day-to-day operations in the form of loan funding, guarantees or general financial assistance as contemplated in section 45 of the Companies Act.

In accordance with section 45(5) of the Companies Act, this serves to give notice that the Old Mutual Limited Board, in line with existing practice, approved that the Company may, in accordance with and subject to the provisions of section 45 of the Companies Act and in terms of the shareholder resolution passed at the Annual General Meeting on 26 May 2023, provide such direct or indirect financial assistance to related and inter-related companies and corporations.

The amount and format of financial assistance that may be granted pursuant to the resolution is subject to ongoing review by the Old Mutual Limited Board and may not in total exceed the reporting threshold of 0.1% of the Old Mutual Limited Group's net asset value provided for in the Companies Act.

Directors

Details of the members of the Board who served during the year and at the reporting date have been provided below. The biographical details of the current directors are included in note M.

Name	Position as director	Appointment date
TA Manuel	Independent Non-executive Director	05.03.2018
Prof BC Armstrong	Independent Non-executive Director	29.06.2020
AK Essien	Independent Non-executive Director	05.03.2018
O Ighodaro	Independent Non-executive Director	11.12.2020
I Kgaboesele	Independent Non-executive Director	05.03.2018
J Langner	Independent Non-executive Director	20.05.2021
JR Lister	Independent Non-executive Director	05.03.2018
Dr SM Magwentshu-Rensburg	Independent Non-executive Director	05.03.2018
TM Mokgosi-Mwantembe	Non-executive Director	05.03.2018
JI Mwangi	Independent Non-executive Director	05.03.2018
NC Nqweni	Independent Non-executive Director	20.05.2021
BP Silwanyana	Independent Non-executive Director	04.12.2023
JJ Strydom	Independent Non-executive Director	04.12.2023
CG Troskie	Executive Director (CFO)	27.03.2018
SW van Graan	Independent Non-executive Director	05.03.2018
IG Williamson	Executive Director (CEO)	27.05.2019

Directors' interests

According to the Register of Directors' Interests, maintained by the Company in accordance with the provisions of section 30(4)(d) of the Companies Act, directors of the Company have disclosed the following interest in the ordinary shares of the Company:

Directors	Direct beneficial	Indirect beneficial	Total 2023	Direct beneficial	Indirect beneficial	Total 2022
TA Manuel	**437**	**–**	**437**	437	–	437
Prof BC Armstrong	**120 000**	**–**	**120 000**	120 000	–	120 000
O Ighodaro	**20 000**	**–**	**20 000**	20 000	–	20 000
I Kgaboesele	**–**	**47 900**	**47 900**	–	47 900	47 900
NC Nqweni	**613**	**–**	**613**	613	–	613
BM Rapiya[1]	**–**	**–**	**–**	1 662	333 364	335 026
JJ Strydom[2]	**–**	**22 865**	**22 865**	–	–	–
CG Troskie[3, 5]	**748 076**	**–**	**748 076**	310 943	–	310 943
SW van Graan	**350**	**–**	**350**	350	–	350
IG Williamson[4, 5]	**1 399 921**	**–**	**1 399 921**	847 758	–	847 758

1 Retired from the Old Mutual Limited Board on 31 July 2022. Holding disclosed as at 31 July 2022
2 Appointed to the Old Mutual Limited Board on 4 December 2023
3 Purchase of Old Mutual Limited shares on 17 April, 6 November, and 30 November 2023
4 Purchase of Old Mutual Limited shares on 12 April 2023
5 The amounts for CG Troskie and IG Williamson exclude unvested shares in STI and LTI schemes

The directors had no interest in any third party or company responsible for managing any of the business activities of the Group.

There have been no changes in the directors' interests between 31 December 2023 and the date of publication of the Annual Report.

Events after the reporting period

In January 2024, the Group announced the sale of its full stake in UAP Insurance Tanzania, a short-term insurance business, to a group within its current minority shareholders, pending regulatory approval. This decision follows a strategic review that identified challenges in achieving desired returns on capital for the Tanzanian business. The Group remains committed to East Africa and will continue to strengthen our investment in corporate and retail propositions to position the business as a leading integrated financial service provider.

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 2023 until the date of authorisation of these audited consolidated financial statements.

Directors' report

Debt Officer

The Board has considered and is satisfied with the competence, qualifications and experience of the appointed Debt Officer, M van der Walt.

Group Company Secretary

The competence, qualifications and experience of the Group Company Secretary have been evaluated in terms of the required annual Board evaluation process. The Board confirms that the Group Company Secretary is not a Board member, is suitably qualified and experienced, and has maintained an arm's length relationship with the Board.

Details of EM Kirsten's qualifications and experience can be found on page 22 of the Corporate Governance Report 2023 at www.oldmutual.com/investor-relations/reporting-centre/reports

Registered office

Mutualpark
Jan Smuts Drive, Pinelands
7405
South Africa

Going concern

The Board has satisfied itself that the Group has adequate resources to continue in operation for the foreseeable future, taking into account the Group's most recent business plan and the capital and liquidity position. The annual financial statements have accordingly been prepared on a going concern basis.

Audit committee report

This Audit committee report has been prepared based on the requirements of the South African Companies Act, 71 of 2008, as amended (Companies Act), the King Code of Governance for South Africa (King IV*), the JSE Listings Requirements and other applicable regulatory requirements.

This report sets out how the Audit committee has satisfied its various statutory obligations during the year, as well as some of the focus areas considered and how these have been addressed by the committee.

Role and mandate

The committee's main role is to assist the Board in fulfilling its oversight responsibilities, in particular with regard to the integrity of the Group's financial statements, effectiveness of the systems of internal control, financial reporting and risk management.

In addition, the committee is responsible for assessing the effectiveness of the Group internal audit function, the Chief Financial Officer and the independence and effectiveness of the Group's external auditors.

The Audit committee also has oversight responsibilities over key subsidiaries within the Group, specifically our largest subsidiary, Old Mutual Life Assurance Company (South Africa) Limited (OMLAC(SA)). The committee routinely provides guidance and feedback on discussions that may have an impact on these subsidiaries and their Audit committees.

These responsibilities are in terms of the mandate of the Audit committee as defined in section 94(7) of the Companies Act and its terms of reference, which are available at www.oldmutual/about/governance/board-committees.

Committee composition

The committee comprises seven Independent Non-executives who all satisfy the requirements to serve as members of an Audit committee as defined by section 94(7) of the Companies Act. Two out of the seven committee members are chartered accountants. Six of the seven members have risk management, finance and audit expertise, and one member has finance and audit expertise.

The Chairperson of the committee reports to the Board on its activities, all matters discussed, highlights key issues requiring action and makes recommendations for resolution. The Audit committee works closely with the Group Risk committee, which reviews risk management and compliance initiatives and monitors the effectiveness of the risk, compliance and internal control environment of the Group.

The Chairperson of the Audit committee is a member of the Risk committee and the Chairperson of the Risk committee is a member of the Audit committee. This helps ensure that there is adequate communication between the two committees.

Name	Appointment date	Board status	Scheduled meeting attendance[1]
O Ighodaro (Chairperson) BSc (Hons), FCA (ICAEW), CA(SA)	11.12.2020	Independent Non-executive	5/5
I Kgaboesele BCom, PDip (Acc), Dip (FMI), CA(SA)	06.03.2018	Independent Non-executive	4/5[2]
J Langner BCom, FASSA, FFA	20.05.2021	Independent Non-executive	5/5
JR Lister BSc (Stats), FIA	06.03.2018	Independent Non-executive	5/5
NC Nqweni BSc, PDip (Inv Mgt), LDP, AMP	20.05.2021	Independent Non-executive	5/5
BP Silwanyana BCom (Fin Acc), BCom (Hons), PGDA, MBA	11.12.2023	Independent Non-executive	0/0
JJ Strydom BSc (Hons) (Act), FIA, CFA, MBA	11.12.2023	Independent Non-executive	0/0

[1] In accordance with the Audit committee's terms of reference, it held the minimum of five scheduled meetings during 2023, convening six scheduled meetings and five ad hoc meetings required to adequately discharge its duties in accordance with its mandate
[2] Apologies were received where the director did not attend the meeting

Invited attendees

The engagement partners of the external auditors and the Group Internal Audit Director are standing invitees to the Audit committee meetings, as are the Board Chairman, Chief Executive Officer, Chief Financial Officer, Chief Risk Officer and Group Heads of Finance, Actuarial and Tax. Invitations to attend committee meetings are extended to senior executives and professional advisers, as deemed appropriate. Directors of the Board who are not members of the committee have the right of attendance at Audit committee meetings.

When required, country and subsidiary Audit committee Chairpersons will be invited to attend meetings. The Group Company Secretary or her delegate is the secretary of the committee.

The committee Chairperson may, from time to time, attend subsidiaries' Audit committee meetings.

Contracts and matters in which directors and officers of the Company have an interest

The Group has adopted a Conflicts of Interest policy, which sets out key provisions for both directors and employees to adhere to. Directors are required to confirm on a quarterly basis that their conflicts of interest disclosures are up to date, with a declaration being signed at each quarterly meeting.

Actuarial sub-committee

The Board constituted a separate Actuarial committee, which functions as a sub-committee of the Audit committee. All the Audit committee members are members of the Actuarial committee.

The Actuarial committee assists the Audit committee in ensuring that relevant actuarial matters are properly considered prior to decision making by the Audit committee. The Actuarial committee is chaired by JR Lister, an Independent Non-executive Director and a qualified actuary.

During the year, the Actuarial sub-committee met five times, and meeting attendance was 95%.

Our commitment to independence, transparency and collaboration

The Audit committee encourages continuous improvement of and fosters adherence to the Group's policies, procedures and practices at all levels of the organisation.

Audit committee report

Application of these policies encourages open communication with assurance providers, including the external auditors, senior management, internal audit, compliance, the risk functions and the Board.

The Group Internal Audit Director also has a direct reporting line to the committee, with unrestricted access to the committee Chairperson.

The independence of the committee is key to its effective functioning, while ensuring that it does not assume the functions of management.

As part of its mandate, it has the authority to investigate matters within the scope of its defined responsibility and to request information or explanations necessary for the performance of its functions.

Areas of focus during the year

Significant audit matters

The Audit committee routinely considers audit matters, as raised by the external auditors, relating to the annual financial statements.

Audit matter	How the Audit committee addressed the matter
Insurance contract liabilities	The committee, through the Actuarial committee, reviewed and interrogated reports from the Group Chief Actuary, Group Actuary and the external auditors on actuarial assumptions and basis changes.
Accounting treatment of the Zimbabwe business	The hyperinflation accounting treatment for the Zimbabwe business continued in the current year and was consistent with the 2022 financial year. The committee routinely reviewed the appropriateness of the asset valuations recognised in the Zimbabwe statement of financial position.
Valuation of Level 3 financial instruments	The appropriateness of the measurement of the investments and securities valuations, inclusive of the fair value disclosures was considered.
IFRS 17	The committee reviewed key updated, policy and methodology decisions and upcoming milestones of the implementation of the IFRS 17 programme, which included the IFRS 17 external assurance progress report. It focused on understanding how IFRS 17 impacts the Group's financial results, considering the approach adopted by management, and monitoring the application and implementation thereof.
Goodwill and intangible valuations and impairments	The committee reviewed the goodwill and intangible assets impairment reviews that were based on the latest business planning inputs. It considered the sensitivity of the outcomes to declining growth rates and increasing discount rates.

Financial statements and integrated reporting process

During the year under review, the Audit committee:

- Reviewed the key audit matters identified by the external auditors and monitored the appropriateness of the management actions taken to address the key audit matters.
- Reviewed and debated key accounting, actuarial and tax judgements, including external audit's key audit matters, and were satisfied with how these were addressed.
- Analysed financial information included in the Group's interim and year-end results announcements to ensure the accuracy and integrity of financial data disclosed externally.
- Remained appraised of key updates, policy and methodology decisions and upcoming milestones on the IFRS 17 programme.
- Reviewed and assessed the audited annual financial statements, and found the controls and financial reporting processes underpinning its compilation to be appropriate and effective.
- Recommended to the Board for approval the annual financial statements, interim and annual results and the financial information included in the 2023 Integrated Report.
- Assessed and confirmed the appropriateness of the going concern assumption used in the interim and annual financial statements.
- Reviewed the interim and final dividend proposals.
- Ensured that the Group had sufficient resources to make the dividend distributions before recommending the proposals to the Board.
- Reviewed and approved the combined assurance plan for the Group, ensuring the inclusion of material risk areas, acceptable coverage of business processes and that all reporting requirements were met.
- Confirmed that assurance activities result in an adequate, effective control environment and the integrity of reports can be relied upon for decision making.
- Reviewed and considered the overall effectiveness of the Group's internal controls.
- Considered the suitability, qualifications, experience, independence and capacity of proposed engagement partners and recommended for approval to the Board.
- Reviewed reports from the Group Chief Actuary, Group Actuary and the joint external auditors on actuarial assumptions and the reliability and adequacy of the financial soundness results of Old Mutual Limited at 31 December 2023.
- Monitored the levels of the various capital measures in the Group, ensuring that they are within acceptable ranges.
- Monitored methodology and assumptions used to calculate the Group's liabilities and solvency capital ratio, noting these are appropriate and in line with Prudential Standards.
- Reviewed and recommended to the Board for approval the issuance and redemption of subordinated debt, subject to Prudential Authority approval.
- Assessed compliance with all other statutory requirements in terms of section 94(7) of the Companies Act of 2008, King IV, JSE Listings Requirements and any other applicable regulatory requirements (including the JSE control sign-off and compliance certificates), and confirmed that no reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act, 26 of 2005.
- Ensured that the recommendations, as set out in the JSE Proactive Monitoring review reports, have been incorporated into the Annual Financial Statements.
- Reviewed transactions that qualify as financial assistance or as a distribution for Old Mutual Limited and OMLAC(SA), noting the aggregate impact on solvency and liquidity tests for each entity.
- Reviewed and approved the accounting treatment of the once-off implementation costs of the Bula Tsela scheme.
- Reviewed and approved voluntary trading statements.

- Reviewed and approved restatements of the Old Mutual Limited and OMLAC(SA) Annual Financial Statements for 2022.
- Approved the enhanced the Key Performance Indicator policy. The refined policy formalises the definitions and governance process regarding key performance indicators that are externally disclosed.
- Considered and approved the share buyback proposal and tracked regulatory approval and execution.
- Considered report on resourcing and skills relating to key projects such as IFRS 17, noting improvement over prior year.
- Reviewed and approved the Old Mutual Limited and OMLAC(SA) Materiality policy.
- Reviewed the updated Disposal and Acquisition policy and recommended to the Board for approval.
- Confirmed that the Group tax function assessed the effectiveness of its system of internal control over tax reporting and compliance as at 31 December 2023.
- Reviewed and considered subsidiary company Audit committee reports, noting taken and planned actions.

Internal controls and risk management

The Audit committee is responsible for reviewing the effectiveness of systems for internal control, financial reporting and risk management, and for considering the findings of any major internal investigations into control weaknesses, fraud or misconduct, and management's response thereto.

The Audit and Risk committees delegate the duty to management to continuously identify, assess, mitigate and manage risks within the existing and changing risk profile of our operating environment. Mitigating controls are formulated to address the risks and the Board is kept abreast of progress on the Group's risk management plan.

During the year under review, the committee considered control issues identified from the various reports reviewed by the committee in the context of the overall effectiveness of internal controls. These reports included internal and external audit reports, reports from the Board's Risk committee, as well as specific internal control reports from management relating to internal attestation of financial and other controls. The Group's modernisation and transformational projects to upgrade various legacy IT platforms continued to receive particular focus from the Technology and Platforms, Risk and Audit committees.

Where deficient controls or matters were raised, the committee reviewed the progress on remediation plans and was satisfied that any material impact on the Group's annual financial statements had been appropriately mitigated by management through manual controls and increased oversight, where necessary. Significant progress was noted by the committee in terms of improved controls and automation. The committee will continue to monitor and evaluate any remaining deficient controls as well as remediation plans in 2024.

Having considered, analysed, reviewed and discussed information provided by management, other Board committees, internal audit and the external auditors, the committee is of the opinion that the internal controls of the Group, together with management's additional procedures performed to mitigate identified control deficiencies, can be relied upon as a reasonable basis for the preparation of the annual financial statements throughout the year under review.

Internal audit

Internal audit is the third line of assurance in the assurance model and provides independent assurance over the first and second lines of assurance operations and oversight functions.

Group internal audit is accountable to the Audit committee and has unrestricted access to the Chairperson of the Audit committee. Group internal audit meets with the Audit committee at least once a year without management being present and has frequent interactions with the Chairperson of the Audit committee.

The Audit committee approves the Group's internal audit plan and neither the Group Internal Audit Director nor the internal audit function reports to the Executive committee other than from an administrative perspective. Group internal audit is also independent from the activities it audits and from the day-to-day management of the Group. This maintains the functional and financial independence of the internal audit function.

During the year under review, the Audit committee:
- Reviewed and approved the internal audit terms of reference and audit plan
- Evaluated the independence, effectiveness and performance of the internal audit function and compliance with its terms of reference
- Confirmed the appropriateness of the expertise, experience and resources of the internal audit function and that of the Group Internal Audit Director
- Reviewed and approved the annual consolidated internal audit plan in consultation with the Group Internal Audit Director, ensuring that material risk areas were included and that the coverage of risks and business processes was acceptable
- Reviewed and discussed with the Group Internal Audit Director the scope of work of the internal audit function, the issues identified as a result of its work, and management's responsiveness to issues raised and agreed action plans
- Ensured coordination and cooperation between internal audit and the risk management and compliance functions

Chief Financial Officer

During the year under review, the Audit committee reviewed the performance and confirmed the suitability and appropriateness of the expertise and experience of the Chief Financial Officer, Casper Troskie, and the resources, expertise, succession planning and experience of the Group's finance function.

External auditors

The Audit committee is responsible for the appointment, compensation and oversight of the external auditors for the Group, namely Deloitte & Touche and Ernst & Young Inc. Deloitte & Touche has served as joint auditor of the Group since June 2018, whereas Ernst & Young was appointed in May 2022.

During the year under review, the Audit committee:
- Assessed the suitability for appointment and re-appointment of the audit firms and designated audit partners, considering the relevant legislative and regulatory requirements and presented and included the appointment of the Auditors.
- Ensured that the appointment and the independence of the external auditors were in compliance with the Companies Act and all other regulatory and legal requirements.
- Considered and recommended to the Board the appointment of the joint external auditors, Deloitte & Touche (with Gerdus Dixon as designated registered auditor and joint signing partner of Old Mutual Limited) and Ernst & Young Inc (with Malcolm Rapson as designated registered auditor and joint signing partner for Old Mutual Limited).
- Monitored the effectiveness of the external auditors in terms of their audit quality, expertise and independence, as well as the execution of the audit plan.
- Approved the joint external auditors' annual audit plan and ensured that all statutory and financial reporting requirements were met and material risks were identified and appropriately addressed.
- Approved the audit fees for the 2023 year under review.
- Reviewed the information provided by the audit firms and individual auditors as detailed in paragraph 3.84(g) of the JSE Listings Requirements with regards to the assessment of their suitability for reappointment.

Audit committee report

- Monitored and ensured that fees for non-audit services were in line with the Group's policy on non-audit services, which is summarised in the Corporate Governance section of our website.
- Reviewed the external auditors' findings and recommendations and ensured that matters raised were resolved appropriately.
- Ensured coordination and cooperation between the external and internal auditors.
- Convened with the external audit team, without management being present, and was assured that there were no unresolved areas of disagreement with management. Satisfaction was expressed with the skills and expertise in Group Finance and it was confirmed that, throughout the audit, there was good support from the management teams.
- Ensured that the appointment and the independence of the external auditors were in compliance with the Companies Act and all other regulatory and legal requirements.
- Confirmed that no reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act, 26 of 2005.

The Audit committee reviewed and approved the Non-audit Services policy, which governs the type, value, approval process and scope of non-audit services that the external auditors are able to perform for the Group. Only those non-audit services that do not impact the external auditors' independence and where it is best placed for the auditors to perform the services are permitted under the policy.

The Audit committee is satisfied with the appropriateness of the independence, expertise, experience and resources of the external auditors, the external audit partners and the quality of the external audit.

Combined assurance

The Audit committee is responsible for overseeing combined assurance activities and ensuring that these are effective in achieving its objectives.

The Group's Combined Assurance framework establishes integrated and coordinated assurance activities between the three lines of assurance across all levels of the organisation. There is continued and ongoing focus on increased collaboration and sharing of information as well as reducing duplication of activities. The committee reviewed and approved the combined assurance plan for the Group.

In accordance with the principle of proportionality of our Group Governance framework, both the Boards of non-operating holding companies and holding companies with own operations are required to adopt the Combined Assurance framework and ensure that the framework is implemented within their entity. Any areas of concern are escalated to the Audit committee.

The Audit committee is satisfied that assurance activities result in an adequate, effective control environment and the integrity of reports can be relied upon for decision making.

Committee training

As a part of the ongoing training for directors, the committee received detailed training on IFRS 17 and related transition methodologies on several occasions during the year under review, with a particular focus on its impact on opening balances in the Group's financial statements. The committee also received an update on the proposed amendments to the Companies Amendment Bill.

Committee performance

The performance of the committee is reviewed annually as part of the effectiveness review of the Board and all its committees. The externally facilitated review performed during 2023 concluded that the committee operated effectively and successfully discharged its responsibilities and duties during the year under review, complying with its terms of reference in all material aspects.

Key focus areas for 2024

- Monitor the Group's embedding of IFRS 17 reporting
- Continue to monitor capital management and the levels of the Group's various solvency measures, ensuring that they are within acceptable ranges
- Continue to monitor the functioning of the Group's internal controls
- Review the Group's long-term actuarial assumptions, ensuring appropriateness for the current operating environment
- Continued monitoring of the economic situation in Zimbabwe and assessment of the appropriate accounting treatment and disclosure in the Group financial statements
- Focus on ensuring that the Group's financial processes and controls operate effectively and are proportionate with the Group's complexity
- Continue to monitor, with the Technology and Platforms committee, the finance modernisation and transformation initiatives, supporting the drive for simplifying and conforming finance data to further enhance the quality of the Group's financial reporting
- Monitor the implementation of other new accounting standards
- Monitor the levels of the various capital measures in the Group, ensuring that they are within acceptable ranges
- Review the Group's long-term actuarial assumptions, ensuring appropriateness for the current operating environment
- Monitor methodology and assumptions used to calculate the Group's liabilities and solvency capital ratio
- Ongoing succession planning for the committee members and key finance positions, with a focus on further complementing the skills of the committee

Conclusion

The Audit committee is satisfied that it has complied with all statutory duties as well as its duties under its terms of reference for the reporting period.

The Audit committee reviewed the Group Annual Financial Statements for the year ended 31 December 2023 and recommended them for approval to the Board.

On behalf of the Audit committee

O Ighodaro
Audit committee Chairperson

Cape Town
26 March 2024

Independent auditors' report

To the shareholders of Old Mutual Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Old Mutual Limited and its subsidiaries (the Group and Company) set out on pages 17 to 196 and 200 to 219, which comprise:

- the consolidated income statement for the year ended 31 December 2023;
- the consolidated statement of comprehensive income for the year ended 31 December 2023;
- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of cash flows for the year ended 31 December 2023;
- the consolidated statement of changes in equity for the year ended 31 December 2023;
- the notes to the consolidated financial statements, including a summary of material accounting policy information and the consolidated supplementary income statement, but excluding information marked as 'unaudited';
- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year ended 31 December 2023;
- the statement of changes in equity for the year ended 31 December 2023;
- the statement of cash flows for the year ended 31 December 2023; and
- the notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Company as at 31 December 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements of the Group and Company and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of life insurance contract assets and liabilities (Consolidated financial statements)

Refer to accounting policy elections note A1.3 and note G2

Key audit matter	How the matter was addressed in our audit
Initial application of IFRS 17 On 1 January 2023, the Group adopted IFRS 17 *Insurance Contracts* ('IFRS 17'), which replaced IFRS 4 *Insurance Contracts*. The Group applied IFRS 17 to insurance contracts issued and reinsurance contracts held as at 1 January 2022, as described in note L, in accordance with the accounting policies outlined in note G2.1. This standard requires the use of complex valuation models and assumptions to measure groups of insurance contracts as the total of estimates of present value of future cash flows ('PVFCF'), plus a risk adjustment for non-financial risk ('RA') and a contractual service margin ('CSM'). The CSM component is only relevant for groups of insurance contracts measured using the general measurement approach ('GMM') and the variable fee approach ('VFA'). As a result, certain 2022 comparative amounts as presented in these consolidated financial statements have been restated for the adoption of IFRS 17.	*Initial application of IFRS 17* Our procedures on the application of IFRS 17 included, amongst others: - Obtained an understanding and evaluated the design and implementation of management's controls (no control reliance placed) over the adoption of IFRS 17 accounting policies and the significant estimates and assumptions used in the determination of the Group's insurance contracts. - Evaluated the Group's accounting policies and actuarial methodology to assess compliance with IFRS 17. - Evaluated the analyses of contracts prepared by the Group for the purposes of classification according to the different measurement approaches and tested the compliance with IFRS 17 to the underlying contracts on a sample basis. - With respect to the transition approaches applied in the calculation of the CSM, evaluated the Group's assessment of the availability of reasonable and supportable historical information required by the fully retrospective approach and the appropriateness of simplifications, under the modified retrospective approach, or fair value approach applied and where

Valuation of life insurance contract assets and liabilities (Consolidated financial statements) continued

Refer to accounting policy elections note A1.3 and note G2 continued

Key audit matter	How the matter was addressed in our audit
The impact of the initial application of IFRS 17 on the consolidated annual financial statements was a decrease of R4 463 million to the Group's total equity as at 1 January 2022, net of adjustments relating to consequential amendments to other IFRS standards amounting to R1 405 million, as reflected in note L to the consolidated financial statements. We assessed the impact of the initial application of IFRS 17 to be an area of focus due to the judgement to be applied and the complexity of the initial application as it related to the measurement of the Group's life insurance contract liabilities, including the CSM at the transition date. This required the application of significant auditor judgment and involved specialised actuarial skills and knowledge to assist in evaluating the audit evidence obtained. Key areas of focus and judgement include: the assessment of management's judgements in selecting transition approaches; the application of simplifications applied in the full retrospective approach and intended application going forward and determination of key assumptions as they pertain to the measurement of insurance contract assets and liabilities. Accordingly, we have identified the initial application of IFRS 17 as a key audit matter. The critical accounting judgements and impact of the initial application of IFRS 17 are set out in note L to the consolidated financial statements. ***The valuation of life insurance contract assets and liabilities as at 31 December 2023*** The Group's insurance contract liabilities amount to R619 200 million as at 31 December 2023 and represent a significant portion of its total liabilities. Insurance contract assets amount to R4 992 million. Insurance contract assets and liabilities are determined in accordance with IFRS 17. The PVFCF contained in the insurance contract assets and liabilities are associated with significant uncertainties requiring the use of expert judgment embedded within complex actuarial models relying on subjective assumptions relating to future events. Key assumptions include mortality, persistency and economic assumptions. As a result of the long duration of life insurance products, relatively small changes in key assumptions may have a significant impact on the valuation of the present value of future cash flows. The actuarial valuations are based on complex models/methodologies and other computations designed for which inadequate assumptions and or inaccurate input data may be used. The CSM is impacted by assumption changes to the PVFCF for future coverage that influences the release of the CSM in the current year and future periods. Accordingly, given the complexity and judgement involved, we have identified life insurance contract assets and liabilities as a key audit matter, which includes the PVFCF and CSM for remaining coverage.	applicable conducted testing to underlying contracts and data. Evaluated management's key judgements in their selection of the transition valuation approaches and inspection and assessment of available evidence supporting these decisions. » Assessed the appropriateness and consistency of key assumptions (both new and revised) considering industry and other external sources of benchmarking where applicable, and knowledge of the Group's products and the requirements of IFRS 17. » Performed testing of the completeness and accuracy of data used in the calculation of the transition balances to underlying source systems on a sample basis. » With the support of our IFRS 17 actuarial specialists tested the methodology and calculations of the IFRS 17 insurance contracts assets and liabilities, including the transition CSM, primarily through calculating an independent estimate of the component of insurance contract assets and liabilities for a sample of contracts and comparing our recalculation to the Group's results. » Considered whether the associated transition disclosures are compliant with IFRS 17 and with the methodologies and assumptions approved by the directors. *Valuation of life insurance contract assets and liabilities* Our procedures over the insurance contracts assets and liabilities included, amongst others: » Obtained an understanding and evaluated the design and implementation of management's controls over the significant estimates and assumptions used in the determination of the Group's insurance contracts, including model data inputs. » With the support of IFRS 17 specialists considered whether the associated disclosures are compliant with IFRS 17. To test the PVFCF and CSM, our audit procedures were executed with the assistance of our actuarial specialists: » Evaluated the key assumptions used, including their reasonableness based on experience studies, our knowledge of the Group, the products offered and available market and macroeconomic data. This included the review of a sample of experience studies supporting specific assumptions. » Performed tests to ensure the complete and accurate transfer of policyholder data from policy administration systems to the actuarial systems, leveraging management's key reconciliation controls where applicable. » Tested the methodology and logic of models used through independent recalculations on a sample of models, and a comparison of calculation logic to industry-comparable models. » We assessed the appropriateness of management's data and assumptions applied in determining the CSM, including the coverage units for reasonability. » For significant model changes, we performed a review of the model/code changes, as necessary, and where appropriate, replicated the change impacts or assessed the methodology, assumptions and results of the significant model changes. » Reviewed analysis of actual experience over expected results for any unusual or unexpected results, ensuring these results were consistent with our audit tests of detail.

Valuation of level 3 financial instruments (investments and securities) (Consolidated financial statements)

Refer to accounting policy elections note A1.3 and disclosure note E3

Key audit matter	How the matter was addressed in our audit
At 31 December 2023, investments and securities carried at fair value through profit or loss represented 81.9% in 2023 of total assets in the consolidated financial statements. Level 3 investments and securities amounted to R46 817 million and represented 4.9% in 2023 of the total balance. The valuation of level 3 financial instruments is determined using models where one or more significant inputs are unobservable. Investments and securities measured at fair value through profit or loss are a significant portion of total assets in the consolidated financial statements. The valuation risk is not uniform to all investment types and is higher for those assets expressed as level 3 under the fair value methodology. These asset valuations involve significant judgement and expertise. Given the level of judgement required in the selection and application of significant assumptions and unobservable inputs and the consequential impact upon profit or loss, our areas of focus relate to: » The assumptions used, as these are largely non-observable inputs and include a significant level of judgement; » The reasonableness of the data ingested in the valuation models; and » Where applicable, the use of complex methodologies as opposed to observable prices. Consequently, the determination of the fair value of investments and securities classified as level 3 financial instruments is more complex and/or judgemental, with a higher level of estimation uncertainty and we have identified this as a key audit matter.	Our procedures included, amongst others: » Obtained an understanding and evaluated the design and implementation of key controls over the valuation of investments and securities to ensure the accuracy of inputs, the appropriateness of methodologies and the assessment by management of the final measurement of the investments and securities. » On a sample basis selecting level 3 instruments and performing the following procedures together with our internal valuation specialists: → Challenged and assessed the key inputs and assumptions used in the valuation models, such as estimated cash flows, growth rates, discount rates and significant unobservable inputs, and critically assessed the valuation methodologies against current market practice and industry standards; → Compared the valuation model methodologies and assumptions applied across the Group, ensuring consistency; → Assessed the reasonableness of the estimated cash flows by performing retrospective testing and comparing actual financial performance against previous forecasts where cash flow forecasts are required for the valuation; → Assessed the appropriateness of the pricing multiples used in certain valuations by comparing them with comparable listed companies, adjusted for comparability differences, sizes and liquidity; and → Performed independent valuations of the investments to ascertain a reasonable range of outcomes and determine whether management's calculated value falls within this range. » Assessed whether the disclosures in the consolidated financial statements in relation to the fair value of the investments and securities and the disclosures relating to the estimation uncertainty are complete, appropriate and in compliance with IFRS 13 *Fair Value Measurement* ('IFRS 13') and IFRS 7 *Financial Instruments Disclosures* ('IFRS 7') as disclosed in note E3.

Independent auditors' report

Valuation of investment in subsidiaries as it relates to Old Mutual Group Holdings (SA) (Pty) Limited (Separate financial statements)	
Refer to accounting policy notes 1.3 and 1.4 and notes 4 and 9 (Separate financial statements)	
Key audit matter	**How the matter was addressed in our audit**
At 31 December 2023, the value of the investment in Old Mutual Group Holdings (SA) Proprietary Limited (OMGH) amounted to R85 404 million, which is included in the Investment in subsidiaries caption in the separate financial statements and represented 94.6% of the total assets. The investment in this subsidiary represents the majority of the Company's assets and an impairment assessment was completed. While any impairment of the carrying value of investment in subsidiaries does not affect the consolidated financial statements, it does impact distributable reserves in the separate financial statements. The directors assess the recoverable amount of the investment in OMGH using a sum-of-the-parts valuation model. Several valuation techniques were used in this process depending on the nature of the entity within OMGH. These include numerous techniques such as discounted cash flows, price/earnings multiples, Present Value of Future Profits ('PVFP') and Value of New Business ('VNB') multiples. The significant assumptions that we focused our audit on were those with greater levels of judgement and for which variations had the most significant impact on the recoverable amount. These include the PVFP and VNB multiples, discount rates and comparable multiples. These elements have been disclosed in note 1.13 to the separate financial statements. The impairment assessment of OMGH is considered to be a key audit matter due to the audit work effort required and the significant judgements applied in determining the recoverable amount of the investment.	Our procedures included, amongst others: » Reviewed management's assessment of indicators of impairment for completeness and the appropriateness of conclusions reached. » Assessed, with the involvement of our valuation specialists, whether the methodology applied by management in determining a recoverable amount is compliant with IFRS. » Compared key assumptions including those underlying estimated future cash flows, to externally derived data including analyst broker reports, peer group data and projected economic growth data with the involvement of our valuation specialists. » Used our understanding of the business, evaluated the reasonableness of certain key assumptions and considerations made including drawing comparisons with actual historical information utilising our valuation specialists. » Assessed whether the disclosures around the assessment of recoverable amount of the investments in subsidiaries in the separate financial statements are adequate in terms of IAS 36 *Impairment of assets.*

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 220-page document titled 'Old Mutual Annual Financial Statements Consolidated and Separate for the year ended 31 December 2023', which includes the Directors' Report, the Audit Committee Report and the Certificate by the Company Secretary as required by the Companies Act of South Africa, the Directors responsibility and approval statement, the Chief Executive Officer's and Chief Financial Officer's Responsibility Statement and information marked as 'unaudited' in the consolidated and separate financial statements and the document titled 'Integrated Report 2023', which we obtained prior to the date of this report. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Independent auditors' report

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Old Mutual Limited for six years and Ernst & Young Inc. has been the auditor of Old Mutual Limited for two years.

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

26 March 2024

Third Floor, Waterway House
3 Dock Road
V&A Waterfront
Cape Town
8001

Deloitte & Touche
Per: Gerdus Dixon
Chartered Accountant (SA)
Registered Auditor
Partner

26 March 2024

The Ridge
6 Marina Road
Portswood District
V&A Waterfront
8001

Consolidated income statement

For the year ended 31 December

Rm	Notes	2023	2022[1]
Insurance service result			
Insurance revenue	D1	**68 260**	63 300
Insurance service expenses	D7(a)	**(54 450)**	(54 010)
Net expenses from reinsurance contracts		**(3 049)**	(961)
Total insurance service result		**10 761**	8 329
Investment result			
Net investment return		**135 901**	20 412
Interest income on the effective interest method		**1 864**	1 288
Other investment return		**134 037**	19 124
Net finance expense from insurance contracts	G2.5	**(83 108)**	(19 385)
Net finance income from reinsurance contracts	G2.5	**586**	92
Change in investment contract liabilities		**(25 295)**	5 987
Change in third-party interest in consolidated funds		**(12 753)**	(1 846)
Total net investment result	D2	**15 331**	5 260
Non-insurance revenue and income			
Banking interest and similar income	D3	**4 379**	4 505
Interest income on the effective interest method		**3 400**	2 828
Other interest income		**979**	1 677
Banking trading, investment and similar income		**1 539**	1 026
Fee and commission income, and income from service activities	D4	**8 432**	7 484
Other income		**1 359**	999
Total non-insurance revenue and income		**15 709**	14 014
Non-insurance expenses			
Credit impairment charges		**(2 349)**	(1 079)
Finance costs	D6	**(1 020)**	(662)
Banking interest payable and similar expenses		**(852)**	(830)
Other operating and administrative expenses[2, 3]	D7	**(23 724)**	(18 459)
Total non-insurance expenses		**(27 945)**	(21 030)
Share of gains of associated undertakings and joint ventures after tax	I2	**110**	118
Loss on disposal of subsidiaries and associated undertakings		**–**	(133)
Profit before tax		**13 966**	6 558
Income tax expense	D8	**(6 333)**	(907)
Profit after tax for the financial year		**7 633**	5 651
Attributable to:			
Equity holders of the parent		**7 065**	5 231
Non-controlling interests			
Ordinary shares		**568**	420
Profit after tax for the financial year		**7 633**	5 651
Earnings per ordinary share			
Basic earnings per ordinary share (cents)	C1(a)	**158.4**	115.5
Diluted earnings per ordinary share (cents)	C1(b)	**154.1**	113.4

1 *These numbers have been restated; refer to note L*
2 *Included in other operating and administrative expenses are finance costs of R1 047 million (2022: R783 million) which includes interest relating to funding that supports the operations of the Group (funding within policyholder investments) of R909 million (2022: R665 million) and interest on lease liabilities of R138 million (2022: R118 million). Refer to note D7 for further information*
3 *With the implementation of IFRS 17, fee and commission expenses and other acquisition costs of R11 067 million (2022: R10 038 million) have been reclassified between other insurance service expenses and other operating and administrative expenses as reflected in note D7*

Consolidated statement of comprehensive income

For the year ended 31 December

Rm	2023	2022[1]
Profit after tax for the financial year	**7 633**	5 651
Other comprehensive income for the financial year		
Items that will not be reclassified to profit or loss		
Gains on property revaluations	**804**	641
Remeasurement gains on defined benefit plans	**46**	29
Fair value movements related to credit risk on borrowed funds[2]	**(2)**	(42)
Share of other comprehensive income from associated undertakings and joint ventures	**–**	(70)
Income tax on items that will not be reclassified to profit or loss	**(44)**	(224)
	804	334
Items that may be reclassified to profit or loss		
Currency translation differences in translating foreign operations[2]	**(3 927)**	(4 160)
	(3 927)	(4 160)
Total comprehensive income for the financial year	**4 510**	1 825
Attributable to:		
Equity holders of the parent	**4 418**	1 913
Non-controlling interests		
Ordinary shares	**92**	(88)
Total comprehensive income for the financial year	**4 510**	1 825

1 These numbers have been restated; refer to note L
2 No tax impacts are associated with these line items

Unaudited consolidated supplementary income statement

For the year ended 31 December

Rm	Notes	2023	2022[1]
Mass and Foundation Cluster	B	**1 846**	1 517
Personal Finance and Wealth Management	B	**3 710**	3 369
Old Mutual Investments	B	**1 227**	1 240
Old Mutual Corporate	B	**1 718**	1 449
Old Mutual Insure	B	**524**	678
Old Mutual Africa Regions	B	**1 116**	535
Central expenses	B	**(1 798)**	(1 478)
Results from operations		**8 343**	7 310
Shareholder investment return		**2 162**	979
Finance costs		**(1 020)**	(662)
Share of losses of associated undertakings and joint ventures after tax		**(118)**	(53)
Adjusted headline earnings before tax and non-controlling interests		**9 367**	7 574
Shareholder tax		**(3 216)**	(2 512)
Non-controlling interests		**(290)**	(212)
Adjusted headline earnings after tax and non-controlling interests		**5 861**	4 850
Adjusted weighted average number of ordinary shares (millions)	C1(a)	**4 544**	4 557
Adjusted headline earnings per share (cents)		**129.0**	106.4

1 These numbers have been restated; refer to note L

Reconciliation of adjusted headline earnings to IFRS profit after tax[2]

Rm	Notes	2023	2022[1]
Adjusted headline earnings after tax and non-controlling interests		**5 861**	4 850
Accounting mismatches and hedging impacts	A1.6(a)	**(541)**	(187)
Impact of restructuring	A1.6(b)	**–**	(153)
Operations in hyperinflationary economies	A1.6(c)	**2 039**	1 171
Non-core operations	A1.6(d)	**21**	173
Headline earnings		**7 380**	5 854
Impairment of goodwill and other intangible assets and property, plant and equipment and other headline earnings adjustments		**(273)**	(492)
Impairment of investment in associated undertakings[3]		**(42)**	–
Loss on disposal of subsidiaries and associated undertakings		**–**	(131)
Profit after tax for the financial period attributable to equity holders of the parent		**7 065**	5 231

1 These numbers have been restated; refer to note L
2 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
3 The impairment loss of R42 million relates to impairment of intangible assets held by an associate and is excluded from headline earnings as the look-through approach is followed as required by the SAICA Circular 01/2023

Consolidated statement of financial position

At 31 December 2023

Rm	Notes	At 31 December 2023	At 31 December 2022[1]	At 1 January 2022[1]
Assets				
Goodwill and other intangible assets	H1	**7 833**	6 934	6 234
Mandatory reserve deposits with central banks		**133**	173	195
Property, plant and equipment	H2(a)	**8 388**	8 259	9 155
Investment property	H2(b)	**47 172**	42 530	38 672
Deferred tax assets	H7(a)	**3 945**	4 740	4 782
Investments in associated undertakings and joint ventures	I2	**1 075**	1 065	908
Costs of obtaining contracts	H3	**431**	478	523
Loans and advances	F1	**18 210**	17 615	17 617
Investments and securities[2]	G1(a)	**958 120**	892 404	903 671
Other investments and securities including term deposits[2]		**936 785**	867 080	881 481
Cash and cash equivalents		**21 335**	25 324	22 190
Insurance contract assets	G2.5	**4 992**	3 697	2 645
Reinsurance contract assets	G2.5	**8 798**	8 071	9 463
Current tax receivable		**497**	415	462
Trade, other receivables and other assets	H4	**49 599**	30 839	17 869
Derivative financial instruments	G1(b)	**8 210**	9 688	6 391
Cash and cash equivalents		**38 121**	37 467	32 931
Assets held for sale	H9	**1 058**	370	269
Total assets[2]		**1 156 582**	1 064 745	1 051 787
Liabilities				
Insurance contract liabilities	G2.3	**619 200**	581 052	608 422
Reinsurance contract liabilities	G2.3	**1 706**	903	1 671
Investment contract liabilities	G2.9	**230 629**	195 404	205 269
Third-party interests in consolidated funds		**109 548**	102 749	77 308
Borrowed funds	G3	**16 085**	16 713	17 506
Provisions	H5	**2 001**	1 729	1 767
Contract liabilities	H6	**495**	411	435
Deferred tax liabilities	H7(b)	**5 232**	3 370	6 520
Current tax payable		**453**	712	499
Trade, other payables and other liabilities[2]	H8	**95 932**	84 216	57 565
Amounts owed to bank depositors	G4	**5 139**	4 706	5 905
Derivative financial instruments	G1(b)	**11 587**	12 580	8 082
Total liabilities[2]		**1 098 007**	1 004 545	990 949
Net assets		**58 575**	60 200	60 838
Shareholders' equity				
Equity attributable to the equity holders of the parent		**56 060**	57 585	57 724
Non-controlling interests				
Ordinary shares		**2 515**	2 615	3 114
Total non-controlling interests		**2 515**	2 615	3 114
Total equity		**58 575**	60 200	60 838

1 These numbers have been restated; refer to note L
2 Refer to note J8 for details in relation to the restatement due to prior period errors

Consolidated statement of cash flows

For the year ended 31 December

Rm	Notes	2023	2022[1]
Cash flows from operating activities			
Profit before tax		**13 966**	6 558
Non-cash movements and adjustments to profit before tax	J6	**(63 869)**	30 710
Net changes in working capital	J6	**60 102**	(5 346)
Taxation paid		**(4 268)**	(4 127)
Net cash inflow from operating activities[2]		**5 931**	27 795
Cash flows from investing activities			
Net disposal of financial investments		**6 797**	(11 866)
Acquisition of investment properties		**(2 325)**	(659)
Proceeds from disposal of investment properties	H2(b)	**–**	126
Dividends received from associated undertakings	I2(a)	**198**	89
Acquisition of property, plant and equipment		**(825)**	(1 100)
Proceeds from disposal of property, plant and equipment[3]		**180**	56
Acquisition of intangible assets		**(1 245)**	(1 108)
Proceeds from the disposal of interests in subsidiaries, associated undertakings and joint ventures	I2(a)	**19**	–
Acquisition of interests in subsidiaries, associated undertakings and joint ventures		**(293)**	(615)
Net cash inflow/(outflow) from investing activities		**2 506**	(15 077)
Cash flows from financing activities			
Dividends paid to:			
Ordinary equity holders of the Company	C4	**(3 704)**	(3 424)
Non-controlling interests and preferred security interests		**(129)**	(340)
Interest paid (excluding banking interest paid)		**(1 158)**	(780)
Proceeds from shares issued by subsidiaries		**–**	98
Acquisition of treasury shares – ordinary shares		**(1 136)**	(46)
Proceeds from disposal of treasury shares – ordinary shares		**411**	299
Change in participation in subsidiaries		**(1 461)**	201
Share buyback transactions		**(1 494)**	–
Lease liabilities repayments	H8	**(531)**	(506)
Proceeds from borrowed funds	G3(d)	**5 610**	3 404
Repayment of borrowed funds	G3(d)	**(6 329)**	(2 960)
Net cash outflow from financing activities		**(9 921)**	(4 054)
Net cash (outflow)/inflow		**(1 485)**	8 665
Effects of exchange rate changes on cash and cash equivalents		**(1 890)**	(1 017)
Cash and cash equivalents at beginning of the year		**62 964**	55 316
Cash and cash equivalents at end of the year		**59 589**	62 964
Comprising			
Mandatory reserve deposits with central banks		**133**	173
Cash and cash equivalents included in investments and securities		**21 335**	25 324
Cash and cash equivalents		**38 121**	37 467
Total		**59 589**	62 964

1 These numbers have been restated; refer to note L
2 Net cash inflow from operating activities includes interest income from investments and securities of R35 807 million (2022: R26 056 million), dividend income from investments and securities of R13 400 million (2022: R15 404 million) and banking interest payable of R1 872 million (2022: R1 500 million)
3 Proceeds on the sale of owned PPE included in the disposals line is R78 million

Consolidated statement of changes in equity

For the year ended 31 December 2023

Year ended 31 December 2023 Rm	Notes	Number of shares issued and fully paid	Share capital
Shareholders' equity at beginning of the year		**4 914**	**244**
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		–	–
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			
Dividends for the year	C4	–	–
Share buyback transactions		(123)	(6)
Share-based payment reserve movements		–	–
Transfer between reserves		–	–
Other movements in share capital[2]		–	–
Total contributions and distributions		**(123)**	**(6)**
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		**(123)**	**(6)**
Shareholders' equity at end of the year		**4 791**	**238**

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 include a movement in retained earnings of R715 million relating to own shares held by employee share trusts. These shares are treated as treasury shares in the consolidated financial statements*

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
–	1 616	1 122	(377)	(11 230)	66 210	57 585	2 615	60 200
–	–	–	–	–	7 065	7 065	568	7 633
–	804	–	–	–	–	804	–	804
–	–	–	–	–	46	46	–	46
–	–	–	(2)	–	–	(2)	–	(2)
–	(43)	–	–	–	(1)	(44)	–	(44)
–	761	–	(2)	–	45	804	–	804
–	–	–	–	(3 451)	–	(3 451)	(476)	(3 927)
–	761	–	(2)	(3 451)	7 110	4 418	92	4 510
–	–	–	–	–	(3 790)	(3 790)	(129)	(3 919)
–	–	–	–	–	(1 488)	(1 494)	–	(1 494)
–	–	169	–	–	460	629	–	629
–	(83)	–	–	–	6	(77)	77	–
–	–	–	–	–	(1 338)	(1 338)	(56)	(1 394)
–	(83)	169	–	–	(6 150)	(6 070)	(108)	(6 178)
–	–	–	–	–	127	127	(84)	43
–	–	–	–	–	127	127	(84)	43
–	(83)	169	–	–	(6 023)	(5 943)	(192)	(6 135)
–	2 294	1 291	(379)	(14 681)	67 297	56 060	2 515	58 575

Consolidated statement of changes in equity

For the year ended 31 December 2023

Year ended 31 December 2022[1] Rm	Notes	Number of shares issued and fully paid	Share capital
Shareholders' equity at beginning of the period as previously reported		4 709	85
Adjustment on initial application of IFRS 17, net of tax	L		
Restated opening balance		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		–	–
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		–	–
Total comprehensive income for the financial year		–	–
Transactions with the owners of the Company			
Contributions and distributions			
New issuance of share capital during the period		205	159
Dividends for the period		–	–
Share-based payment reserve movements		–	–
Transfer between reserves		–	–
Other movements in share capital[2]		–	–
Total contributions and distributions		205	159
Changes in ownership and capital structure			
Acquisitions/change in participation in subsidiaries[3]		–	–
Total changes in ownership and capital structure		–	–
Total transactions with the owners of the Company		205	159
Shareholders' equity at end of the year		4 914	244

1 These numbers have been restated; refer to note L
2 Other movements in equity include a movement in retained earnings of R580 million relating to own shares held by employee share trusts. These shares are treated as treasury shares in the consolidated financial statements
3 Included in the NCI transfer to retained earnings is R636 million which relates to OMCH purchasing the remaining 25% interest held in Business Doctor in Old Mutual Finance

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
15	1 101	873	(335)	(7 568)	68 003	62 174	3 127	65 301
	(20)	–	–	(10)	(4 420)	(4 450)	(13)	(4 463)
15	1 081	873	(335)	(7 578)	63 583	57 724	3 114	60 838
–	–	–	–	–	5 231	5 231	420	5 651
–	641	–	–	–	–	641	–	641
–	–	–	–	–	29	29	–	29
–	–	–	(42)	–	–	(42)	–	(42)
–	(70)	–	–	–	–	(70)	–	(70)
–	(36)	–	–	–	(188)	(224)	–	(224)
–	535	–	(42)	–	(159)	334	–	334
–	–	–	–	(3 652)	–	(3 652)	(508)	(4 160)
–	–	–	–	–	–	–	–	–
–	535	–	(42)	(3 652)	5 072	1 913	(88)	1 825
–	–	–	–	–	(159)	–	–	–
–	–	–	–	–	(3 502)	(3 502)	(340)	(3 842)
–	–	331	–	–	–	331	–	331
(15)	–	(82)	–	–	(15)	(112)	112	–
–	–	–	–	–	388	388	1	389
(15)	–	249	–	–	(3 288)	(2 895)	(227)	(3 122)
–	–	–	–	–	843	843	(184)	659
–	–	–	–	–	843	843	(184)	659
(15)	–	249	–	–	(2 445)	(2 052)	(411)	(2 463)
–	1 616	1 122	(377)	(11 230)	66 210	57 585	2 615	60 200

Notes to the consolidated financial statements

For the year ended 31 December 2023

A: Material accounting policies

A1: Basis of preparation

1.1 Statement of compliance

Old Mutual Limited (the Company) is a company incorporated in South Africa. The financial statements for the year ended 31 December 2023 consolidates the results of the Company and its subsidiaries (together the Group) and equity accounts the Group's interest in associates and joint ventures (other than those held by investment-linked insurance funds and investments in venture capital divisions which are accounted for as investments at fair value through profit or loss).

The consolidated and separate financial statements (financial statements) comprise the consolidated and separate statements of financial position at 31 December 2023, the consolidated income statement, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year ended 31 December 2023 and explanatory notes to the consolidated and separate financial statements (including the consolidated supplementary income statement).

The financial statements are prepared on the going concern basis, which the directors believe is appropriate, taking into account the Group's most recent business plan and the capital and liquidity position. The financial statements were approved by the Board of directors on 26 March 2024.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), including interpretations of IFRS as issued by the IFRS Interpretations Committee (IFRIC), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements, and requirements of the Companies Act, 71 of 2008 (Companies Act).

The annual financial statements fairly present, in all material respects, the financial position, financial performance and cash flows of the Group in terms of the IFRS.

Only material information, as determined using the Group's internal framework for materiality, has been included in these annual financial statements. The Group's internal framework for materiality was developed taking into cognisance, the requirements of IFRS, the JSE Listings Requirements as well as other relevant statutory reporting requirements applicable to the Group. Information is considered material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of these financial statements make based on these financial statements.

The Group presents separately each material class of similar items. The Group also presents separately items of a dissimilar nature or function unless they are immaterial.

If a line item is not individually material, it is aggregated with other items either in these financial statements or in the notes. An item that is not sufficiently material to warrant separate presentation in the primary statements may warrant separate presentation in the notes.

When applying the IFRS the Group shall decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. The Group does not reduce the understanding of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

IFRS specifies information that is required to be included in the financial statements, which include the notes. The Group does not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material and could detract from providing meaningful and concise financial statements. This is the case even if the IFRS contains a list of specific requirements or describes them as minimum requirements. The Group may also provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance.

The principal accounting policies applied in the preparation of the consolidated and separate financial statements are set out and included in the specific notes to which they relate. These policies have been consistently applied. The consolidated and separate financial statements have been prepared under the historical cost convention modified to include the fair valuation of investment property and particular financial instruments to the extent required or permitted under IFRS as set out in the relevant accounting policies.

Amounts are stated in millions of rand (Rm), which is the presentation and the functional currency of the Group.

1.2 Comparative information

Unless otherwise indicated, comparative information presented at and for the year ended 31 December 2022 within these financial statements has been correctly extracted from the Group's audited consolidated financial statements for the year ended 31 December 2022.

IFRS 17 *Insurance Contracts* is effective for annual reporting periods starting 1 January 2023 and has been adopted by the Group. The impact of IFRS 17 has been included in note L and comparative information has been restated accordingly.

1.3 Accounting policy elections

The following material accounting policy elections have been made by the Company:

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 with respect to financial assets held to support liabilities in respect of contracts with policyholders. On transition to IFRS 17, the Group elected to recognise the Company's own shares that are held as underlying items of participating contracts as if they were financial assets. These shares are mandatorily measured at fair value through profit or loss. Consequently, own shares under this election are also regarded as outstanding for the purposes of determining the weighted average number of shares. Previously, these shares were treated as treasury shares. 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. On transition to IFRS 17, the Group no longer applies shadow accounting to insurance-related assets and liabilities. The Group now measures owner-occupied properties that are underlying items of direct participating contracts as assets at fair value through profit or loss to reduce accounting mismatches with the measurement of related contracts. Previously, owner-occupied properties were measured at revalued amounts less accumulated depreciation less any impairment losses. 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.
Investments in subsidiaries, associated undertakings and joint ventures	The Group has elected to recognise these investments at cost in the Company's financial statements.

1.4 Going concern

The Group has performed a detailed going concern assessment in order to support the 2023 annual reporting process. This assessment has relied on the Group's 2024 to 2026 business plan and has considered the profitability, liquidity and solvency projections over the plan period together with other items that may impact the business' ability to continue as a going concern. The business plan delivered strong shareholder value creation while maintaining stable capital and solvency positions throughout the projection period.

No material uncertainty in relation to the ability to continue as a going concern has been identified. The directors therefore consider it appropriate for the going concern basis to be adopted in preparing the annual financial statements.

A: Material 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.

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

	Year ended 31 December 2023		Year ended 31 December 2022	
	Income statement (average rate)	**Statement of financial position (closing rate)**	Income statement (average rate)	Statement of financial position (closing rate)
Pound sterling	**22.9435**	**23.3763**	20.1673	20.5865
US dollar	**18.4525**	**18.3621**	16.3700	17.0374
Kenyan shilling	**0.1319**	**0.1171**	0.1388	0.1381
Zimbabwe dollar[1]	**0.0030**	**0.0030**	0.0237	0.0237

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 01/2023 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) Accounting mismatches and hedging impacts

Represents the elimination of items that are recognised within IFRS profit or loss that do not represent the economic outcome that arise due to an accounting mismatch or change in accounting treatment. Included in this line are once-off hedging losses arising from the transition of the guaranteed product-related hedging programmes. During 2023, significant updates were made to the various hedging programmes given the implementation of IFRS 17 to ensure that the hedges remain appropriate under IFRS 17. This line item also includes mismatch losses and gains on policyholder investments, where the IFRS valuation rules create mismatches in our asset and liabilities valuations. Adjusting items included within this line are reviewed and approved by the Group's Audit committee.

(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, no significant impacts were recognised. In the prior 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.

(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 that 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 (RoNAV)

RoNAV (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.

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

(b) AHE per share

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

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

A2: 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 2023, except for certain judgements made and accounting matters related to Zimbabwe as described below and IFRS 17 included in note G2.

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 periods.

Accounting matters relating to Zimbabwe

A critical judgement for the Group is the estimation of the Zimbabwean exchange rate, inflation 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

During 2022, the estimated exchange rate was calculated using the average of four inputs: the auction rate, the interbank rate, the global relative fuel prices and a CPI-adjusted Group exchange rate based on the relative inflationary moves between Zimbabwe and the United States.

During 2023, foreign exchange trading shifted to the interbank market (willing buyer, willing seller), which is a more market-driven exchange rate discovery system. The Group no longer believes that the auction rate, relative fuel price and CPI-adjusted rates are reflective of a rate of exchange that the Group is likely to access and therefore these three inputs have been excluded from the estimated exchange rate calculation. As the Group's access to the interbank rate remains constrained due to availability of funds in the commercial banks and the purpose for which foreign currency will be used, the Group still views that they do not have access to this rate, however, conclude that the interbank rate is an appropriate estimate of the foreign exchange rate.

For the purposes of 31 December 2023 reporting, a ZWL$ to US dollar exchange rate of 6 104.72: 1 (December 2022: 720: 1) has been applied. In accordance with the provisions of IAS 21 *The Effects of Changes in Foreign Exchange Rates* (IAS 21), 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 require significant judgement when valuing 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. The results of our operations with a functional currency of ZWL$ have been prepared in accordance with IAS 29 *Financial Reporting in Hyperinflationary Economies* (IAS 29). Hyperinflationary accounting requires transactions and balances to be stated in terms of the measuring unit current at the end of the reporting period to account for the effect of loss of purchasing power during the period. The Zimbabwe National Statistics Agency (ZIMSTAT) discontinued publication of the ZWL$ consumer price index in January 2023 and replaced this with the weighted average consumer price index (blended index), in line with Statutory Instrument 27 of 2023 (published on 3 March 2023). This created challenges for financial reporting purposes because the weighted average consumer price index does not comply with IAS 29, which requires the use of a general price index of the hyperinflationary currency (ZWL$) as a basis of restatement. To comply with IAS 29, the Group estimated the general price index for the period February 2023 to December 2023 by adjusting the last published ZWL$ consumer price index (January 2023) based on the monthly movement of the total consumption poverty line (TCPL) published by ZIMSTAT. The Group has estimated a ZWL$ CPI of 65 703.45 at 31 December 2023 to restate amounts. The impact of applying IAS 29 in the current period resulted in a net monetary loss of R1 276 million (2022: net monetary loss of R466 million).

A: Material accounting policies continued

A2: Critical accounting estimates and judgements continued

IFRS profits earned within Zimbabwe

During the current year, our operations in Zimbabwe reported pre-tax IFRS profits of R2.5 billion (2022: R1.4 billion), of which R1.3 billion (2022: R928 million) 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 982% (2022: 80%) during the year, 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 the profit before tax and equity to changes in the general price index as at 31 December 2023.

Rm	As reported	+100% CPI
Profit before tax	**2 468**	**2 480**
Equity	**3 789**	**3 789**

The following table illustrates the sensitivity of profit before tax and equity to changes in the rate used to translate the financial results and position of the Zimbabwean business. The sensitivities include a depreciation of 50% of the existing rate.

At 31 December 2023 Rm	As reported ZWL$: 0.0030 ZAR	ZWL$: 0.0015 ZAR
Profit before tax	**2 468**	**1 231**
Equity	**3 789**	**1 889**

At 31 December 2022 Rm	As reported ZWL$: 0.0237 ZAR	ZWL$: 0.0118 ZAR	ZWL$: 0.0059 ZAR	Auction ZWL$: 0.0254 ZAR	Interbank ZWL$: 0.0249 ZAR
Profit before tax	1 322	634	317	1 359	1 333
Equity	3 126	1 563	781	3 352	3 289

Critical accounting estimates

The following table 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 year. As such, additional disclosure has been provided in the relevant notes of the assets and liabilities that require estimation and judgement.

Critical accounting estimates	Accounting policy reference
Measurement of policyholder liabilities	**G2**
Fair value measurement of financial assets and liabilities	**E1/E2/E3**
Estimation of uncertain tax positions	**D8/H7/J4**
Investments in subsidiaries, associated undertakings and joint ventures	**I1/I2/I3**
Impairment allowances for loans and advances	**F1**
Impairment of goodwill and other intangible assets	**H1**
Fair value of property assets	**H2(b)**

A3: Liquidity analysis of the separate and consolidated statement of financial position

The separate and consolidated statements of financial position are in order of liquidity as is permitted by IAS 1 *Presentation of Financial Statements*.

Separate and consolidated statements of financial position captions generally expected to be recovered no more than 12 months after the reporting date are classified as current and as non-current if the expected recovery or settlement date is more than 12 months after the reporting date. The analysis of significant separate and consolidated statements of financial position captions into current and non-current are disclosed in the individual notes to which they relate.

A4: Items labelled as 'Other'

Where items have been found to be individually immaterial, they have been disclosed under the 'Other' category. Where applicable, footnotes have also been added to reflect the nature of these amounts and/or the major balances contained within these line items.

A5: Impairment of investments and loss on disposal of subsidiaries

Changes of interest in subsidiaries in the Group financial statements

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company. When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

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 for the continuing business operations during the year under review. The Group has identified the Chief Operating Decision Maker (CODM) to be the executive management team of Old Mutual Limited. The Group's operating segments have been identified based on the internal management reporting structure which is reflective of the nature of products and services as well as the target customer base. The managing directors of the operating segments form part of the executive team. Therefore, the CODM, being the executive team of Old Mutual Limited, is structured in a way reflective of the internal reporting structure.

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

- **Mass and Foundation Cluster:** A retail segment that operates in Life and Savings and Banking and Lending. It provides simple financial services products to customers in the low-income and lower-middle-income markets. These products are divided into four categories being (i) risk, including funeral cover, (ii) savings, (iii) lending and (iv) transactional products.
- **Personal Finance and Wealth Management:** Personal Finance is a retail segment that operates primarily in Life and Savings. It provides holistic financial advice and long-term savings, investment, income and risk products and targets the middle-income market. Wealth Management is a retail segment targeting high-income and high-net-worth individuals that provides vertically integrated advice, investment solutions and funds, and other financial solutions.
- **Old Mutual Investments:** Operates across Asset Management through three distinct segments: (i) Listed asset management comprising three affiliate businesses being Futuregrowth, Marriott and Old Mutual Investment Group. (ii) Old Mutual Alternative Investment, an unlisted investment affiliate business, and (iii) Specialised Finance, a proprietary risk and investment capability, which manages and supports the origination of assets.
- **Old Mutual Corporate:** Operates in Life and Savings and primarily provides Group risk, investments, annuities and consulting services to employee-sponsored retirement and benefit funds.
- **Old Mutual Insure:** Provides non-life insurance products through multiple channels: Retail, iWYZE, Speciality, CGIC and strategic partners Generic and One.
- **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 is 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 consolidated financial statements

For the year ended 31 December 2023

B: Segment information continued

B2: Segmental income statement

For the year ended 31 December 2023 Rm	Mass and Foundation Cluster	Personal Finance and Wealth Management	Old Mutual Invest-ments
Insurance service result			
Insurance revenue	11 105	17 625	–
Insurance service expenses	(8 766)	(13 332)	–
Net income/(expenses) from reinsurance contracts	190	55	–
Policyholder tax	(58)	(2 701)	–
Total insurance service result after policyholder tax	2 471	1 647	–
Investment result			
Net investment return (non-banking)	2 958	53 808	6 535
Net finance (expense)/income from insurance contracts	(2 822)	(37 002)	–
Net finance (expense)/income from reinsurance contracts	(4)	219	–
Change in third-party interest in consolidated funds	–	–	–
Change in investment contract liabilities	(3)	(12 203)	(5 640)
Total net investment result	129	4 822	895
Non-insurance revenue and income			
Banking interest and similar income	3 062	–	–
Banking trading, investment and similar income	–	–	–
Fee and commission income, and income from service activities	586	5 299	3 462
Other income	248	427	67
Total non-insurance revenue and income	3 896	5 726	3 529
Non-insurance expenses			
Credit impairment charges	(1 174)	(110)	–
Finance costs	–	–	–
Banking interest payable and similar expenses	(408)	–	–
Other operating and administrative expenses	(3 068)	(8 375)	(3 197)
Total non-insurance expenses	(4 650)	(8 485)	(3 197)
Share of gains of associated undertakings and joint ventures after tax	–	–	–
Results from operations[1]	1 846	3 710	1 227
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	1 846	3 710	1 227
Shareholder tax	(392)	(993)	(309)
Non-controlling interests	–	(3)	(56)
Adjusted headline earnings	1 454	2 714	862
Accounting mismatch and hedging impacts	(62)	(24)	–
Impact of restructuring	–	–	–
Operations in hyperinflationary economies	–	–	–
Non-core operations	–	–	–
Headline earnings	1 392	2 690	862
Adjustments			
Impairment of goodwill and other intangibles assets and property, plant and equipment and other headline earnings adjustments	–	–	(188)
Impairment of impairment of investment in associated undertakings[2]	–	–	(42)
Profit after tax for the financial year attributable to equity holders of the parent	1 392	2 690	632
Profit for the financial period attributable to non-controlling interests	(1)	4	56
Profit after tax for the financial year	1 391	2 694	688

1 Results from operations is a segmental performance measure used by the Group and is defined in note B1 (1.2)
2 The impairment loss of R42 million relates to impairment of intangible assets held by an associate and is excluded from headline earnings as the look-through approach is followed as required by the SAICA Circular 01/2023

Total intersegments revenue included in total revenue is as follows: Mass and Foundation Cluster is R1 150 million (2022: R1 153 million), Personal Finance and Wealth Management is R11 823 million (2022: R6 002 million), Old Mutual Investments is R6 696 million (2022: R6 244 million), Old Mutual Corporate is R5 892 million (2022: R10 066 million), Old Mutual Insure is R36 million (2022: R10 million), Old Mutual Africa Regions is R19 million (2022: R11 million) and Other Group activities is R13 451 million (2022: R12 324 million).

Segmental income statements are disclosed to match the way the business is managed. This will not align to disaggregated revenue (D5) as it represents the IFRS 15 view of income.

Old Mutual Corporate	Old Mutual Insure	Old Mutual Africa Regions	Other Group activities and intercompany eliminations	Adjusted headline earnings	Consoli-dation of funds	Adjusting items and reclassifications	Total IFRS
10 618	19 846	9 024	(655)	67 563	–	697	68 260
(7 313)	(17 501)	(6 844)	327	(53 429)	–	(1 021)	(54 450)
(980)	(1 770)	(913)	351	(3 067)	–	18	(3 049)
(135)	–	(249)	86	(3 057)	–	3 057	–
2 190	575	1 018	109	8 010	–	2 751	10 761
					–		
31 485	686	9 883	(1 260)	104 095	14 647	17 159	135 901
(22 888)	(235)	(7 566)	17	(70 496)	–	(12 612)	(83 108)
142	133	99	–	589	–	(3)	586
–	–	–	–	–	(12 753)	–	(12 753)
(6 429)	–	(176)	211	(24 240)	–	(1 055)	(25 295)
2 310	584	2 240	(1 032)	9 948	1 894	3 489	15 331
–	–	548	13	3 623	–	756	4 379
–	–	60	–	60	–	1 479	1 539
445	(21)	744	(2 431)	8 084	(720)	1 068	8 432
864	48	312	(265)	1 701	31	(373)	1 359
1 309	27	1 664	(2 683)	13 468	(689)	2 930	15 709
(11)	–	(42)	(18)	(1 355)	–	(994)	(2 349)
–	–	–	–	–	–	(1 020)	(1 020)
–	–	(197)	–	(605)	–	(247)	(852)
(4 080)	(662)	(3 567)	1 826	(21 123)	(1 205)	(1 396)	(23 724)
(4 091)	(662)	(3 806)	1 808	(23 083)	(1 205)	(3 657)	(27 945)
–	–	–	–	–	–	110	110
1 718	524	1 116	(1 798)	8 343	–	5 623	13 966
–	60	1 063	1 039	2 162	–	(2 162)	–
–	(47)	(116)	(857)	(1 020)	–	1 020	–
–	–	–	(118)	(118)	–	118	–
1 718	537	2 063	(1 734)	9 367	–	4 599	13 966
(484)	(132)	(830)	(76)	(3 216)	–	(3 117)	(6 333)
–	(179)	(52)	–	(290)	–	(278)	(568)
1 234	226	1 181	(1 810)	5 861	–	1 204	7 065
(25)	(5)	67	(492)	(541)	–	541	–
–	–	–	–	–	–	–	–
–	–	2 039	–	2 039	–	(2 039)	–
–	–	–	21	21	–	(21)	–
1 209	221	3 287	(2 281)	7 380	–	(315)	7 065
–	(67)	(4)	(14)	(273)	–	273	–
–	–	–	–	(42)	–	42	–
1 209	154	3 283	(2 295)	7 065	–	–	7 065
7	177	325	–	568	–	–	568
1 216	331	3 608	(2 295)	7 633	–	–	7 633

B: Segment information continued
B2: Segmental income statement continued

For the year ended 31 December 2022 Rm	Mass and Foundation Cluster	Personal Finance and Wealth Management	Old Mutual Investments
Insurance service result			
Insurance revenue	10 214	17 066	–
Insurance service expenses	(8 471)	(13 253)	–
Net income/(expenses) from reinsurance contracts	140	18	–
Policyholder tax	23	1 392	–
Total insurance service result after policyholder tax	1 906	5 223	–
Investment result			
Net investment return (non-banking)	1 048	(12 110)	6 328
Net finance income/(expenses) from insurance contracts	(1 183)	(1 957)	–
Net finance income/(expenses) from reinsurance contracts	1	(105)	–
Change in investment contract liabilities	(5)	12 827	(5 038)
Change in third-party interest in consolidated funds	–	–	–
Total net investment result	(139)	(1 345)	1 290
Non-insurance revenue and income			
Banking interest and similar income	2 664	–	–
Banking trading, investment and similar income	–	–	–
Fee and commission income, and income from service activities	479	4 698	2 917
Other income	219	320	145
Total non-insurance revenue and income	3 362	5 018	3 062
Non-insurance expenses			
Credit impairment charges	(722)	(21)	–
Finance costs	–	–	–
Banking interest payable and similar expenses	(387)	–	–
Other operating and administrative expenses	(2 503)	(5 506)	(3 112)
Total non-insurance expenses	(3 612)	(5 527)	(3 112)
Share of gains of associated undertakings and joint ventures after tax	–	–	–
Loss on disposal of subsidiaries and associated undertakings	–	–	–
Results from operations	1 517	3 369	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	1 517	3 369	1 240
Shareholder tax	(836)	(936)	(343)
Non-controlling interests	(122)	(2)	(23)
Adjusted headline earnings	559	2 431	874
Accounting mismatches and hedging impacts	(153)	(180)	–
Impact of restructuring	(39)	–	–
Operations in hyperinflationary economies	–	–	–
Non-core operations	–	–	–
Headline earnings	367	2 251	874
Adjustments			
Reversal of impairment of goodwill and other intangibles assets and property, plant and equipment	–	(3)	–
Loss on disposal of subsidiaries and associated undertakings	–	–	(12)
Profit after tax for the financial year attributable to equity holders of the parent	367	2 248	862
Profit for the financial period attributable to non-controlling interests	125	11	23
Profit after tax for the financial year	492	2 259	885

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 reclassi-fications	Total IFRS
10 421	17 314	8 464	(591)	62 888	–	412	63 300
(7 925)	(16 192)	(7 532)	337	(53 036)	–	(974)	(54 010)
(414)	(55)	(871)	289	(893)	–	(68)	(961)
(135)	–	(174)	384	1 490	–	(1 490)	–
1 947	1 067	(113)	419	10 449	–	(2 120)	8 329
8 073	337	4 592	(1 619)	6 649	3 431	10 332	20 412
(4 760)	(123)	(2 839)	10	(10 852)	–	(8 533)	(19 385)
109	66	27	–	98	–	(6)	92
(836)	–	(112)	(191)	6 645	–	(658)	5 987
–	–	–	–	–	(1 846)	–	(1 846)
2 586	280	1 668	(1 800)	2 540	1 585	1 135	5 260
–	–	623	–	3 287	–	1 218	4 505
–	–	72	–	72	–	954	1 026
457	–	847	(2 215)	7 183	(637)	938	7 484
720	(190)	245	(89)	1 370	131	(502)	999
1 177	(190)	1 787	(2 304)	11 912	(506)	2 608	14 014
40	–	(68)	(238)	(1 009)	–	(70)	(1 079)
–	–	–	–	–	–	(662)	(662)
–	–	(202)	–	(589)	–	(241)	(830)
(4 301)	(479)	(2 537)	2 445	(15 993)	(1 079)	(1 387)	(18 459)
(4 261)	(479)	(2 807)	2 207	(17 591)	(1 079)	(2 360)	(21 030)
–	–	–	–	–	–	118	118
–	–	–	–	–	–	(133)	(133)
1 449	678	535	(1 478)	7 310	–	(752)	6 558
–	50	727	202	979	–	(979)	–
–	(31)	(99)	(532)	(662)	–	662	–
–	–	–	(53)	(53)	–	53	–
1 449	697	1 163	(1 861)	7 574	–	(1 016)	6 558
(592)	(229)	(390)	814	(2 512)	–	1 605	(907)
–	(147)	82	–	(212)	–	(208)	(420)
857	321	855	(1 047)	4 850	–	381	5 231
(93)	–	249	(10)	(187)	–	187	–
–	–	(78)	(36)	(153)	–	153	–
–	–	1 171	–	1 171	–	(1 171)	–
–	–	–	173	173	–	(173)	–
764	321	2 197	(920)	5 854	–	(623)	5 231
–	–	(185)	(304)	(492)	–	492	–
–	16	–	(135)	(131)	–	131	–
764	337	2 012	(1 359)	5 231	–	–	5 231
54	147	60	–	420	–	–	420
818	484	2 072	(1 359)	5 651	–	–	5 651

B: Segment information continued
B3: Segmental statement of financial position

At 31 December 2023 Rm	Mass and Foundation Cluster	Personal Finance and Wealth Management	Old Mutual Investments	Old Mutual Corporate
Insurance contract assets (note G2)	**3 340**	**1 494**	**–**	**162**
Life risk and annuities	**3 340**	**1 494**	**–**	**162**
Life savings	**–**	**–**	**–**	**–**
Property and casualty	**–**	**–**	**–**	**–**
Other assets	**47 723**	**461 119**	**85 427**	**310 510**
Total assets[1]	**51 063**	**462 613**	**85 427**	**310 672**
Insurance contract liabilities (note G2)	**(30 557)**	**(322 244)**	**–**	**(205 001)**
Life risk and annuities	**(5 729)**	**(52 604)**	**–**	**(23 409)**
Life savings	**(24 828)**	**(269 640)**	**–**	**(181 592)**
Property and casualty	**–**	**–**	**–**	**–**
Investment contract liabilities	**(50)**	**(103 872)**	**(64 732)**	**(62 140)**
Other liabilities	**(15 050)**	**(31 151)**	**(17 099)**	**(42 550)**
Total liabilities	**(45 657)**	**(457 267)**	**(81 831)**	**(309 691)**
Net assets	**5 406**	**5 346**	**3 596**	**981**

At 31 December 2022[2] Rm	Mass and Foundation Cluster	Personal Finance and Wealth Management	Old Mutual Investments	Old Mutual Corporate
Insurance contract assets (note G2)	2 373	1 168	–	211
Life risk and annuities	2 373	1 168	–	211
Life savings	–	–	–	–
Property and casualty	–	–	–	–
Other assets[2]	46 888	422 406	83 422	282 589
Total assets[1]	49 261	423 574	83 422	282 800
Insurance contract liabilities (note G2)	(28 454)	(301 848)	–	(193 295)
Life risk and annuities	(5 157)	(46 711)	–	(22 423)
Life savings	(23 297)	(255 137)	–	(170 872)
Property and casualty	–	–	–	–
Investment contract liabilities	(46)	(85 264)	(60 463)	(49 880)
Other liabilities[2]	(17 735)	(32 382)	(18 182)	(39 578)
Total liabilities	(46 235)	(419 494)	(78 645)	(282 753)
Net assets	3 026	4 080	4 777	47

1 Total assets held for sale included in total assets are as follows: Mass and Foundation Cluster is Rnil (2022: R1 million), Personal Finance and Wealth Management is Rnil (2022: Rnil), Old Mutual Investments is Rnil (2022: R17 million), Old Mutual Corporate is Rnil (2022: Rnil), Old Mutual Africa Regions is Rnil (2022: Rnil), Old Mutual Insure is Rnil (2022: Rnil), and Other Group activities is R1 058 million (2022: R352 million)

2 An error was identified. These numbers have been restated. Refer to note J8

Old Mutual Insure	Old Mutual Africa Regions	Other Group activities and other inter-company elimination	Consolidation of funds	Total IFRS
73	**181**	**(258)**	**–**	**4 992**
–	**181**	**(258)**	**–**	**4 919**
–	**–**	**–**	**–**	**–**
73	**–**	**–**	**–**	**73**
16 908	**84 829**	**9 377**	**135 697**	**1 151 590**
16 981	**85 010**	**9 119**	**135 697**	**1 156 582**
(7 016)	**(54 628)**	**246**	**–**	**(619 200)**
–	**(4 569)**	**292**	**–**	**(86 019)**
–	**(46 733)**	**–**	**–**	**(522 793)**
(7 016)	**(3 326)**	**(46)**	**–**	**(10 388)**
–	**(1 447)**	**1 612**	**–**	**(230 629)**
(4 238)	**(13 170)**	**10 777**	**(135 697)**	**(248 178)**
(11 254)	**(69 245)**	**12 635**	**(135 697)**	**(1 098 007)**
5 727	**15 765**	**21 754**	**–**	**58 575**

Old Mutual Insure	Old Mutual Africa Regions	Other Group activities and other inter-company elimination	Consolidation of funds	Total IFRS
4	257	(316)	–	3 697
–	214	(316)	–	3 650
–	43	–	–	43
4	–	–	–	4
13 779	82 554	9 159	120 251	1 061 048
13 783	82 811	8 843	120 251	1 064 745
(5 390)	(52 275)	210	–	(581 052)
–	(4 449)	274	–	(78 466)
–	(44 073)	–	–	(493 379)
(5 390)	(3 753)	(64)	–	(9 207)
–	(1 271)	1 520	–	(195 404)
(3 113)	(13 284)	16 436	(120 251)	(228 089)
(8 503)	(66 830)	18 166	(120 251)	(1 004 545)
5 280	15 981	27 009	–	60 200

C: Other key performance information

C1: Earnings and earnings per share

Year ended 31 December Cents	Source of guidance	Notes	2023	2022
Basic earnings per share	IFRS	C1(a)	**158.4**	115.5
Diluted earnings per share	IFRS	C1(b)	**154.1**	113.4
Headline earnings per share	JSE Listings Requirements SAICA Circular 01/2023	C1(c)	**165.5**	129.2
Diluted headline earnings per share	JSE Listings Requirements SAICA Circular 01/2023	C1(c)	**161.0**	126.9

(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 Employee Share Ownership Plan Trusts (ESOP) and Black Economic Empowerment Trusts. These shares are regarded as treasury shares.

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

Year ended 31 December	2023	2022[1]
Profit for the financial year attributable to equity holders of the parent (Rm)	**7 065**	5 231
Weighted average number of ordinary shares in issue (millions)	**4 868**	4 735
Shares held in charitable foundations and trusts (millions)	**(82)**	(26)
Shares held in ESOP and similar trusts (millions)	**(242)**	(152)
Adjusted weighted average number of ordinary shares (millions)	**4 544**	4 557
Shares held in Black Economic Empowerment Trusts and Retail Schemes (millions)	**(85)**	(27)
Weighted average number of ordinary shares used to calculate basic earnings per share (millions)	**4 459**	4 530
Basic earnings per ordinary share (cents)	**158.4**	115.5

1 The prior years have been restated for the initial application of IFRS 17. Refer to note L for additional information

(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:

Year ended 31 December	Notes	2023	2022
Profit for the financial year attributable to equity holders of the parent (Rm)		**7 065**	5 231
Weighted average number of ordinary shares (millions)	C1(a)	**4 459**	4 530
Adjustments for share options held by ESOP and similar trusts (millions)		**86**	63
Adjustments for share options held in Black Economic Empowerment Trusts and Retail Schemes (millions)		**40**	20
Weighted average number of ordinary shares used to calculate diluted earnings per share (millions)		**4 585**	4 613
Diluted earnings per ordinary share (cents)		**154.1**	113.4

(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 01/2023 '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:

		2023		2022	
Year ended 31 December	Notes	**Gross**	**Net of tax and non-controlling interest**	Gross	Net of tax and non-controlling interest
Profit attributable to ordinary equity holders			**7 065**		5 231
Adjustments:					
Impairment of investment in associated undertakings[2]	I2	**42**	**42**	–	–
(Reversal of impairments)/impairment of property, plant and equipment	H2	**(134)**	**(124)**	402	309
Impairments of intangible assets	H1	**301**	**301**	183	183
Loss on disposal of subsidiaries, associated undertakings and joint ventures		**–**	**–**	133	131
Loss on disposal of intangibles		**130**	**94**	–	–
Loss on disposal of property and equipment		**2**	**2**	–	–
Total adjustments		**341**	**315**	718	623
Headline earnings (Rm)			**7 380**		5 854
Weighted average number of ordinary shares (millions)	C1(a)		**4 459**		4 530
Diluted weighted average number of ordinary shares (millions)	C1(b)		**4 585**		4 613
Headline earnings per share (cents)			**165.5**		129.2
Diluted headline earnings per share (cents)[1]			**161.0**		126.9

1 *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 01/2023 'Headline Earnings'*

2 *The impairment loss of R42 million relates to impairment of intangible assets held by an associate and is excluded from headline earnings as the look-through approach is followed as required by the SAICA Circular 01/2023*

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	**2023**	2022
Net asset value per share	**12.2**	12.3
Net tangible asset value per share	**10.6**	10.8

C3: Return on net asset value (RoNAV)

The following table outlines the calculation of RoNAV, using adjusted headline earnings disclosed in the consolidated supplementary income statement. The basis of preparation of RoNAV is described in note A1.7.

At 31 December Rm or %	**2023**	2022
Total RoNAV (%)	**11.1%**	9.4%
Average adjusted IFRS equity (Rm)	**52 611**	51 822
Closing adjusted IFRS equity (Rm)	**51 234**	53 342

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

Rm	**2023**	2022
Equity attributable to the holders of the parent	**56 060**	57 585
Equity in respect of operations in hyperinflationary economies	**(3 326)**	(2 875)
Equity in respect of non-core operations	**(1 500)**	(1 368)
Closing adjusted IFRS equity	**51 234**	53 342

Notes to the consolidated financial statements

For the year ended 31 December 2023

C: Other key performance information continued

C4: Dividends

For the year ended 31 December Rm	Ordinary dividend payment date	2023	2022
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
2022 Final dividend paid – 51.00c per share	17 April 2023	2 414	–
2023 Interim dividend paid – 32.00c per share	23 October 2023	1 376	–
Dividend payments to ordinary equity holders for the year		**3 790**	3 424

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, Black Economic Empowerment Trusts and related undertakings.

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

A final dividend of 49 cents (2022: 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 22 April 2024 to shareholders on all registers, except for shareholders on the London Stock Exchange who will be paid on 21 May 2024.

D: Other consolidated income statement notes

Accounting policies

The Group provides financial services, such as insurance, asset management and banking & lending services to our customers. Fees and commission from asset management and banking & lending services are accounted for as revenue from contracts with customers, while revenue from insurance contracts is accounted for in accordance with the accounting policies for insurance contracts (note G2). Investment returns (fair value gains or losses, interest income and dividend income) earned on behalf of shareholders and customers are recognised in accordance with the accounting policies for financial instruments (note E), the Group elected to recognise the Company's own shares that are held as underlying items of participating contracts as if they were financial assets. The gains and losses associated to these own shares are recognised within investment returns.

Basic revenue recognition principle

The Group recognises revenue from contracts with customers based on the amount expected to be received from customers when the performance obligations agreed to by the Group have been satisfied. Performance obligations are satisfied through the transfer of the promised services to the customer. The Group transfers the promised service over time or at a point in time depending on the nature of the promised services. In the majority of instances, the performance obligations are satisfied as the Group renders the agreed financial services to our customers over time.

Banking and lending

The Group provides banking and lending services to retail and corporate customers. These services include, but are not limited to account management, transaction support, provision of overdraft facilities and issuing of loans. Revenue from account management and provision of overdraft facilities are recognised over time as the Group renders these services. Revenue derived from specific transactions are recognised when the transaction takes place. Loan origination fees are included in the yield on the loan provided and are recognised as part of interest income through the effective interest method.

Fee and commission income on lending activities relates primarily to administration fees. These fees are recognised as revenue over time as the Group administrates the loan accounts for our clients. In the lending business the administration fee income is realised through loan instalment collection process.

The Group also earns fee and commission income from transactions performed by our clients. The fee and commission income is recognised on the date of the transaction. The fee and commission income from particular transactions are realised through a reduction in the amount due to depositors. The amount of the fee is agreed to with our clients.

Asset management

Revenue from asset management consists of asset management fees, performance fees and administration fees. Fees are recognised as revenue over time as the Group provides the services. When the Group receives up-front payments for services to be rendered in the future, the payments are accounted for as contract liabilities.

If the amount of the fee can be reliably estimated, the Group recognises revenue over time as the services are rendered. If the fee cannot be reliably estimated, the recognition of fees is delayed until significant uncertainty regarding the Group's entitlement to the fee and the measurement of the fee have been resolved.

Fee and commission income is earned through providing asset management and related investment administration services to our clients.

Fee and commission income is primarily based on funds under management, investment commitment values or amounts drawn from investors. Fee and commission income is generally recognised over time, on a monthly basis, as the services are rendered. Fee and commission income earned from collective investment schemes is recognised over time, on a daily basis, as the services are rendered.

Fee and commission income is generally realised during the first work week of the month succeeding the period of service. In some instances, fee and commission income is realised between 30 and 45 days in arrears or as agreed with our clients. Fee and commission income is realised through a reduction from our clients' investments portfolios or through a separate invoice and collection process.

In some instances, an initial fee is charged to the clients when entering into an investment agreement with the Group. The initial fee is collected as a reduction from the initial amount invested with the Group or through a separate payment made by the client. Initial fees, which exceed the level of recurring fees and relate to the future provision of services are deferred and amortised over periods between five and 10 years as the services are rendered.

The Group earns transaction fees from assisting clients with specific transactions on their portfolios. These fees are recognised when the transaction has been completed and are realised through a reduction in the client portfolio.

The Group earns a performance fee if certain performance thresholds and other criteria are met. The performance fee is deducted from the portfolio or is invoiced separately as per the terms of the contract. The rate that the fee and commission income is charged at is agreed with our clients in investment mandates.

Contract assets and contract liabilities

A contract asset exists if the Group has recognised revenue, but the amount expected to be received is not yet due from the customer. Contract assets are measured at the amount of revenue recognised. A contract liability exists if the Group has received or is entitled to consideration in advance of the Group satisfying the performance obligation. The contract liability represents the obligation to provide the agreed services to the customer. The contract liability is recognised as revenue as the Group satisfies the related performance obligation to the customer.

Costs incurred in acquiring investment management service contracts

Incremental costs that are directly attributable to securing an investment management service contract are recognised as assets if the costs can be identified separately, measured reliably and it is probable that the costs will be recovered.

Costs of obtaining contracts are those costs that the Group incurs in acquiring investment management service contracts and are amortised as the related revenue is recognised.

D1: Insurance service revenue

The Group's insurance service revenue is analysed as follows:

Year ended 31 December 2023 Rm	Notes	Life risk and annuities	Life savings	Property and casualty	Total
Contracts not measured under the PAA					
Amounts relating to changes in liabilities for remaining coverage		**19 998**	**8 710**	**–**	**28 708**
Expected incurred claims		**13 172**	**518**	**–**	**13 690**
Expected other insurance service expenses		**2 440**	**2 798**	**–**	**5 238**
Change in risk adjustment for non-financial risk for risk expired		**899**	**193**	**–**	**1 092**
CSM recognised for services provided		**3 667**	**3 715**	**–**	**7 382**
Other amounts relating to changes in liabilities for remaining coverage		**(180)**	**1 486**	**–**	**1 306**
Recovery of insurance acquisition cash flows		**4 290**	**1 307**	**–**	**5 597**
Contracts not measured under the PAA		**24 288**	**10 017**	**–**	**34 305**
Contracts measured under the PAA		**8 342**	**–**	**25 613**	**33 955**
Total insurance revenue		**32 630**	**10 017**	**25 613**	**68 260**

Year ended 31 December 2022 Rm	Notes	Life risk and annuities	Life savings	Property and casualty	Total
Contracts not measured under the PAA					
Amounts relating to changes in liabilities for remaining coverage		19 594	7 983	–	27 577
Expected incurred claims		13 516	555	–	14 071
Expected other insurance service expenses		2 115	2 902	–	5 017
Change in risk adjustment for non-financial risk for risk expired		875	201	–	1 076
CSM recognised for services provided		3 269	3 727	–	6 996
Other amounts relating to changes in liabilities for remaining coverage		(181)	598	–	417
Recovery of insurance acquisition cash flows		4 160	1 225	–	5 385
Contracts not measured under the PAA		23 754	9 208	–	32 962
Contracts measured under the PAA		7 919	–	22 419	30 338
Total insurance revenue		31 673	9 208	22 419	63 300

D: Other consolidated income statement notes continued

D2: Net investment result

The tables below analyses the investment result of the Group by line of business.

Year ended 31 December 2023 Rm	Notes	Life risk and annuities	Life savings	Investment contracts	Property and casualty	Shareholder	Consolidation of funds	Total
Investment return								
Interest and similar income								
Loans and advances		10	4	–	–	84	–	98
Investment and securities		7 727	14 435	4 732	842	2 068	4 139	33 943
Cash and cash equivalents		279	158	337	99	893	–	1 766
Total interest and similar income		8 016	14 597	5 069	941	3 045	4 139	35 807
Dividend income from investment and securities		165	7 449	2 254	62	769	2 701	13 400
Net fair value (losses)/gains recognised in profit or loss		(2 997)	54 050	18 863	117	(3 982)	7 807	73 858
Rental income from investment properties		2 173	286	630	87	370	–	3 546
Net fair value (losses)/gains on the revaluation of investment property		(180)	42	195	11	8 010	–	8 078
Net fair value gains on the revaluation of owner-occupied property		–	191	–	–	–	–	191
Net foreign currency (losses)/gains		(32)	(18)	35	381	655	–	1 021
Total investment return recognised in profit or loss		7 145	76 597	27 046	1 599	8 867	14 647	135 901
Net finance (expenses)/income from insurance contracts								
Changes in fair value of underlying items of direct participation contracts		–	(77 561)	–	–	–	–	(77 561)
Effects of risk mitigation option		–	11	–	–	–	–	11
Interest accreted		(6 019)	(161)	–	(274)	–	–	(6 454)
Effect of changes in interest rates and other financial assumptions		768	–	–	(24)	–	–	744
Effect of measuring changes in estimates at current rates and adjusted CSM at the rate of initial recognition		152	–	–	–	–	–	152
Finance expenses from insurance contracts recognised in profit or loss		(5 099)	(77 711)	–	(298)	–	–	(83 108)
Net finance income from reinsurance contracts								
Interest accreted		87	–	–	152	–	–	239
Other finance income/(expenses) from reinsurance contracts		345	–	–	2	–	–	347
Effect of changes of non-performing risk of reinsurers		–	–	–	–	–	–	–
Total finance income from reinsurance contracts recognised in profit or loss		432	–	–	154	–	–	586
Change in investment contract liabilities		–	–	(25 295)	–	–	–	(25 295)
Change in third-party interest in consolidated funds		–	–	–	–	–	(12 753)	(12 753)
Net investment result recognised in profit or loss		2 478	(1 114)	1 751	1 455	8 867	1 894	15 331
The fair value gains shown above are analysed according to their IFRS 9 categorisations as follows:								
Designated and mandatorily at fair value through profit or loss								73 919
Total interest income for assets at amortised cost (effective interest)								1 864

Year ended 31 December 2022 Rm	Notes	Life risk and annuities	Life savings	Investment contracts	Property and casualty	Shareholder	Consolidation of funds	Total
Investment return								
Interest and similar income								
Loans and advances		–	9	7	–	38	–	54
Investment and securities		4 873	11 258	4 287	538	1 240	2 572	24 768
Cash and cash equivalents		78	87	405	60	604	–	1 234
Total interest and similar income		4 951	11 354	4 699	598	1 882	2 572	26 056
Dividend income from investment and securities		92	8 304	2 612	87	1 256	3 053	15 404
Net fair value (losses)/gains recognised in profit or loss		(2 199)	(11 523)	(15 462)	25	274	(2 197)	(31 082)
Rental income from investment properties		2 655	137	10	93	319	–	3 214
Net fair value gains/(losses) on the revaluation of investment property		445	5 619	289	(17)	355	–	6 691
Net fair value gains on the revaluation of owner-occupied property		–	122	–	–	–	–	122
Net foreign currency (losses)/gains		(8)	(2)	(168)	7	178	–	7
Net investment return recognised in profit or loss		5 936	14 011	(8 020)	793	4 264	3 428	20 412
Net finance (expenses)/income from insurance contracts								
Changes in fair value of underlying items of direct participation contracts		–	(16 081)	–	–	–	–	(16 081)
Effects of risk mitigation option		–	(3)	–	–	–	–	(3)
Interest accreted		(4 338)	(55)	–	(128)	–	–	(4 521)
Effect of changes in interest rates and other financial assumptions		848	–	–	4	–	–	852
Effect of measuring changes in estimates at current rates and adjusted CSM at the rate of initial recognition		368	–	–	–	–	–	368
Finance expenses from insurance contracts recognised in profit or loss		(3 122)	(16 139)	–	(124)	–	–	(19 385)
Net finance income/(expenses) from reinsurance contracts								
Interest accreted		20	–	–	66	–	–	86
Other finance income/(expenses) from reinsurance contracts		20	–	–	(3)	–	–	17
Effect of changes of non-performing risk of reinsurers		(11)	–	–	–	–	–	(11)
Net finance income from reinsurance contracts recognised in profit or loss		29	–	–	63	–	–	92
Change in investment contract liabilities		–	–	5 987	–	–	–	5 987
Change in third-party interest in consolidated funds		–	–	–	–	–	(1 846)	(1 846)
Net investment result recognised in profit or loss		2 843	(2 128)	(2 033)	732	4 264	1 582	5 260
The fair value gains shown above are analysed according to their IFRS 9 categorisations as follows:								
Designated and mandatorily at fair value through profit or loss								(31 082)
Total interest income for assets at amortised cost (effective interest)								1 288

D: Other consolidated income statement notes continued

D3: Banking interest and similar income

This note analyses the interest earned on loans and advances from the banking activities of the Group's businesses.

Year ended 31 December Rm	2023	2022
Loans and advances	**4 306**	4 374
Mortgage loans	**598**	926
Bills and acceptances	**–**	3
Overdrafts	**84**	149
Term loans and other[1]	**3 624**	3 296
Investments and securities	**73**	131
Government and government-guaranteed securities	**49**	95
Other debt securities, preference shares and debentures	**24**	36
Total interest and similar income	**4 379**	4 505
Total interest income for assets not at fair value through profit or loss	**3 400**	2 828

1 Term loans and other includes commercial mortgages, deposits placed under repurchase agreements, preference shares and debentures and unsecured loans

D4: Fee and commission income, and income from service activities

This note analyses the fees and commission earned by the Group from negotiating or participating in the negotiation of a transaction for third parties, transaction and performance fees earned and administration fees.

Year ended 31 December Rm	2023	2022
Fee and commission income	**7 618**	6 816
Transaction and performance fees	**805**	692
Administration fees[1]	**9**	(24)
	8 432	7 484

1 Administration fees are negative in the prior year due to deferred fee income exceeding the amount recycled through the income statement in the period

D5: Revenue from contracts with customers

IFRS 15 revenue

Fee and commission income

The fees and commission income are earned from negotiating of a transaction from third parties, transaction and performance fees earned and the movement in deferred origination fee.

The judgements used in deferred origination fees include the period over which the origination fee is deferred

Contract assets and contract liabilities

A contract asset exists if the Group has recognised revenue, but the amount expected to be received is not yet due from the customer. Contract assets are measured at the amount of revenue recognised. A contract liability (deferred revenue liability) exists if the Group has received or is entitled to consideration in advance of the Group satisfying the performance obligation. The contract liability represents the obligation to provide the agreed services to the customer. The contract liability is recognised as revenue as the Group satisfies the related performance obligations to the customer.

Non-IFRS 15 revenue

Insurance service revenue

Insurance service revenue is recognised using IFRS 17. The Group recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts. For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. Refer to note G for the detailed accounting policies applied.

Banking

This consists of interest, trading, investment and similar income that is recognised under IFRS 9. This includes interest income from:

» Mortgage loans
» Bills and acceptance
» Overdrafts
» Term loans and others
» Government and government-guaranteed securities
» Other debt securities, preference shares and debentures

There are no material financial assets that are measured in other foreign currency. There are, in addition, assumptions around ECL calculations. This consists of interest income derived from amortised cost, which is measured using the effective interest rate technique. This includes estimates and judgements around credit risk, the risk of default and the time-value of money.

Investment return

This consists of interest and similar income that is recognised under IFRS 9. This includes interest income from loans and advances (not related to the items included as part of banking above), investment and securities and cash and cash equivalents. Also included are estimates and judgements around credit risk, the risk of default and the time-value of money. There are no judgements made around dividends receivable as they only become receivable when declared. There are no material financial assets that are measured in other foreign currencies.

Other income

This includes income arising in the course of the Group's ordinary activities and has not been included in the items above.

D: Other consolidated income statement notes continued

D5: Revenue from contracts with customers continued

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 is assessed if they contain contract assets.

Year ended 31 December 2023 **Rm**	**Mass and Foundation Cluster**	**Personal Finance and Wealth Management**	**Old Mutual Investments**
Revenue from contracts with customers			
Fee and commission income	**586**	**5 216**	**3 267**
Transaction and performance fees	**–**	**74**	**195**
Administration fees	**–**	**9**	**–**
Fee and commission income, and income from service activities	**586**	**5 299**	**3 462**
Non-IFRS 15 revenue			
Banking	**3 062**	**–**	**–**
Insurance	**11 105**	**17 625**	**–**
Investment return and other	**3 206**	**54 235**	**6 602**
Total revenue from other activities	**17 373**	**71 860**	**6 602**
Total revenue	**17 959**	**77 159**	**10 064**

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	4 661	2 871
Transaction and performance fees	–	59	46
Administration fees	–	(22)	–
Fee and commission income, and income from service activities	479	4 698	2 917
Non-IFRS 15 revenue			
Banking	2 664	–	–
Insurance	10 214	17 066	–
Investment return and other	1 267	(11 790)	6 473
Total revenue from other activities	14 145	5 276	6 473
Total revenue	14 624	9 974	9 390

Old Mutual Corporate	Old Mutual Insure	Old Mutual Africa Regions	Other Group activities an inter-company eliminations	Consolidation of funds	Total
445	**(21)**	**1 089**	**(2 244)**	**(720)**	**7 618**
–	**–**	**723**	**(187)**	**–**	**805**
–	**–**	**–**	**–**	**–**	**9**
445	**(21)**	**1 812**	**(2 431)**	**(720)**	**8 432**
–	**–**	**2 843**	**13**	**–**	**5 918**
10 618	**19 846**	**9 721**	**(655)**	**–**	**68 260**
32 349	**734**	**26 981**	**(1 525)**	**14 678**	**137 260**
42 967	**20 580**	**39 545**	**(2 167)**	**14 678**	**211 438**
43 412	**20 559**	**41 357**	**(4 598)**	**13 958**	**219 870**

Old Mutual Corporate	Old Mutual Insure	Old Mutual Africa Regions	Other Group activities and inter-company eliminations	Consolidation of funds	Total
457	–	1 164	(2 179)	(637)	6 816
–	–	623	(36)	–	692
–	–	(2)	–	–	(24)
457	–	1 785	(2 215)	(637)	7 484
–	–	2 867	–	–	5 531
10 421	17 314	8 876	(591)	–	63 300
8 793	147	14 667	(1 708)	3 562	21 411
19 214	17 461	26 410	(2 299)	3 562	90 242
19 671	17 461	28 195	(4 514)	2 925	97 726

Notes to the consolidated financial statements

For the year ended 31 December 2023

D: Other consolidated income statement notes continued

D6: Finance costs including banking interest and similar expenses

Finance costs include interest payable on borrowed funds, gains and losses on the revaluation of borrowed funds and on those derivative instruments, which are used as economic hedges and interest and similar expenses related to financial liabilities measured at amortised cost in the Group's banking activities.

Year ended 31 December Rm	2023	2022
Finance costs excluding banking activities	**1 020**	662
Interest on borrowed funds	**1 051**	656
Fair value gains and losses on borrowed funds	**(31)**	6
Borrowed funds	**(40)**	(125)
Derivative instruments used as economic hedges	**9**	131
Interest on banking activities	**852**	830
Deposits and loan accounts	**175**	187
Current and savings accounts	**7**	11
Negotiable certificates of deposit	**13**	39
Long-term debt instruments	**657**	593
Total finance costs	**1 872**	1 492
The fair value (losses)/gains shown above are analysed according to their IFRS 9 categorisations as follows:		
Designated and mandatorily at fair value through profit or loss	**(31)**	6

D7: Operating and administrative expenses

This note gives further detail on the items included in operating and administrative expenses.

Year ended 31 December Rm	Notes	2023	2022
Staff costs	D7(b)	**14 253**	12 358
Fee and commission expense and other acquisition costs		**11 067**	10 038
Depreciation	H2(a)	**817**	891
Computer, software and processing costs		**2 728**	2 319
Amortisation of other intangible assets and internally developed software	H1(e)	**626**	642
Impairment of goodwill and other intangible assets	H1(e)	**301**	183
Lease rentals – banking (short-term and low-value assets)		**5**	4
Lease rentals – non-banking (short-term and low-value assets)		**164**	136
Asset management expenses		**1 661**	671
Technical and professional fees		**1 410**	1 621
Outsourcing expenses		**216**	187
Travel and entertainment expense – third party		**270**	194
(Reversal of impairment)/impairment of fixed assets	H2(a)	**(134)**	402
Auditors' remuneration – fees for audit service		**281**	210
Auditors' remuneration – fees for non-audit service		**33**	25
Other[1, 2]		**11 279**	7 640
Total operating and administration expenses		**44 977**	37 521
Less: Amounts attributed to insurance acquisition cash flows		**(10 551)**	(9 138)
Other insurance service expenses		**(10 702)**	(9 924)
Other operating and administration expenses		**23 724**	18 459

1 Other includes finance costs of R1 047 million (2022: R783 million) which includes interest relating to funding that supports the operations of the Group (funding within Policyholder investments) of R909 million (2022: R665 million) and interest on lease liabilities of R138 million (2022: R118 million)
2 In 2022, an amount of R191 million is included in Other relating to an equity-settled share-based payment for Bula Tsela

(a) Analysis of expenses

Total expenses consist of the following:

Year ended 31 December Rm	Notes	2023	2022
Insurance service expenses	G2.5	**54 450**	54 010
Claims and benefits		**32 452**	33 259
Other insurance service expense		**10 426**	9 802
Other insurance service expense reallocated from operating and administration expenses		**10 702**	9 924
Expenses allocated to the loss component of the liability for remaining coverage		**(276)**	(122)
Losses and reversal of losses on onerous contracts		**1 474**	2 165
Amortisation of insurance acquisition cash flows		**10 098**	8 784
Other operating and administration expenses	D7	**23 724**	18 459
Total expenses		**78 174**	72 469

The table below provides the disaggregation of insurance service expenses by line of business:

Year ended 31 December Rm	2023	2022
Life risk and annuities	**26 636**	27 570
Life savings	**5 572**	5 607
Property and casualty	**22 242**	20 833
Insurance service expenses	**54 450**	54 010

(b) Staff costs

Year ended 31 December Rm	Notes	2023	2022
Wages and salaries		**9 873**	8 613
Social security costs		**49**	48
Retirement obligations			
Defined contribution plans		**260**	211
Defined benefit plans	J1(d)	**19**	21
Other retirement benefits	J1(d)	**158**	145
Bonus and incentive remuneration		**1 989**	1 787
Share-based payments			
Cash settled	J2(d)	**10**	2
Equity settled	J2(d)	**629**	474
Other		**1 266**	1 057
		14 253	12 358

D8: Income tax expense

Current tax

Included in the current tax charge are amounts relating to:
- Normal income tax
- Taxes payable on behalf of policyholders
- Withholding tax borne by the Group

Current tax is the expected tax payable on the 'taxable income' as contemplated for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Group is subject to income taxes in numerous jurisdictions. The calculation of the Group's tax charge and worldwide provisions for income tax necessarily involves a degree of estimation and judgement. At any given time, the Group typically has a number of open tax returns with various tax authorities and engages in active dialogue to resolve this. Taxation provisions relating to these open items are recognised based on the Group's estimate of the most likely outcome, after taking into account external advice where appropriate. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact profit or loss, current and deferred income tax assets and liabilities in the period that such determination is made.

D: Other consolidated income statement notes continued

D8: Income tax expense continued

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts required to be used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets are recognised for tax losses carried forward, only to the extent that realisation of the related tax benefit is probable, where on the basis of all available evidence, it is considered more likely than not that there will be suitable taxable profits against which the reversal of the deferred tax asset can be applied. In certain circumstances, as permitted by accounting guidance, deferred tax balances are not recognised. In particular, where the liability relates to the initial recognition of goodwill or transactions that are not 'business combinations' as contemplated and at the time of their occurrence, affect neither accounting nor taxable profits.

Deferred tax relating to items recognised outside profit or loss (for example, items adjusted for against retained income) is accounted for on a similar basis. Deferred tax is recognised in alignment with the underlying transaction, either in other comprehensive income or directly in equity, as appropriate.

Deferred tax assets and liabilities are only offset when there is both a legal right to set off and an intention to settle on a net basis.

Dividends tax

In South Africa, dividends tax is levied on the recipient of a dividend unless an exemption from this tax applies. In terms of the dividends tax provisions, the tax is withheld at a rate of 20% in the hands of certain qualifying shareholders, rather than in the hands of the entity, which declares such dividend. As such, where dividends are declared and paid by the Group, the Group does not recognise dividends tax. Life insurers are subject to dividends tax in respect of dividends allocated to the Individual Policyholder Fund. The dividends tax is levied on the entity at a rate of 20% and is attributable to policyholder funds.

Tax laws substantially enacted

In terms of IAS 12, both current and deferred tax assets and liabilities are to be valued by applying the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Changes in South African tax laws should be regarded as being substantively enacted when the changes in tax laws have been approved by parliament and signed into law by the president.

IAS 12 requires an entity to recognise deferred tax for temporary differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. Deferred tax is recognised at 31 December 2022 in respect of the change in the carrying value of assets and liabilities at the end of the reporting period that arose in accordance with IFRS 17 restatements.

Significant accounting estimates and judgements – uncertain tax positions

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.

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 Group 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 ultimately payable may differ from the provisions recognised.

IFRIC 23 *Uncertainty over Income Tax Treatments*

The Group records and evaluates tax positions in terms of the following specific accounting standards/interpretation, which set out how to determine the accounting tax position, when there is uncertainty over income tax treatments:
- IFRIC 23 *Uncertainty over Income Tax Treatments*
- IAS 12 *Income Taxes*
- IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*

Uncertain tax positions are based on the 'most likely outcome' of the liability based on a 'probability-weighted average' approach. Where applicable, the impact of IFRIC 23 on the tax positions of the respective legal entities in the Group, has been considered and adequate amounts provided.

(a) Analysis of total income tax expense

The total income tax expense for the year comprises:

Year ended 31 December Rm	2023	2022
Current tax		
South Africa	**2 685**	3 285
Overseas tax		
Africa regions	**714**	524
Withholding taxes	**380**	355
Adjustments to current tax in respect of prior years	**(65)**	(46)
Total current tax	**3 714**	4 118
Deferred tax		
Deferred tax expense relating to the origination and reversal of temporary differences	**2 323**	(2 939)
Change in tax rate	**–**	141
Write down of deferred tax assets	**95**	(2)
Adjustments to deferred tax in respect of prior years	**201**	(411)
Total deferred tax	**2 619**	(3 211)
Total income tax expense	**6 333**	907
Attributable to:		
Shareholder funds	**3 277**	2 397
Policyholder funds	**3 056**	(1 490)
Total income tax expense	**6 333**	907

For South African entities that are in a tax-paying position, tax has been provided at 27% (2022: 28%). The Group uses the South African tax rate in respect of its tax rate reconciliation as Old Mutual Limited is domiciled in South Africa and the most significant operations are in South Africa.

(b) Reconciliation of total income tax expense

The income tax expense charged to profit or loss differs from the income tax expense that would apply if all of the Group's profits from continuing operations from the different tax jurisdictions had been taxed at the South African standard corporation tax rate. The difference in the effective rate of the continuing operations is explained below:

Year ended 31 December Rm	Notes	2023	2022
Profit before tax		**13 966**	6 558
Tax at South African standard rate of 27.0% (2022: 28.0%)		**3 771**	1 836
Different tax rate or basis on foreign operations		**50**	(15)
Untaxed and low-taxed income[1]		**(1 696)**	(2 251)
Disallowable expenses[2]		**1 499**	2 096
Adjustments to current tax in respect of prior years[3]		**(30)**	(20)
Net movement on deferred tax assets not recognised		**235**	145
Adjustments to deferred tax in respect of prior years[3]		**154**	9
Withholding taxes[3]		**79**	154
Income tax attributable to policyholder returns		**2 246**	(1 194)
Effect on deferred tax on changes in tax rates		**–**	141
Other		**25**	6
		6 333	907

1 Includes exempt income, capital gains taxed at lower than the corporate tax rate, exempt dividends income and untaxed share of joint venture and associated profits
2 Disallowable expenses mainly include expenses incurred in the production or non-taxable income and are therefore non-deductible for tax purposes
3 The adjustments in respect of prior year adjustments to current and deferred tax, withholding taxes included in the 'Reconciliation of total income tax expense' include the shareholder tax component only

(c) Income tax relating to components of other comprehensive income

The total income tax expense relating to items recognised in other comprehensive income for the year comprises the following:

Year ended 31 December Rm	2023	2022
Measurement gains on defined benefit plans	**1**	34
Property revaluation reserve	**43**	36
Other	**–**	154
Income tax on items that will not be reclassified subsequently to profit or loss	**44**	224

E: Financial assets and liabilities

Accounting policy

Classification and measurement of financial assets and financial liabilities

Initial recognition of financial assets

Financial instruments are measured at initial recognition at fair value net of directly attributable transaction costs, unless the financial instrument is classified as fair value through profit or loss. For instruments classified at fair value through profit or loss attributable transaction costs are immediately expensed.

At initial recognition, the Group considers the appropriate classification as:
- Amortised cost
- Fair value through other comprehensive income (FVOCI) which may include debt or equity instruments
- Fair value through profit or loss (FVTPL)

The classification of financial assets is based on whether the financial assets are equity instruments, debt instruments held or derivative assets. The classification and measurement of debt instruments is dependent on the business model in which the financial asset is managed and its contractual cash flow characteristics.

The business model refers to how the Group is managing its financial instruments to generate cash flows. Business model assessments are performed on shareholder and policyholder portfolios and consider investment mandates, how the portfolios are being managed to generate cash flows and performance indicators. The Group first assesses the business model before considering whether an instrument meets the definition of the contractual cash flow test.

Only if the financial instruments are held in a business model to collect contractual cash flows or a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the cash flows characteristics test is performed.

Equity instruments held for trading or not designated as at FVOCI and derivative assets are mandatorily categorised as financial assets at FVTPL or not designated as at FVOCI. Derivatives embedded in contracts where the host is a financial asset in the scope of IFRS 9 are not accounted for separately. Instead, the hybrid financial instrument as a whole is assessed for classification.

A debt instrument is classified as a financial asset at amortised cost if it meets both of the following conditions (and is not designated as at FVTPL):
- It is held within a business model where the objective is to hold assets to collect contractual cash flows
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets held in a 'hold to collect contractual cash flows business model' are managed to realise cash flows by collecting contractual payments over the life of the instrument.

A debt instrument is measured at FVOCI if it meets both of the following conditions (and is not designated as at FVTPL):
- It is held within a business model where the objective is achieved by both collecting contractual cash flows and selling financial assets
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets held in this type of business model are managed to realise cash flows by both collecting contractual cash flows and selling the financial instrument. Both these activities are fundamental to achieving the objective of the business model.

On initial recognition of an equity instrument that is not held for trading, the instrument may be irrevocably designated at FVOCI. In such an instance, changes in the equity instrument's fair value are recorded in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All debt instrument financial assets that were not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Group may irrevocably designate a debt instrument financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Transaction costs that are directly attributable to the acquisition of financial assets are expensed in profit or loss for financial assets initially classified at FVTPL. For financial assets not classified at FVTPL, transaction costs are added to or deducted from the fair value at initial recognition.

Subsequent measurement of financial assets

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Financial assets at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset when:

- The contractual rights to the cash flows from the financial asset expire.
- It transfers the rights to receive the contractual cash flows in a transaction in which either:
  - Substantially all of the risks and rewards of ownership of the financial asset are transferred.
  - The Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.
- The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Initial recognition of financial liabilities

Financial liabilities not measured at FVTPL on initial recognition are measured at fair value less transaction costs that are incremental and directly attributable to the issue of the financial liability. Transaction costs of financial liabilities carried at FVTPL are expensed in profit or loss.

Subsequent measurement of financial liabilities

Fair value movements attributable to changes in the credit risk of a financial liability designated at FVTPL are recorded in OCI and not recycled to profit or loss. On derecognition of the financial liability, the amount included in OCI is reclassified to retained earnings. The balance of the fair value movement is recorded in profit or loss.

Financial liabilities at amortised cost	These liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign currency exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Financial liabilities at fair value through profit or loss	These liabilities are subsequently measured at fair value. Net fair value gains and losses, including any interest expense, are recognised in profit or loss.

Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

E: Financial assets and liabilities continued

E1: Categories of financial instruments

The analysis of financial assets and liabilities into their categories as defined in IFRS 9 *Financial Instruments* is set out in the tables below. Assets and liabilities of a non-financial nature, or financial assets and liabilities that are specifically excluded from the scope of IFRS 9, are reflected in the non-financial assets and liabilities category.

Information about the methods and assumptions used in determining fair value is included in note E2.

At 31 December 2023 Rm	**Total**	**Mandatorily fair value through profit or loss**	**Designated fair value through profit or loss**	**Amortised cost**	**Non-financial other assets and liabilities**
Assets					
Mandatory reserve deposits with central banks	133	–	–	133	–
Investments in associated undertakings and joint ventures	1 075	–	–	–	1 075
Loans and advances	18 210	–	–	18 210	–
Investments and securities	958 120	649 270	297 712	11 138	–
Trade, other receivables and other assets	49 599	–	–	46 991	2 608
Derivative financial instruments	8 210	8 210	–	–	–
Cash and cash equivalents	38 121	–	–	38 121	–
Total assets that include financial instruments	1 073 468	657 480	297 712	114 593	3 683
Assets held for sale	1 058	–	–	–	1 058
Total other non-financial assets	82 056	–	–	–	82 056
Total assets	1 156 582	657 480	297 712	114 593	86 797
Liabilities					
Insurance contract liabilities	619 200	–	–	–	619 200
Reinsurance contract liabilities	1 706	–	–	–	1 706
Investment contract liabilities	230 629	–	230 392	237	–
Third-party interest in consolidated funds	109 548	–	109 548	–	–
Borrowed funds	16 085	–	10 486	5 599	–
Trade, other payables and other liabilities	95 932	–	10 784	77 148	8 000
Amounts owed to bank depositors	5 139	–	–	5 139	–
Derivative financial instruments	11 587	11 587	–	–	–
Total liabilities that include financial instruments	1 089 826	11 587	361 210	88 123	628 906
Total other non-financial liabilities	8 181	–	–	–	8 181
Total liabilities	1 098 007	11 587	361 210	88 123	637 087

At 31 December 2022 Rm	Total	Mandatorily fair value through profit or loss	Designated fair value through profit or loss	Amortised cost	Non-financial other assets and liabilities
Assets					
Mandatory reserve deposits with central banks	173	–	–	173	–
Investments in associated undertakings and joint ventures	1 065	–	–	–	1 065
Loans and advances	17 615	–	–	17 615	–
Investments and securities	892 404	580 296	302 496	9 612	–
Trade, other receivables and other assets	30 839	–	–	28 963	1 876
Derivative financial instruments	9 688	9 688	–	–	–
Cash and cash equivalents	37 467	–	–	37 467	–
Total assets that include financial instruments	989 251	589 984	302 496	93 830	2 941
Assets held for sale and distribution	370	–	–	–	370
Total other non-financial assets	75 124	–	–	–	75 124
Total assets	1 064 745	589 984	302 496	93 763	78 435
Liabilities					
Insurance contract liabilities	581 052	–	–	–	581 052
Reinsurance contract liabilities	903	–	–	–	903
Investment contract liabilities	195 404	–	194 170	1 234	–
Third-party interest in consolidated funds	102 749	–	102 749	–	–
Borrowed funds	16 713	–	9 024	7 689	–
Trade, other payables and other liabilities	84 216	–	10 035	65 083	9 098
Amounts owed to bank depositors	4 706	–	–	4 706	–
Derivative financial instruments	12 580	12 580	–	–	–
Total liabilities that include financial instruments[1]	998 323	12 580	315 978	78 712	591 053
Total other non-financial liabilities	6 222	–	–	–	6 222
Total liabilities	1 004 545	12 580	315 978	78 712	597 275

1 Refer to note J8 for details in relation to the restatement due to prior period errors

E2: Fair values of financial assets and liabilities

The description of the determination of fair value and the fair value hierarchies of financial assets and liabilities described in this section applies to financial assets and liabilities for all the Group's businesses.

(a) Determination of fair value

The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, or quoted prices cannot be obtained without undue effort, another valuation technique is used.

In general, the following inputs are taken into account when evaluating the fair value of financial instruments:
- Assessing whether instruments are trading with sufficient frequency and volume, that they can be considered liquid
- The inclusion of a measure of the counterparties' non-performance risk in the fair value measurement of loans and advances, which involves the modelling of dynamic credit spreads
- The inclusion of credit valuation adjustment and debit valuation adjustment in the fair value measurement of derivative instruments
- The inclusion of own credit risk in the calculation of the fair value of financial liabilities

There have been no significant changes in the valuation techniques applied when valuing financial instruments. The general principles applied to those instruments measured at fair value are outlined below:

Loans and advances

Loans and advances include mortgage loans, other asset-based loans, including collateralised debt obligations, and other secured and unsecured loans.

In the absence of an observable market for these instruments, the fair value is determined by using internally developed models that are specific to the instrument and that incorporate all available observable inputs. These models involve discounting the contractual cash flows by using a credit-adjusted zero-coupon rate.

Investments and securities

Investments and securities include government and government-guaranteed securities, listed and unlisted debt securities, preference shares and debentures, listed and unlisted equity securities, listed and unlisted pooled investments (see below), short-term funds and securities treated as investments, and certain other securities.

Pooled investments represent the Group's holdings of shares/units in open-ended investment companies, unit trusts, mutual funds and similar investment vehicles. Pooled investments are recognised at fair value. The fair values of pooled investments are based on widely published prices that are regularly updated or models based on the market prices of investments held in the underlying pooled investment funds.

Other investments and securities that are recognised at fair value are measured at observable market prices where available. In the absence of observable market prices, these investments and securities are fair valued utilising one or more of the following techniques: discounted cash flows, the application of an EBITDA multiple or any other relevant technique.

E: Financial assets and liabilities continued

E2: Fair values of financial assets and liabilities continued

(a) Determination of fair value continued

Investments in associated undertakings and joint ventures held by investment-linked insurance funds and venture capital divisions

Investments in associated undertakings and joint ventures are valued using appropriate valuation techniques. These techniques may include price earnings multiples, discounted cash flows or the adjusted value of similar completed transactions.

Derivative financial instruments

The fair value of derivatives is determined with reference to the exchange-traded prices of the specific instruments. In situations where the derivatives are traded over the counter the fair value of the instruments is determined by using the discounted cash flows or any other relevant technique.

Investment contract liabilities

The fair value of the investment contract liabilities is determined with reference to the fair value of the underlying funds that are held by the Group.

Third-party interest in consolidation of funds

Third-party interests in consolidation of funds are measured at the attributable fair value of the net assets of each fund.

Amounts owed to bank depositors

The fair values of amounts owed to bank depositors correspond with the carrying amount shown in the consolidated statement of financial position, which generally reflects the amount payable on demand.

Borrowed funds

The fair values of amounts included in borrowed funds are based on quoted market prices at the reporting date where applicable, or by reference to quoted prices of similar instruments.

Other financial assets and liabilities

The fair values of other financial assets and liabilities (comprising cash and cash equivalents; cash with central banks; trade, other receivables and other assets; and trade, other payables, other liabilities and advances due to and from Group companies) reasonably approximate their carrying amounts as included in the statement of financial position as they are short term in nature or re-priced to current market rates frequently.

(b) Fair value hierarchy

Fair values are determined according to the following hierarchy:

Description of hierarchy	Types of instruments classified in the respective levels
Level 1 – quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.	Listed equity securities, listed government securities and other listed debt securities and similar instruments that are actively traded, actively traded pooled investments, listed borrowed funds and reinsurers' share of policyholder liabilities.
Level 2 – valuation techniques using observable inputs: financial assets and liabilities with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable.	Unlisted equity and debt securities where the valuation is based on models involving no significant unobservable data, with a majority determined with reference to observable prices. Certain loans and advances, certain privately placed debt instruments, third-party interests in consolidated funds, amounts owed to bank depositors and investment contract liabilities.
Level 3 – valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable.	Unlisted equity and securities with significant unobservable inputs, securities where the market is not considered sufficiently active, including certain inactive pooled investments, and derivatives embedded in certain portfolios of insurance contracts where the derivative is not closely related to the host contract and the valuation contains significant unobservable inputs.

The judgement as to whether a market is active may include, for example, consideration of factors such as the magnitude and frequency of trading activity, the availability of prices and the size of bid/offer spreads. In inactive markets, obtaining assurance that the transaction price provides evidence of fair value or determining the adjustments to transaction prices that are necessary to measure the fair value of the asset or liability requires additional work during the valuation process.

All businesses have significant processes in place to perform reviews of the appropriateness of the valuation of Level 3 instruments.

The majority of valuation techniques employ only observable data, so the reliability of the fair value measurement is high. However, certain financial assets and liabilities are valued on the basis of valuation techniques that feature one or more significant inputs that are unobservable and, for them, the derivation of fair value is more judgemental. A financial asset or liability in its entirety is classified as valued using significant unobservable inputs if a significant proportion of that asset or liability's carrying amount is driven by unobservable inputs.

In this context, 'unobservable' means that there is little or no current market data available for which to determine the price at which an arm's length transaction would be likely to occur. It generally does not mean that there is no market data available at all upon which to base a determination of fair value. Furthermore, in some cases, the majority of the fair value derived from a valuation technique with significant unobservable data may be attributable to observable inputs.

Consequently, the effect of uncertainty in determining unobservable inputs will generally be restricted to uncertainty about the overall fair value of the asset or liability being measured.

E3: 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 2023 **Rm**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value				
Investments and securities	**946 982**	**529 420**	**370 745**	**46 817**
Derivative financial instruments – assets	**8 210**	**67**	**8 143**	**–**
Total financial assets measured at fair value	**955 192**	**529 487**	**378 888**	**46 817**
Financial liabilities measured at fair value				
Investment contract liabilities	**230 392**	**–**	**230 392**	**–**
Third-party interests in consolidated funds	**109 548**	**–**	**109 548**	**–**
Borrowed funds	**10 486**	**–**	**10 486**	**–**
Other liabilities	**10 784**	**–**	**10 784**	**–**
Derivative financial instruments – liabilities	**11 587**	**95**	**11 492**	**–**
Total financial liabilities measured at fair value	**372 797**	**95**	**372 702**	**–**

At 31 December 2022 **Rm**	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investments and securities	882 792	469 141	371 154	42 497
Derivative financial instruments – assets	9 688	53	9 635	–
Total financial assets measured at fair value[1]	892 480	469 194	380 789	42 497
Financial liabilities measured at fair value				
Investment contract liabilities	194 170	–	194 170	–
Third-party interests in consolidated funds	102 749	–	102 749	–
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	328 558	13	328 545	–

1 Refer to note J8 for details in relation to the restatement due to prior period errors

Level 2 investment and securities

Level 2 assets comprise mainly 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.

E: Financial assets and liabilities continued

E3: Disclosure of financial assets and liabilities measured at fair value continued

(b) Level 3 fair value hierarchy disclosure

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

Year ended 31 December Rm	2023	2022[1]
Level 3 financial assets – Investments and securities		
At beginning of the year	**42 497**	45 426
Total net fair value gains/(losses) recognised in profit or loss	**7 333**	(5 341)
Purchases	**8 370**	33 163
Sales	**(10 908)**	(23 046)
Transfers in	**583**	424
Transfers out	**–**	(164)
Foreign exchange and other	**(1 058)**	(7 965)
Total Level 3 financial assets	**46 817**	42 497
Unrealised fair value gains/(losses) recognised in profit or loss	**6 232**	(1 094)

1 *As part of the Group's enhanced disclosure efforts, the previously disclosed 'net movement on consolidated investment funds' has been separated into the appropriate movement categories*

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 R1 532 million (2022: R4 014 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 R7 859 million (2022: R2 147 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 R10 million (2022: R50 million) were also transferred from Level 2 to Level 1 as markets in which these instruments trade have become active. Pooled investments of R589 million, unlisted debt securities of R53 million and equity securities of R2 million (2022: pooled investments of R1 308 million) 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 2023, 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. Equity securities of R179 million (2022: Rnil) and unlisted debt securities of R405 million (2022: R26 million) were transferred from Level 2 to Level 3, reflecting the valuation technique used to value these investments as inputs became unobservable.

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

(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.

Valuation technique	Significant unobservable input	Range of unobservable inputs 2023	2022
Discounted cash flow (DCF)	Risk adjusted discount rate:		
	» Equity risk premium	**2.5% – 5.95%**	0.25% – 20.0%
	» Liquidity discount rate	**5.0% – 20.0%**	5.0% – 40.0%
	» Nominal risk-free rate	**3.8% – 17.6%**	5.0% – 13.0%
	» Credit spreads	**1.6% – 15.0%**	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	**8.5% – 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 – 11.71 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 2023. 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 2023	At 31 December 2022			At 31 December 2023	At 31 December 2022
Types of financial instruments	**Fair values**		**Valuation techniques used**	**Significant unobservable input**	**Fair value measurement sensitivity to unobservable inputs**	
Assets						
Investments and securities	**46 817**	42 497	Discounted cash flows; 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: 3 442 Unfavourable: 3 338**	Favourable: 3 487 Unfavourable: 3 275

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

Rm	At 31 December 2023	At 31 December 2022		At 31 December 2023		At 31 December 2022	
				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	**5 168**	5 981	Discount rates; Credit spreads	**34**	**34**	272	258
Equity securities	**9 463**	25 901	Discount rate; PE ratio/multiple; Marketability discount rate	**710**	**678**	1 946	1 752
Pooled investments	**32 186**	10 615	Net asset value of underlying investments	**2 698**	**2 626**	1 269	1 265
Total	**46 817**	42 497		**3 442**	**3 338**	3 487	3 275

Fair value gains of R7 333 million (2022: fair value losses of R5 341 million) were recognised on Level 3 assets during the year. The gains are attributable to the approach followed in performing valuations due to low levels of volatility with respect to economic outlook and due to higher comparable multiples.

E: Financial assets and liabilities continued

E4: Financial instruments designated as FVTPL

Financial instruments have been classified as designated as FVTPL 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 FVTPL 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 FVTPL. 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 FVTPL and hence the assets backing the policyholder liability should also be as FVTPL.

Designation of instruments as FVTPL, 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 FVTPL. 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 2023	**10 486**	**2**	**381**	**10 383**
Borrowed funds at 31 December 2022	9 024	42	379	8 883

The fair values of other categories of financial liabilities designated as FVTPL do not change significantly in respect of credit risk.

The change in fair value due to credit risk of financial liabilities designated at FVTPL 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.

E5: 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. More information on financial assets measured at amortised cost can be found in note F1.5. 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		
At 31 December 2023 Rm	**Carrying value**	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets					
Investments and securities	**11 138**	**10 443**	**–**	**8 030**	**2 413**
Financial liabilities					
Investment contract liabilities	**237**	**237**	**–**	**237**	**–**
Borrowed funds	**5 599**	**5 599**	**–**	**5 599**	**–**

			Fair value hierarchy		
At 31 December 2022 Rm	Carrying value	Fair value	Level 1	Level 2	Level 3
Financial assets					
Investments and securities	9 612	9 374	–	6 706	2 668
Financial liabilities					
Investment contract liabilities[1]	1 234	1 238	–	1 238	–
Borrowed funds[1]	7 689	7 689	–	7 689	–

1 *As part of the Group's enhanced disclosure efforts, the fair value of these line items has been included in the above table*

For trade, other receivables and other assets, cash and cash equivalents and trade, other payables and other liabilities, the carrying amount approximates fair value due to the short-term nature of these balances.

Loans and advances principally comprise variable rate financial assets. The interest rates on these variable-rate instruments are adjusted when the applicable benchmark interest rates change and, therefore, the carrying amount approximates fair value.

For amounts owed to bank depositors, the carrying amount approximates fair value.

The table below displays the Group's primary valuation techniques used in determining the fair value of its financial assets and financial liabilities:

	Valuation technique	Significant inputs
Financial assets		
Investments and securities	**Discounted cash flow model**	**Yield curve**
Loans and advances	**Discounted cash flow model**	**Yield curve**
Financial liabilities		
Investment contract liabilities	**Discounted cash flow model**	**Spot curve**
Borrowed funds	**Discounted cash flow model**	**Yield curve**
Amounts owed to bank depositors	**Discounted cash flow model**	**Yield curve**

E6: Master netting or similar agreements

The Group offsets financial assets and liabilities in the consolidated statement of financial position when it has a legally enforceable right to do so and intends to settle on a net basis simultaneously. Certain master netting agreements do not provide the Group with the current legally enforceable right to offset the instruments.

The majority of these transactions are governed by the principles of International Swaps and Derivatives Association or similar types of agreements. These agreements aim to protect the parties in the event of default.

At 31 December 2023 Rm	Gross amount of financial instrument	Amounts offset in the statement of financial position	Net amounts of financial instruments presented in the statement of financial position	Amounts that may be netted off on the occurrence of a future event[1]	Position not available to be offset
Financial assets					
Derivative financial instruments – assets	**8 210**	**–**	**8 210**	**(7 611)**	**599**
Financial liabilities					
Derivative financial instruments – liabilities	**11 587**	**–**	**11 587**	**(7 611)**	**3 976**

At 31 December 2022 Rm	Gross amount of financial instrument	Amounts offset in the statement of financial position	Net amounts of financial instruments presented in the statement of financial position	Amounts that may be netted off on the occurrence of a future event[1]	Position not available to be offset
Financial assets					
Derivative financial instruments – assets	9 688	–	9 688	(8 816)	872
Financial liabilities					
Derivative financial instruments – liabilities	12 580	–	12 580	(8 816)	3 764

1 *This represents the amounts that could be offset in the event of default and includes collateral received/pledged at the reporting date. These arrangements are typically governed by master netting and collateral arrangements. Details of the Group's security lending arrangements can be found in note G1*

Cash and bond collateral amounts not offset against derivative assets and liabilities in the statement of financial position are R3 039 million (2022: R2 759 million).

F: Financial risk and capital management

The Group is exposed to financial risk through its financial assets, financial liabilities (investment contracts, customer deposits and borrowings), reinsurance assets and insurance liabilities. The key focus of financial risk management for the Group is ensuring that the proceeds from its financial assets are sufficient to fund the obligations arising from its insurance and banking operations. The most important components of financial risk are credit risk, market risk (arising from changes in equity, bond prices, interest and foreign exchange rates) and liquidity risk.

The Board of directors has overall responsibility for the establishment and oversight of the Group's Risk Management framework. The Board of directors has established the Board Risk committee (BRC), which is responsible for developing and monitoring the Group's risk management policies through the Group Risk Control Function. The BRC reports regularly to the Board of directors on its activities.

The Group's risk preferences and appetite limits are set out as part of the Group strategy and describe specific risk preferences and metrics. This risk strategy is reviewed, at a minimum, annually by the Old Mutual Limited Board and subsidiary risk preferences and appetite limits may need to be adjusted accordingly.

The Group manages asset and liability mismatches within a Market Risk Management framework together with a Liquidity Risk Management framework, both approved by the Group Asset and Liability committee (ALCO). The aim of the frameworks is to ensure the identification of the applicable financial risks across the Group and provide guidance on the management (including mitigation) of the risks in line with the Group strategy.

The principal mitigation technique with regard to market risk (and asset/liability mismatches) is to match appropriate assets with the liabilities arising from applicable insurance and investment contracts (i.e. non-participating, unit-linked and with profit products) translating the liabilities into financial risk and managing the shareholder investment portfolio within a set mandate considering the Group risk strategy.

For insurance contracts defined as non-profit (i.e. benefits not linked to underlying asset performance) and those with embedded derivatives (i.e. benefits consist of upside participation and downside protection), the resultant market, credit and liquidity risk exposures are borne by the shareholder. Appropriate hedging strategies (which include derivative instruments) ensure that these exposures are managed within appetite. The notes below explain how the financial risks are managed using the categories utilised in the Market Risk framework.

F1: Credit risk

Credit risk refers to the risk that a counterparty to a financial instrument will cause a financial loss to the Group by failing to discharge an obligation to repay cash or deliver another financial asset. Losses incurred due to credit risk include actual losses from defaults, declines in the market value of the Group's assets due to credit rating downgrades and/or spread widening, or impairments and write-downs.

The Group also has material exposure through its insurance businesses where credit risk arises predominantly through the management of credit assets backing non-profit contracts (mostly annuity products), but also through direct credit exposure through invested shareholder capital in assets such as fixed-income securities, investment properties and retail lending.

The valuation of investment credit securities and associated credit spreads are driven by a variety of factors including general market conditions such as macroeconomic environment, supply and demand dynamics of investment credit, market liquidity as well as counter-specific information. Listed credit instruments are recorded at its market value as reflected on the exchange. The valuation policy for unlisted credit assets outlines the consideration given to general spread direction in the market and a hierarchy of inputs to be used in valuations including latest traded prices of similar assets and adjusted for instrument level specifics.

The Group is also exposed to concentration risk, which is the risk of default by counterparties or in investments in which it has taken large positions, or which are highly correlated. The Group maintains limits on the values of transactions with single counterparties or investments in specific sectors.

The Group is also exposed to credit risk which results indirectly from activities undertaken in the normal course of business such as premium payments, outsourcing contracts, reinsurance, exposure from material suppliers, lending of securities and lending to consumers.

1.1 Credit risk governance

Credit risk is monitored through the Old Mutual Limited Management Credit Risk committee (MCRC), a sub-committee of the Old Mutual Limited Balance Sheet committee (BSC), to enable the Group Executive committee (Exco) to discharge their obligations in terms of the Group's aggregated credit risk appetites, exposures and risk management.

The scope and authority of the committee extends to all activities of the Group in which credit or counterparty credit risks are present. This includes credit risk arising through banking and insurance activities, encompassing both institutional and retail credit. The committee relies on the work and reporting of the credit committees in the various credit-related businesses across the Group and assists the Exco to set and monitor credit policy and credit risk in the Group.

1.2 Credit risk management

Credit risk is managed through the implementation of comprehensive policies, processes and controls to ensure a sound credit risk management environment with appropriate credit granting, administration, measurement, monitoring and reporting of credit risk exposure.

The key objective of the Group's Level 1 credit policy is to establish and define the overall framework for the consistent and unified governance, oversight, identification, measurement, monitoring, reporting and management of credit risk and counterparty credit risk across Old Mutual. The Level 1 credit policy sets out the high-level principles, which must be applied in this regard. Boards of subsidiaries engaging in business activities that take on credit or counterparty credit risk, in any form (in non-profit funds, asset-based fees, surplus assets, banking and lending, investment guarantee reserves or debtors) regardless of whether it is for the shareholders or policyholders are required to adopt this policy and ensure all the applicable requirements are implemented and complied with unless it is expressly agreed otherwise.

The Group's Level 2 credit policies and frameworks apply to all businesses taking on credit risk and counterparty credit risk. Level 2 credit policies and frameworks are split into two distinct portfolios: investment credit risk and banking credit risk. The Level 2 credit risk policies and frameworks set out detailed requirements, which must be applied in investment management, banking and lending business units. In addition, these Level 2 policies set out the roles and responsibilities for governance committees, business units, functions and individuals involved in credit risk management processes throughout the Group for the business units and functions within the scope of the policy.

The Level 3 credit policies in the business units set out the detailed requirements for each business unit in alignment with the relevant Level 2 credit policy.

The Group manages its credit risk by having a comprehensive risk strategy for all risk types including credit risk, sound investment processes across single assets, single counterparties and aggregate credit portfolio, and comprehensive limit frameworks in place. The risk strategy includes a risk return framework, which sets the overall risk appetite and the risk appetite for specific risk types including credit risk.

Limit frameworks implemented places limits, where applicable, on single facilities, counterparties or groups of counterparties, industry segments, maturity bands and products and are based on both regulatory and economic risk considerations.

The Group ensures comprehensive mandates for the management of credit portfolios relating to insurance businesses are in place, including frameworks, policies and procedures to ensure the appropriate oversight of credit risk. The robust framework ensures a process for identifying, measuring, analysing, monitoring and reporting on risks, including a rigorous model risk governance framework and an independent group model validation capability. Credit risk management follows a rigorous operating model including governance committees, as well as group and business unit roles focused on the management and oversight of credit risk in accordance with Old Mutual Limited's Three Lines of Defence Model. The Group implements formalised and strict escalation processes relating to credit governance and the application, testing and monitoring of risk mitigation actions.

Each investment credit asset acquired follows a strict credit approval process, supported by a credit analysis considering both qualitative and quantitative aspects taking into account the risk return profile. This includes, *inter alia*, financial and industry analysis and risk assessments coupled with Environmental, Social and Governance analysis. Where applicable, external public credit ratings are considered and the credit quality of exposures is reviewed at least on an annual basis.

Risk monitoring ensures that the risk management approaches in place are effective. The Group employs an active risk monitoring approach both at Group level and business unit (BU) level based on the stated risk appetite and corresponding limits set to manage credit risk. The Group monitors credit risk at a portfolio level (aggregated over the BUs) while BUs monitor credit risk on, *inter alia*, individual deal, mandate, fund, product, customer segment, regional, counterparty, economic sector category levels, whichever is applicable, as well as on a BU portfolio level. Credit risk exposures are monitored and assessed using appropriate metrics, including trend analysis and communicated to the relevant governance and management committees. Credit risk is monitored against early warning thresholds and exposures are monitored against limits.

The ongoing monitoring and a proactive view of emerging risks are integrated in the granting of new credit. The credit risk appetite and limits are accordingly adjusted to manage the portfolio in view of actual and potential changes in macroeconomic conditions. Portfolio management actions exist in the investment credit asset environment to reduce the exposure to certain counterparties or industries based on this outlook.

Collateral is mainly used in the investment credit portfolios to mitigate the amount of credit risk taken. This is part of the process to ensure OMLAC(SA) has appropriate legal protection in the event of default. Stricter loan covenant or higher levels or better quality collateral are required based on the counterparty and industry outlook.

Within the expected credit loss (ECL) process, the provision is monitored as part of the ongoing management of the underlying credit portfolio. This includes monitoring of the actual credit experience to the expected levels of the following components; default rates, recovery rates and movements between the different ECL stages. The impact of any changes in the ECL parameters is calculated and reported at BU level. These impacts, together with all other credit risk metrics are reported to the MCRC (a sub-committee of the Board) on a quarterly basis as part of a forward-looking approach to manage credit risk given emerging risks, opportunities and the defined risk appetite. The financial impact of the ECL provision on each BU is included in the monthly finance reporting process.

1.3 Internal credit risk ratings

The Group uses internal credit risk ratings that reflect its assessment of the probability of default of individual counterparties in the investment businesses.

The assessment of credit risk across the Group relies on internally developed rating models to categorise exposures according to their probability of default and loss given default. The rating models comprises 28 rating categories (OM1 to OM28). These ratings are determined by incorporating both qualitative and quantitative information that builds on information from established rating agencies like Standard & Poor's and Moody's, supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour.

At initial recognition, each risk exposure is allocated to the credit rating based on the available information about the counterparty. All exposures are subsequently monitored through general and tailored procedures. The data used to monitor these exposures include, but are not limited to, credit information from external rating agencies, changes in business and economic conditions, payment record and ageing, customer behaviour, affordability metrics, utilisation of credit limits, probability of default or any other applicable quantitative and qualitative factors.

F: Financial risk and capital management continued

F1: Credit risk continued

1.4 Concentrations of credit risk

A concentration of credit risk exists when a number of counterparties are located in a geographical region or are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

The Group monitors concentrations of credit risk by geographic location. The Group manages its credit exposure based on the carrying value of the financial instruments and insurance and reinsurance assets. The following table analyses the concentrations of credit risk by class of financial asset at 31 December 2023.

At 31 December 2023 Rm	South Africa	Rest of Africa	Other	Total[1]
Mandatory reserve deposits with central banks	–	133	–	133
Loans and advances	12 593	5 617	–	18 210
Unsecured loans	11 449	3 457	–	14 906
Other secured loans	504	1 829	–	2 333
Home loans	220	326	–	546
Other loans and advances	420	5	–	425
Investments and securities	814 024	55 228	88 868	958 120
Government and government-guaranteed securities	117 368	12 204	–	129 572
Preference shares, other debt securities and debentures	95 810	1 470	–	97 280
Short-term funds and securities treated as investments	59 461	8 470	–	67 931
Other investments and securities	541 385	33 084	88 868	663 337
Trade, other receivables and other assets	46 468	2 745	386	49 599
Insurance contract assets	4 811	181	–	4 992
Reinsurance contract assets	6 815	1 983	–	8 798
Cash and cash equivalents	30 735	5 245	2 141	38 121
Derivative financial instruments – assets	8 210	–	–	8 210

At 31 December 2022 Rm	South Africa	Rest of Africa	Other	Total[1]
Mandatory reserve deposits with central banks	–	173	–	173
Loans and advances	11 468	6 147	–	17 615
Unsecured loans	10 382	1 312	–	11 694
Other secured loans	585	1 736	–	2 321
Home loans	–	3 082	–	3 082
Other loans and advances	501	17	–	518
Investments and securities[2]	765 314	54 920	72 170	892 404
Government and government-guaranteed securities	111 904	13 798	–	125 702
Preference shares, other debt securities and debentures	99 828	1 435	–	101 263
Short-term funds and securities treated as investments	61 168	7 932	–	69 100
Other investments and securities	492 414	31 755	72 170	596 339
Trade, other receivables and other assets	28 399	2 086	287	30 839
Insurance contract assets	3 440	257	–	3 697
Reinsurance contract assets	5 829	2 242	–	8 071
Cash and cash equivalents	30 572	4 825	2 070	37 467
Derivative financial instruments – assets	9 688	–	–	9 688

1 Included in the table above comprise all financial assets of the Group. Refer to note F1.5 for a further disclosure on which of these financial assets attract credit risk
2 An error was identified. These numbers have been restated. Refer to note J8

1.5 Exposure to credit risk: Financial assets at amortised cost and debt instruments at fair value through profit or loss

The following table sets out information about the financial instruments to which the impairment requirements in IFRS 9 are applicable:

At 31 December 2023 **Rm**	**Total financial assets**	**Within IFRS 9 ECL allowance scope**	**Outside of IFRS 9 ECL allowance scope**
Mandatory reserve deposits with central banks	**133**	**133**	**–**
Loans and advances	**18 210**	**18 210**	**–**
Investments and securities	**958 120**	**11 138**	**946 982**
Government and government-guaranteed securities	**129 573**	**6 373**	**123 200**
Other debt securities, preference shares and debentures	**97 279**	**749**	**96 530**
Short-term funds and securities treated as investments	**67 931**	**2 732**	**65 199**
Other[1]	**663 337**	**1 284**	**662 053**
Trade, other receivables and other assets	**49 599**	**46 991**	**2 608**
Derivative financial instruments – assets	**8 210**	**–**	**8 210**
Cash and cash equivalents	**38 121**	**38 121**	**–**

At 31 December 2022 **Rm**	Total financial assets	Within IFRS 9 ECL allowance scope	Outside of IFRS 9 ECL allowance scope
Mandatory reserve deposits with central banks	173	173	
Loans and advances	17 615	17 615	–
Investments and securities[2]	892 404	9 612	882 792
Government and government-guaranteed securities	125 702	–	125 702
Other debt securities, preference shares and debentures	101 264	9 612	91 652
Short-term funds and securities treated as investments	69 100	–	69 100
Other[1]	596 338	–	596 338
Trade, other receivables and other assets	30 839	28 963	1 876
Derivative financial instruments – assets	9 688	–	9 688
Cash and cash equivalents	37 467	37 467	–

1 Other includes equity securities and pooled investments which are not exposed to credit risk
2 An error was identified. These numbers have been restated. Refer to note J8

1.6 Collateral

(a) Loans and advances

Collateral is held as security against certain loans and advances detailed above, with this principally consisting of cash, properties and letters of credit.

(i) Financial collateral

The Group takes financial collateral to support exposures in its banking and securities lending activities of its listed equities and bonds. Collateral held includes cash and debt securities. Cash collateral is included as part of cash equivalents. These transactions are entered into under terms and conditions that are standard industry practice for securities borrowing and lending activities. The fair value of collateral accepted as security for securities lending arrangements amount to R5 917 million (2022: R1 307 million). For both reporting periods, the Group has not provided any cash collateral for security borrowing arrangements.

The Group has placed government securities amounting to R29 229 million (2022: R28 108 million) as collateral for deposits received under repurchase agreements. These amounts represent assets that have been transferred, but do not qualify for derecognition under IFRS 9. The associated (recorded within trade, other payables and other liabilities in the consolidated statement of financial position) liabilities amounted to R28 653 million (2022: R27 070 million).

(ii) Non-financial collateral

The Group takes other non-monetary collateral to recover outstanding lending exposures in the event of the borrower being unable or unwilling to fulfil its obligations. This includes mortgage over property (both residential and commercial), and liens over business assets (including, but not limited to plant, vehicles, aircraft, inventories and trade debtors) and guarantees from parties other than the borrower. Where the Group is exposed to syndicated lending, the collateral offered by the borrower is secured by security special purpose vehicles.

Should a counterparty be unable to settle its obligations, the Group can take possession of collateral as full or part settlement of such amounts in lieu of recovery or restructuring plan. In general, the Group seeks to dispose of such property and other assets that are not readily convertible into cash as soon as the market for the relevant asset permits.

(b) Other collateral

Securities held in respect of unlisted debt securities linked to real estate include first covering mortgages over the underlying properties, cession of rights, title and interest to lease agreements and cession of listed unit-linked debentures. Securities held on loans extended in other industry sectors include cession of shares, debentures, bank accounts and rights to cash balances, accounts receivable and tangible and intangible assets held by the borrower.

F: Financial risk and capital management continued
F1: Credit risk continued
1.7 Analysis of financial assets held at amortised cost

At 31 December 2023 Rm	Gross carrying amount	Allowance for ECL	Net amount	Allowance for ECL Stage 1	Stage 2	Stage 3
Mandatory reserve deposits with central banks	**133**	**–**	**133**	**–**	**–**	**–**
Loans and advances	**23 191**	**(4 981)**	**18 210**	**(467)**	**(413)**	**(4 101)**
Investments and securities	**11 234**	**(96)**	**11 138**	**(96)**	**–**	**–**
Trade, other receivables and other assets	**48 485**	**(1 494)**	**46 991**	**–**	**(1 494)**	**–**
Cash and cash equivalents	**38 121**	**–**	**38 121**	**–**	**–**	**–**
	121 164	**(6 571)**	**114 593**	**(563)**	**(1 907)**	**(4 101)**

At 31 December 2022 Rm	Gross carrying amount	Allowance for ECL	Net amount	Allowance for ECL Stage 1	Stage 2	Stage 3
Mandatory reserve deposits with central banks	173	–	173	–	–	–
Loans and advances	22 822	(5 207)	17 615	(518)	(451)	(4 238)
Investments and securities	10 060	(448)	9 612	(448)	–	–
Trade, other receivables and other assets	29 487	(524)	28 963	–	(524)	–
Cash and cash equivalents	37 467	–	37 467	–	–	–
	100 009	(6 179)	93 830	(966)	(975)	(4 238)

The simplified approach for trade receivables has been applied, resulting in measuring the loss allowance at an amount equal to lifetime ECLs. The allowances have been displayed under stage 2 as allowances within this stage are also calculated on a lifetime ECLs basis.

1.8 Credit quality analysis

The following tables set out information about the credit quality of financial assets. The total carrying amounts represent the maximum exposure to credit risk at the reporting date:

At 31 December 2023 Rm	Loans and advances[1]	Government securities	Other debt securities	Short-term funds	Derivative financial instruments – assets[1]	Cash and cash equivalents[1]	Total
Investment grade (AAA to BBB)	**–**	**4 262**	**43 497**	**17 152**	**3 250**	**32 925**	**101 086**
Sub-investment grade (BB and lower)	**–**	**123 376**	**44 213**	**39 086**	**4 878**	**1 982**	**213 535**
Not rated	**18 210**	**1 935**	**9 569**	**11 693**	**82**	**3 214**	**44 703**
Total	**18 210**	**129 573**	**97 279**	**67 931**	**8 210**	**38 121**	**359 324**

1 As part of the Group's continued disclosure enhancement efforts, the credit quality for loans and advances, derivative financial assets and cash and cash equivalents has been disclosed

A 31 December 2022 Rm	Loans and advances	Investments and securities at amortised cost	Total
Investment grade (AAA to BBB)	53	–	53
Sub-investment grade (BB and lower)	17 562	9 612	27 174
Total	17 615	9 612	27 227

Based on the maturity profile of loans and advances, R5 582 million (2022: R4 874 million) is receivable no more than 12 months after the reporting date and R12 628 million (2022: R13 898 million) is receivable more than 12 months after the reporting date.

Reinsurance

Reinsurance treaties are only entered into with reinsurers who comply with local regulatory requirements and have an international or national credit rating of A- or better.

1.9 Impairment of financial assets

(a) Overview

During the current financial year, the Group recognised expected credit loss of R2 349 million (2022: R1 079 million).

(b) Calculation of ECL

The ECL impairment loss allowance is an unbiased, probability-weighted amount determined by evaluating a range of possible outcomes that reflects reasonable and supportable information that is available without undue cost or effort of past events, current conditions and forecasts of forward-looking economic conditions. The ECL model is dependent on the availability of relevant and accurate data to determine whether a significant increase in credit risk occurred since initial recognition, the probability of default (PD), the loss given default (LGD) and the possible exposure at default (EAD).

ECL reflects the Group's own expectations of credit losses. However, when considering all reasonable and supportable information that is available without undue cost or effort in estimating ECL, the Group also considers observable market information about the credit risk of the particular financial instrument or similar financial instruments. The ECL amount depends on the specific stage where the financial instrument has been allocated to within the ECL model:

» **Stage 1:** At initial recognition a financial instrument is allocated into stage 1, except for purchased or originated credit impaired financial instruments
» **Stage 2:** A financial instrument is allocated to stage 2 if there has been a significant increase in credit risk since initial recognition of the financial instrument
» **Stage 3:** A financial instrument is allocated to stage 3 if the financial instrument is in default or is considered to be credit impaired

The ECL allowances are measured on either of the following bases:

» **Stage 1:** ECLs that result from possible default events within the 12 months after the reporting date
» **Stage 2:** ECLs that result from all possible default events over the expected life of a financial instrument

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

» Financial assets that are determined to have low credit risk at the reporting date
» Financial assets where credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition

Exposures are assessed on a collective basis in each stage unless there is sufficient evidence that one or more events associated with an exposure could have a detrimental impact on future cash flows. Where such evidence exists, the exposure is assessed on an individual basis. In some instances, financial assets are grouped into categories in accordance with the term of the financial instrument or the percentage of expected payments that were received. Financial assets are also grouped according to the status of the financial asset. The Group makes use of estimates of PDs, LGDs and EADs to calculate the ECL balance for financial assets at amortised cost. Depending on the relevant information available, PDs are based on historic default rate curves or linked to ratings assigned to counterparties, which is set using hybrid models that comprise both conventional statistical models and expert judgement.

LGDs are derived from a default recovery time series model that takes recency of payments into account or through internally developed statistical models. The LGD represents losses expected on default, taking into account the mitigating effect of collateral, its expected value when realised and the time-value of money. The forecast value for the collateral is also affected by the range of forward-looking probability-weighted macroeconomic scenarios.

EADs are determined with reference to expected amortisation schedules, historical payment patterns and taking into account credit conversion factors as applicable for undrawn or revolving facilities. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. The ECL calculation of a financial instrument takes into account both the contractual and available behavioural repayment patterns over the relevant estimation period.

(c) Significant increase in credit risk and default

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers quantitative and qualitative information based on the Group's historical experience, credit assessment and including forward-looking information. The Group's assessment of a significant increase in credit risk from initial recognition consists of a primary and secondary risk driver as follows:

» The primary risk driver aligns to the quantitative credit risk assessments performed, such as the behaviour score, credit rating, probability of default or arrears ageing of a financial instrument.
» The secondary risk assessment considers a broad range of qualitative risk factors based on a forward-looking view such as economic and sector outlooks. The secondary risk assessment can be performed on a portfolio basis as opposed to a quantitative assessment at a financial instrument level.

These primary and secondary risk drivers are included by the Group as part of the ongoing credit risk management. When making a quantitative assessment, the Group uses the change in the probability of default occurring over the expected life of the financial instrument. This requires a measurement of the probability of default at initial recognition and at the reporting date. A rebuttable assumption is that the credit risk since initial recognition has increased significantly if a financial instrument is 30 days past due on any payments or is one payment in arrears. It is not anticipated that this assumption will be rebutted. Financial assets at amortised cost can be transferred back to stage 1 or 2 within the ECL model if specific criteria have been met. A financial asset is in default when the financial asset is credit impaired or if the Basel definition of default is met. Where applicable, the rebuttable presumption that default does not occur later than when a financial asset is 90 days past due, is applied.

F: Financial risk and capital management continued

F1: Credit risk continued

1.9 Impairment of financial assets continued

(d) Forward-looking information

Forward-looking information includes but is not limited to macroeconomic conditions expected in the future. Forward-looking information used in the ECL calculation reflects the nature and characteristics of the credit risk exposures. Forward-looking information models consider a set of macroeconomic factors and estimate the relationship between these factors and the key parameters used in calculating the ECL. The Group made use of cross-correlation functions, transfer function models, dynamic regression models and co-integration analyses to identify the impact of forward-looking information on the measurement of ECL balances. Forward-looking factors have been considered taking into account risk factors used in risk assessments, stress testing, budgeting as well as strategy and pricing decisions. Relevant factors include factors intrinsic to the entity and its business or derived from external conditions. The Group considers a range of scenarios over a time period of three years. A probability is assigned to the outcome of each scenario and the weighted average outcome is considered to be the ECL balance. Forward-looking assessments are considered on an individual or collective basis. When correlations do not exist and, where applicable, management applies expert judgement to determine an overlay provision to incorporate best estimates of the impact of forward-looking information. Any overlay provision is based on available information and qualitative risk factors within a governed process. Estimates regarding credit risk parameters and the impact of forward-looking information used in the calculation of the ECL loss amount are reviewed at each reporting date and updated if necessary.

The following table shows the key forecast assumptions used for South Africa to calculate the Group's ECL allowance for the reporting period ended 31 December:

			Base case		Upside		Downside	
Annual average % change year-on-year	**2022**	**2023**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**
Real GDP growth	**1.9**	**0.8**	**1.8**	**2.4**	**2.2**	**2.8**	**1.0**	**1.5**
CPI inflation (average)[1]	**6.9**	**6.0**	**4.7**	**4.5**	**5.0**	**4.8**	**4.0**	**4.5**
Prime rate (year end)[1]	**10.50**	**11.75**	**10.75**	**10.25**	**11.00**	**10.50**	**10.25**	**10.00**

1 *Only CPI and prime rate data for 2022 are actual numbers*

Base case scenarios for South Africa as at 31 December 2023

Despite somewhat weaker growth expected in the global economy in 2024, continued easing in inflation, widespread rate cuts and better growth in emerging relative to developed economies could facilitate a risk-on trade, benefiting emerging economies. This could stabilise and lift confidence and market performance in 2024. Recent trends in employment and inflation in the USA suggest that the US economy was still on track for a soft landing, i.e. growth easing enough to no longer be of serious concern for inflation, but also not slowing so fast that there is a high probability of recession. This outcome, combined with recent softer trends in inflation, could facilitate the start of a rate-cutting cycle soon in the USA, perhaps as early as March.

This global economic backdrop is better for the South African economy compared to the last few years. The likely weaker USA dollar, which should be the outcome of USA rate cuts, will be rand supportive.

The South African economy has proven itself relatively resilient during 2023 in the face of widespread load shedding. Private sector resilience, more efficient usage of machinery and technology and significant amounts of private electricity coming online (rooftop solar installation in South Africa now totals close to 5 GW – apart from all the other forms of electricity) resulted in better-than-feared growth.

Growth in 2024 should benefit from ongoing resilience, somewhat less load shedding, strong growth in private sector investment in electricity generation capacity, inventory rebuilding and some recovery in consumer spending. While consumers have been under pressure because of high inflation, high interest rates and a confidence crisis, some of these pressures have been alleviated by ongoing employment recovery from the slumps experienced during the 2020 COVID-19-related lockdowns as well as the July 2021 unrests. A total of 2.2 million jobs were added to the workforce between the start of 2022 and the third quarter of 2023. In 2024, the consumer environment should look markedly better with lower inflation, lower interest rates and ongoing – albeit still slow – positive employment growth.

Inflation has eased nicely during 2023 – from the peak in the current cycle of 7.7% in July 2022 to 4.7% by July 2023. As a sign that underlying inflationary pressures remained subdued, core inflation (which excludes food and energy) continued to ease – from a 2023 peak of 5.3% in April to 4.5% by end-2023. Headline inflation is set to ease further in 2024 – to below 5% during the first quarter and mostly around the target mid-point of 4.5% for most of the rest of the year. This should create an environment more conducive to interest rate cuts. The South African Reserve Bank's Monetary Policy Committee (MPC) left rates unchanged for the fourth consecutive meeting when they met in late January. The next move in interest rates will be a cut – and could come as early as March should inflation indicators continue to point to lower inflation. The downcycle in interest rates is likely to be slower than the upcycle and we expect four to five 25 bps rate cuts during 2024.

Overall, lower inflation and lower interest rates combined with a likely more stable and even stronger rand exchange rate should lift confidence and activity during 2024. The early part of the year might present some obstacles with respect to risks around the start of rate-cutting cycles and uncertainty around South African elections, which could lead to some volatility. Should the *status quo* remain after the elections, the focus should return to the improving environment.

Year ended 31 December **Africa Regions (excluding South Africa)**	**2023**	2022
Repo rate	**7.75%**	6.99%
Consumer price inflation	**5.31%**	5.90%
Gross domestic product (GDP)	**3.86%**	8.87%

(e) Write-off policy

The Group writes off a financial instrument at amortised cost when the entity has no reasonable expectation of recovery of the outstanding balance of the instrument. Determining when to write off financial assets is a matter of judgement and incorporates both quantitative and qualitative information. No bad debt written off is subject to enforcement activity.

The following are examples of what could result in the write off of a financial asset at amortised cost:

- Legal prescription
- Settlement campaigns, collection efforts and legal processes do not result in the settlement of balances outstanding
- Receipt of payments from insurers
- Financial assets have been in arrears for a significant amount of time with no qualifying payments being received in recent months

(f) Critical accounting estimates and judgements – ECL allowances for loans and advances

In determining the ECL allowances for loans and advances, the following significant judgements and estimates were considered.

- In the absence of sufficient depth of data and the sophistication of credit risk management systems and protocols, management applies expert judgement within a governance framework to determine the required parameters. The expert judgement process is based on available internal and external information.
- Due to differences in availability of data and maturity of credit risk management across the Group, different approaches are used to determine the key parameters.
- Judgement was applied in identifying the qualitative and quantitative triggers and thresholds used to identify significant increases in credit risk since initial recognition of the financial assets. Depending on the availability of reasonable and supportable information without undue cost or effort, significant increases in credit risk is identified through, among others, increases in behaviour scores, arrears ageing and portfolio assessments.
- In some instances the 12-month PDs are calculated by a behaviour scoring model that takes into account internal and external information, where available. The 'behaviour PDs' are linked to empirical default rates. A specific change in the behaviour score (and associated PD) indicates that the credit risk has increased significantly since initial recognition. Identifying the specific change in the PD that would trigger a significant increase in credit risk includes a degree of judgement. The behaviour scorecard is monitored and is recalibrated if necessary. Translating 12-months PDs into lifetime PDs requires management judgement and is based on the timing of defaults observed historically. In low default commercial and corporate portfolios PDs are calculated using a combination of internal ratings, default experience and PD floors based on sovereign credit ratings for the jurisdiction.
- Various arrears ageing thresholds are also used to determine whether a significant increase in credit risk took place since initial recognition. Judgement is applied to determine the appropriate arrears threshold for different financial assets. The Group also makes use of the rebuttable presumption that a significant increase in credit risk has taken place when a financial asset is 30 days past due or one payment in arrears.
- The Group applies judgement in identifying default and credit impaired financial assets. In making this judgement, the Group considers the arrears category where the balance has been allocated to, whether the balance is in legal review, debt review or under administration or expert judgement. Financial asset are credit impaired when one or more events with a detrimental impact on the expected cash flows have taken place.
- A key judgement in determining the LGDs is the time period that the cash flows must be estimated for. The time period is estimated based on historical data that can be volatile. When the cash flows are too volatile the time period is capped to limit volatility. LGDs are influenced by estimates of the amounts to be recovered from the realisation of collateral and the estimated costs to realise the collateral.
- The Group has applied judgement in selecting the following macroeconomic factors: CPI inflation, the repo rate, unemployment rate and the household debt-to-income ratio. Management applied judgement in determining the number of scenarios to be used, the probability assigned to each scenario and the time period used to estimate the impact of forward-looking information of the ECL. By nature, the estimation of the values of macroeconomic factors in the near future is judgemental and subject to uncertainty.
- In the absence of a reliable correlation between macroeconomic factors and ECL losses, the Group applied expert judgement to decide whether a management overlay provision should be included in the measurement of ECL losses. After considering available information and qualitative risk factors within a governed process, the Group concluded that a management overlay provision will not be included in the measurement of ECL losses.

F: Financial risk and capital management continued

F1: Credit risk continued

1.9 Impairment of financial assets continued

(g) Reconciliation of loss allowance relating to financial assets subsequently measured at amortised cost

The following table presents a reconciliation from the opening balance to the closing balance of the loss allowance for loans and advances at amortised cost, and how significant changes in the gross carrying amount contributed to changes in the loss allowance.

Loans and advances at amortised cost at 31 December 2023 Rm	Total allowance for ECL	Stage 1	Stage 2	Stage 3
Balance at beginning of the year	**(5 207)**	**(518)**	**(451)**	**(4 238)**
Originations	**(640)**	**(526)**	**(54)**	**(60)**
Interest accruals	**(727)**	**(108)**	**(130)**	**(489)**
Repayments	**1 558**	**382**	**233**	**943**
Transfer to stage 1[1]	**39**	**(38)**	**34**	**43**
Transfer to stage 2[1]	**(361)**	**138**	**(418)**	**(81)**
Transfer to stage 3[1]	**(855)**	**175**	**114**	**(1 144)**
Model and risk parameter changes	**107**	**(32)**	**89**	**50**
Foreign exchange, write-offs and other movements	**1 105**	**60**	**170**	**875**
Balance at end of the year	**(4 981)**	**(467)**	**(413)**	**(4 101)**

[1] *Includes stage 3 write-offs of R671 million*

Loans and advances at amortised cost at 31 December 2022 Rm	Total allowance for ECL	Stage 1	Stage 2	Stage 3
Balance at beginning of the year	(5 095)	(683)	(350)	(4 062)
Originations	(578)	(550)	(15)	(13)
Interest accruals[1]	(615)	(121)	(88)	(406)
Repayments	1 679	496	337	846
Transfer to stage 1[2]	42	(23)	40	25
Transfer to stage 2[2]	(214)	105	(402)	83
Transfer to stage 3[2]	(689)	147	107	(943)
Model and risk parameter changes	(73)	66	(107)	(32)
Foreign exchange, write-offs and other movements	336	45	27	264
Balance at end of the year	(5 207)	(518)	(451)	(4 238)

[1] *Interest accruals, previously included as part originations, has been separately disclosed*
[2] *Includes stage 3 write-offs of R888 million*

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities. Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties with whom balances are held.

F2: Market risk

Market risk is the potential impact of unfavourable changes in foreign exchange rates, interest rates and equity prices on the financial position and financial performance of the Group. Market risk arises differently across the Group's businesses depending on the types of financial assets and liabilities held, which in turn is driven by the nature of the business activities.

The Group has developed risk policies which set out the practices which are used to monitor and manage market risk. These policies are cascaded to business units across the Group. Each of the business units has its own established set of policies, principles and governance processes to monitor and manage market risk within its individual businesses and in accordance with local regulatory requirements.

Market risks on policies where the terms are guaranteed in advance and the investment risk is carried by the shareholders (e.g. guaranteed non-profit annuities) are predominantly matched with suitably dated interest-bearing assets which minimises interest rate risk and ensures adequate asset and liability matching. Residual risk exposures are minimal and within risk appetite and, where applicable, absorbed by discretionary margins (e.g. savings products).

The Asset-liability Management (ALM) value chain for these products is generally as follows:

» Match interest rate risk with suitable assets – see more detail in note F2.2 Interest rate risk.
» Manage the counterparty credit risk due to derivative trading with banks through suitable collateral – and margin management processes.
» Manage the liquidity risk resulting from the above collateral – and margin management process by holding adequate sources of liquid assets which can serve as collateral (for more details see note F3 Liquidity risk).
» In order to generate liquidity, the Group might enter into securitised short-term funding contracts to create cash liquidity from the matching assets – e.g. repurchase agreements (repos). These transactions require similar collateral processes to derivatives and would create similar collateral – and margin risk as described above (for more details see note F3 Liquidity risk).
» Cash raised from the above repo positions, introduce potential liquidity risk and more specifically repo roll risk; we manage this by holding sufficient liquidity to be able to step in and fund short-dated funding gaps where and when applicable (for more details see note F3 Liquidity risk).

Market risks on with profit policies, where investment risk is shared between policyholders and shareholders, are minimised by appropriate bonus declaration practices and having suitable mandates for asset allocation (the stock selection and investment analysis process is supported by well-developed research functions). In addition, shareholder risk is further minimised through dynamically managed hedging strategies based on the risk attached to the various shareholder guarantees. Where residual risk exposures exist (specifically sensitivity to rate and equity volatility) adequate discretionary margins are held to absorb adverse market movements.

Market risk resulting from shareholder investments is managed through set asset allocation mandates in line with the Group strategy. For the South Africa shareholder listed equity portfolio, we aim to limit capital losses using a hedged equity strategy. The hedging strategy is executed primarily in the form of zero cost collars where the exposure to losses is limited to between 5% and 15% of the investment value while underlying equities track the Capped SWIX total return index.

The principal market risk arising in the Group's banking operations is interest rate risk on the banking book resulting from repricing and/or maturity mismatches between on and off-balance sheet components in all banking business. Governance structures are in place to achieve effective independent monitoring and management of market risk.

F2.1: Currency translation risk

The Group has exposure to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of a change in foreign exchange rates. From a capital perspective, the Group's capital is held where our risks are located and currency translation risk would only be realised if we were to require a transfer of surplus capital between regions during a period of stress. As per the Group risk strategy, selective appetite exists for currency translation risk.

The functional currencies of the Group's principal overseas operations are pound sterling, US dollar, Zimbabwean dollar and Kenyan shilling.

In the following tables, the Other category includes the Group's exposure to Euro, Namibian dollar, Malawian kwacha, Nigerian naira and Zimbabwean dollar.

These foreign currency translation tables below have been prepared on the basis that the values of the economic hedging instruments are reflected at their carrying value as opposed to their notional amounts. Translation of foreign operations into rand does not expose the Group to foreign currency translation risk, but does expose the Group to volatility in financial position and performance of the underlying entities. Refer to note A2 for information on the translation of the Zimbabwean entities into rand.

At 31 December 2023 **Rm**	**ZAR**	**GBP**	**US$**	**KES**	**Other**	**Total**
Assets						
Mandatory reserve deposits with central banks	–	–	8	101	24	133
Reinsurance contract assets	8 798	–	–	–	–	8 798
Insurance contract assets	4 992	–	–	–	–	4 992
Loans and advances	12 594	–	–	1 449	4 167	18 210
Investments and securities	819 801	10 965	76 503	4 020	46 831	958 120
Trade, other receivables and other assets	46 160	–	256	1 570	1 613	49 599
Derivative financial instruments – assets	8 154	–	–	–	56	8 210
Cash and cash equivalents	30 174	883	1 444	235	5 385	38 121
Total assets that include financial instruments	930 673	11 848	78 211	7 375	58 076	1 086 183
Assets held for sale and distribution	1 058	–	–	–	–	1 058
Total non-financial assets	48 631	38	1 626	1 697	17 349	69 341
Total assets	980 362	11 886	79 837	9 072	75 425	1 156 582
Liabilities						
Reinsurance contract liabilities	1 508	–	1	–	197	1 706
Insurance and investment contract liabilities	762 131	10 357	70 280	449	6 612	849 829
Third-party interest in consolidation of funds	109 548	–	–	–	–	109 548
Borrowed funds	13 456	–	149	749	1 731	16 085
Trade, other payables and other liabilities	86 272	1 499	1 656	1 229	5 276	95 932
Amounts owed to bank depositors	–	–	–	1 831	3 308	5 139
Derivative financial instruments – liabilities	11 577	–	10	–	–	11 587
Total liabilities that include financial instruments	984 492	11 856	72 096	4 258	17 124	1 089 826
Total non-financial liabilities	5 200	8	1 913	1 060	–	8 181
Total liabilities	989 692	11 864	74 009	5 318	17 124	1 098 007

F: Financial risk and capital management continued
F2: Market risk continued
F2.1: Currency translation risk continued

At 31 December 2022 Rm	ZAR	GBP	US$	KES	Other	Total
Assets						
Mandatory reserve deposits with central banks	–	–	8	128	37	173
Reinsurance contract assets	5 829	–	20	234	1 988	8 071
Insurance contract assets	3 440	–	–	–	257	3 697
Loans and advances	11 440	–	–	1 758	4 417	17 615
Investments and securities[1]	774 296	5 250	56 326	7 290	50 291	893 453
Trade, other receivables and other assets	27 873	107	231	1 164	1 397	30 772
Derivative financial instruments – assets	9 580	–	–	–	108	9 688
Cash and cash equivalents	30 613	647	1 198	444	4 565	37 467
Total assets that include financial instruments[1]	863 071	6 004	57 783	11 018	63 060	1 000 936
Assets held for sale and distribution	352	–	18	–	–	370
Total other non-financial assets	39 993	26	5 876	2 291	16 235	64 421
Total assets[1]	903 416	6 030	63 677	13 309	79 295	1 065 727
Liabilities						
Reinsurance contract liabilities	178	–	–	–	206	384
Insurance contract liabilities	528 777	–	215	1 356	50 704	581 052
Investment contract liabilities	122 554	9 380	57 390	–	6 080	195 404
Third-party interest in consolidation of funds	101 168	–	1 581	–	–	102 749
Borrowed funds	13 223	–	195	843	2 452	16 713
Trade, other payables and other liabilities[1]	75 311	1 301	3 625	2 153	3 327	85 717
Amounts owed to bank depositors	–	–	–	2 228	2 478	4 706
Derivative financial instruments – liabilities	12 580	–	–	–	–	12 580
Total liabilities that include financial instruments[1]	853 791	10 681	63 006	6 580	65 247	999 305
Total other non-financial liabilities	216	16	1 069	1 664	3 257	6 222
Total liabilities[1]	854 007	10 697	64 075	8 244	68 504	1 005 527

[1] *Refer to note J8 for details in relation to the restatement due to prior period errors*

The Group may reduce currency translation risk through the use of currency swaps, currency borrowings and forward foreign exchange contracts.

Sensitivity analysis

The following analysis is performed for reasonably possible movements in key variables, with all other variables held constant, showing the impact on profit before tax and equity due to changes in the fair value of currency-sensitive monetary assets and liabilities, including those relating to insurance and reinsurance contracts. The correlation of variables will have a significant effect in determining the ultimate impact of currency risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. The method used for deriving sensitivity information and significant variables did not change from the previous year.

Rm	Change in exchange rate	Impact on profit after tax – Strengthening	Impact on profit after tax – Weakening	Impact on equity – Strengthening	Impact on equity – Weakening
At 31 December 2023					
GBP	**10%**	**(2)**	**2**	**(2)**	**2**
US$	**10%**	**(583)**	**583**	**(583)**	**583**
KES	**10%**	**(375)**	**375**	**(375)**	**375**
At 31 December 2022					
GBP	10%	467	(467)	467	(467)
US$	10%	40	(40)	40	(40)
KES	10%	(507)	507	(507)	507

F2.2: Interest rate risk

Interest rate risk is the risk that fluctuating interest rates will unfavourably affect the Group's earnings and the value of its assets, liabilities and capital.

The Group has due regard to the nature of the liabilities and guarantees given to policyholders. Generally, the interest rate risk of such liabilities is managed by investing in fixed-interest assets of similar duration.

For guaranteed annuities and protection products (life, funeral, disability and critical illness cover), the interest rate risk is managed by investing in fixed-interest assets of varying terms, in order to hedge the liability's exposure to interest rate risk across the yield curve.

For products with embedded guarantees, investment guarantee reserves (IGRs) are calculated on a market consistent basis. These IGRs are sensitive to movements in interest rates as well as the implied volatility of interest rates, with a reduction in interest rates and/or an increase in implied interest rate volatility increasing the reserves held. Economic hedging is largely in place to mitigate the impact of interest rate movements. A discretionary margin is also held for the potential ineffectiveness of such hedging strategies and for the movements in implied volatilities which are not hedged.

The Group has a policy of hedging the underlying items of insurance contracts with direct participation features by investing in appropriate assets. The fair value movement in underlying items of life savings contracts is therefore matched by equal and opposite movements in hedging assets. Consequently only the impact on the components of the liability other than the underlying items and financial instruments backing these reserves components is disclosed.

Shareholder capital is also exposed to interest rate risk due to fluctuations in the market value of government bonds within the shareholder funds. Interest rate risk also arises due to changes in the fair value of fixed-rate debt when interest rates move, which is hedged using swaps.

Changes in interest rates mainly affect profit or loss, and equity, net of tax as follows.

Profit or loss and equity	» Interest revenue and other finance costs on floating-rate financial instruments (assuming that interest rates had varied by 100 basis points during the year) » Changes in the fair value of derivatives and fixed-rate financial instruments measured at FVTPL » Changes in the fair value of underlying items of direct participating contracts recognised as insurance finance income or expenses » Changes in the amount of the Group's share of the fair value of underlying items of onerous direct participating contracts » Changes in fulfilment cash flows of onerous direct participating contracts arising from interest rate guarantees » Insurance finance income or expenses recognised in profit or loss for participating and non-life contracts as a result of discounting future cash flows at a revised current rate » The net effect of the risk mitigation option recognised in profit or loss

Sensitivity analysis

An analysis of the sensitivity of the Group's profit and loss and equity to a 1% increase or decrease in interest rates at the reporting date, assuming that all other variables remain constant, is presented below.

For the year ended 31 December 2023 Rm	Profit or loss Increase	Profit or loss Decrease	Equity Increase	Equity Decrease
Life risk and annuities				
Insurance contracts (net of reinsurance contracts)	**2 627**	**(3 471)**	**2 627**	**(3 471)**
Financial instruments	**(2 770)**	**3 204**	**(2 770)**	**3 204**
Life savings[1]				
Insurance contracts (net of reinsurance contracts)	**37**	**(46)**	**37**	**(46)**
Financial instruments	**(83)**	**99**	**(83)**	**99**
Shareholder funds				
Financial instruments	**(168)**	**178**	**(168)**	**178**

[1] *Sensitivity impacts on life savings contracts were not calculated prior to 2023 as they were not considered material. In 2023, these impacts were calculated and disclosed as part of our methodology improvement process*

For the year ended 31 December 2022 Rm	Profit or loss Increase	Profit or loss Decrease	Equity Increase	Equity Decrease
Life risk and annuities				
Insurance contracts (net of reinsurance contracts)	3 166	(3 017)	3 166	(3 017)
Financial instruments	(3 287)	3 117	(3 287)	3 117
Shareholder funds				
Financial instruments	(109)	115	(109)	115

F: Financial risk and capital management continued

F2: Market risk continued

F2.3: Equity price risk

Equity price risk is the risk that fluctuating equity prices will unfavourably affect the Group's earnings and the value of its assets, liabilities and capital.

There is limited exposure to equity price risk in non-profit products as equity securities are generally not regarded as suitable to match such insurance obligations (where the main risk is interest rate risk).

Indirect shareholder exposure to equity price risk exists where fees earned on products (primarily smoothed bonus, with profit annuities and unit-linked) are based on the underlying portfolio.

Shareholder capital is also exposed to equity price risk due to equity investments forming part of the Strategic Asset Allocation (or SAA) strategy. The exposure of SA shareholder capital investments to adverse movements in equity prices is mitigated to a large degree by the utilisation of equity hedging instruments.

For insurance contracts with embedded guarantees valued using the variable fee approach (VFA), the IGRs are calculated on a market-consistent basis that is sensitive to movements in equity prices as well as implied equity volatility, with a reduction in equity prices and/or an increase in implied equity volatility typically increasing the reserves held. Economic hedging is largely in place to mitigate the impact of interest rate movements and any hedge ineffectiveness is reflected in profit and loss. Where equity price risk is not hedged the impact of equity price movements on investment guarantee reserves would unlock the CSM and not impact profit or loss directly.

The Group has a policy of hedging the underlying items of insurance contracts with direct participation features by investing in appropriate assets. The fair value movement in underlying items of life savings contracts is therefore matched by equal and opposite movements in hedging assets. Consequently only the impact on the components of the liability other than the underlying items and financial instruments backing these reserves components is disclosed.

Changes in interest rates mainly affect profit or loss, and equity, net of tax as follows.

Profit or loss and equity

- Changes in the fair value of equity investments measured at FVTPL that are not underlying items
- Changes in the amount of the Group's share of the fair value of underlying items of onerous direct participating contracts
- Changes in fulfilment cash flows of onerous direct participating contracts arising from equity guarantees
- The net effect of the risk mitigation option recognised in profit or loss

Sensitivity analysis

An analysis of the Group's sensitivity to a 5% increase or decrease in equity prices at the reporting date, assuming that all other variables remain constant, is presented below.

For the year ended 31 December 2023 Rm	Profit or loss		Equity	
	Increase	**Decrease**	**Increase**	**Decrease**
Life savings				
Insurance contracts (net of reinsurance contracts)	**58**	**(62)**	**58**	**(62)**
Financial instruments	**(9)**	**9**	**(9)**	**9**
Shareholder funds				
Financial instruments	**294**	**(340)**	**294**	**(332)**

For the year ended 31 December 2022 Rm	Profit or loss		Equity	
	Increase	Decrease	Increase	Decrease
Life savings				
Insurance contracts (net of reinsurance contracts)	13	16	13	16
Financial instruments	–	–	–	–
Shareholder funds				
Financial instruments	327	(353)	327	(353)

F3: Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. Financial assets that count as available liquidity include cash and money market accounts in holding companies, undrawn amounts in revolving credit facilities and dividends declared by subsidiaries. Financial assets are used to meet liquidity requirements that arise from central expenses, planned transactions, dividend declarations, subsidiary liquidity shortfalls (if any), capital support and external debt calls.

Subsidiaries are responsible for managing their own liquidity needs in line with the Group liquidity risk policy. This allows the subsidiaries to withstand severe stress events while also taking into account any applicable local regulations. The work is overseen by the local subsidiary Company's Board, which for material subsidiaries includes Group representation. Liquidity is also held centrally to meet the liquidity demands of a listed holding company.

The Group liquidity position is monitored over a forecast period of 36 months. The Group's liquidity risk appetite is to maintain sufficient liquidity to withstand a one-in-200-year stress event over a one-year period while meeting the demands of ongoing operations.

The primary sources of liquidity risk are:

- Within the Insurance businesses, where derivative instruments may be used for the purposes of hedging and efficient portfolio management. The largest exposure of this nature relates to annuity and risk product portfolios in OMLAC(SA). The derivative instruments give rise to collateral calls in a changing interest rate environment. These are managed by performing detailed stress tests and ensuring adequate liquidity exists to cover potential collateral and margin calls.
- Within the Banking and Lending businesses, where wholesale funding is sourced to fund loans to customers. Liquidity risk arises as a result of refinance risk (the risk that the business cannot raise funding to cover maturing debts) or as a result of financial covenants imposed by the businesses' lenders. Old Mutual Finance does not take retail deposits and a portion of its funding is provided by wholesale lenders, subject to financial covenants. Central African Building Society (CABS) is a regulated building society in Zimbabwe and is subject to local banking regulation. Faulu Microfinance Bank Limited (Faulu) is a regulated deposit-taking micro-lender and is subject to local regulation. Both CABS and Faulu obtain a portion of their funding from wholesale lenders, subject to financial covenants. For entities that have sourced wholesale funding subject to maintaining financial covenants, the respective covenants are monitored by the borrowing entity on an ongoing basis and reported to the central treasury team on a monthly basis. The consolidated view of all financial covenants is also presented at various committees such as the Old Mutual Limited Asset and Liability committee, Old Mutual Limited Balance Sheet committee and Old Mutual Limited Board Risk committee. Should an instance arise during which a financial covenant is breached, specific emphasis is placed on management actions that could be put in place to remedy the breach and formal waivers are negotiated with the respective lenders. The most common financial covenants that are in place across the Group include ratios that measure the capital adequacy of the borrower entities as well as non-performing loan and credit loss ratios for lending businesses within the Group.
- Within the Group's central treasury function, where the key liquidity risks relate to the balance between remittances received from the businesses either by way of operations or through capital items, compared to central costs including debt funding and/or capital or liquidity demands of the businesses.

The above risks are mitigated by a combination of holding ample readily accessible liquidity where the risks lie, whether these arise from shareholder commitments or policyholder liabilities, having access to contingent sources of liquidity such as revolving credit facilities, management processes to monitor lending covenants and suitable management actions to proactively remedy any deterioration in the covenant status or liquidity coverage. In the event of a liquidity risk scenario occurring the actual actions to be taken will be tailored to the specific circumstances.

The contractual maturities of the Group's financial liabilities and insurance contracts are set out in notes G2, G3 and G4.

F4: Insurance risk

The Group assumes liability risk, sometimes referred to as insurance risk, by issuing both life and general insurance contracts under which the Group agrees to compensate the policyholder or beneficiary if a specified uncertain future event affecting the policyholder occurs. This risk includes mortality and morbidity risk for life insurance contracts, as well as non-life risk from events such as fire or accident arising under general insurance contracts. As such, the Group is exposed to the uncertainty surrounding the timing and severity of such claims.

The principal risk is that the frequency and severity of claims are greater than expected and that the Group does not charge premiums appropriate for the risk accepted. Insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

Another key risk is that the actual return on the portfolio of assets held by the Group is not sufficient to cover the return assumption used in calculating claims and other reserves.

The Group's risk philosophy is therefore to hold capital where the risks lie and the Group only takes on risks that we can understand, price appropriately and have the skills to monitor and manage.

Risk management objectives and policies for mitigating insurance risk

The Group manages insurance risk through the following mechanisms:

- An agreed risk preference for all risk types, including those relating to insurance.
- The diversification of business over several classes of insurance and large numbers of uncorrelated individual risks, by which the Group seeks to reduce variability in loss experience.
- The maintenance and use of information management systems, which provide current data on the risks to which the business is exposed and the quantification of such risks.
- Actuarial models, which use the above information to calculate premiums and monitor decrements and claims patterns. Past experience and statistical methods are used.
- Guidelines for concluding insurance contracts and assuming insurance risks. These include underwriting principles and product pricing procedures.
- Reinsurance, which is used to limit the Group's exposure to large single claims and catastrophes. When selecting a reinsurer, consideration is given to those companies that provide high security using rating information from both public and private sources.
- The mix of assets, which is driven by the nature and term of the insurance liabilities. The management of assets and liabilities is closely monitored to ensure that there are sufficient interest-bearing assets to match the guaranteed portion of liabilities. Hedging instruments are used at times to limit exposure to equity market and interest rate movements.

F: Financial risk and capital management continued

F4: Insurance risk continued

Management of insurance risks

The following table summarises the variety of insurance risks to which the Group is exposed, and the methods by which it seeks to mitigate these risks.

Risk type	Nature of risk	Risk management
Liability – mortality	Misalignment of policyholders to the appropriate pricing basis or impact of anti-selection or random fluctuation in deaths, resulting in a loss.	Experience is closely monitored. Mortality rates can be reset at the end of the guarantee term. Underwriting limits, health requirements, spread of risks and training of underwriters and reinsurance all mitigate the risk.
Liability – morbidity	Misalignment of policyholders to the appropriate pricing basis or impact of anti-selection or random fluctuation in disability/critical illness, resulting in a loss.	Experience is closely monitored. Morbidity rates can be reset at the end of the guarantee term. Underwriting limits, health requirements, spread of risks and training of underwriters all mitigate the risk.
Liability – longevity	Possible increase in annuity costs due to policyholders living longer.	For non-profit annuities, improvement to longevity is allowed for in pricing and valuation. Experience is closely monitored. For with profit annuity business, the longevity risk is carried by policyholders and any mortality profit or loss is reflected in bonuses declared.
Liability – mortality catastrophe	Natural and non-natural disasters could result in increased mortality risk and payouts on policies.	Catastrophe excess of loss reinsurance treaty covers claims from one incident occurring within a specified period between a range of specified limits.
Liability – morbidity catastrophe	Natural and non-natural disasters could result in increased morbidity risk and payouts on policies.	Catastrophe excess of loss reinsurance treaty covers claims from one incident occurring within a specified period between a range of specified limits.
Market – yield curve movement	Lower swap curves and higher volatilities cause investment guarantee reserves to increase.	A discretionary margin is added to the value of guarantees, determined on a market-consistent stochastic basis and included in current reserves. Hedging is largely in place for most products. Fewer and lower guarantees are typically provided on new business.
Market – asset price movement	Unfavourable movements in asset prices may result in asset values being less than guaranteed policy values, particularly on smooth bonus business. (This product delivers stable, or 'smooth' returns over time, the smoothing approach delivers investment returns in the form of annual bonuses.)	An investment guarantee reserve has been set up to mitigate the risk of poor market performance relative to investment guarantees. Shareholder risk is further minimised through dynamically managed hedging strategies based on the risk attached to the various shareholder guarantees. Where residual risk exposures exist (specifically sensitivity to rate and equity volatility) adequate discretionary margins are held to absorb adverse market movements. An investment guarantee reserve has been set up to mitigate the risk of poor market performance relative to investment guarantees.

Risk type	Nature of risk	Risk management
Tax	Tax risk is the risk that the projected taxation basis for basic life assurance business is incorrect, resulting in contracts being incorrectly priced. Tax risk also represents potential changes in the interpretation or application of prevailing tax legislation applicable to either policyholders or shareholders, resulting in higher taxes reducing profitability or increasing shareholder tax burdens.	The taxation position of the operations is projected annually and tax changes will result in changes to new business pricing models as part of the annual control cycle. High risk issues and emerging trends are reported internally on a quarterly basis.
Policyholder behaviour	The risk that business performance will be below projections as a result of negative variances in new business volumes and margins, and lapse, rebate and expense experience. A natural consequence of doing business, which is proportional to the size of our business, is that it will grow as the businesses grow. These arise as a result of new products and new business.	Good business practices and disciplines. When selling new business, the Group will only sell products that meet its customers' needs and which they can afford, which then has a better chance of staying on books (this benefits both the customer and the Group). The Group offers innovative products to suit different clients and needs, enabling it to find opportunities even in challenging market conditions. In order to limit lapse risk, products are designed to limit the financial loss on surrender, subject to 'Treating Customers Fairly' principles. Expense risk is limited through the quarterly monitoring of budgets and forecasts.
Business volume risk	Business volumes are not in line with those allowed for in the pricing of products, meaning the expenses are not fully recovered.	Business volumes are closely monitored, and pricing assumptions may be updated to allow appropriately for the expenses incurred by the Group in writing and maintaining policies.
Expenses	Expense risk is the risk that actual expenses and expense inflation differ from expected levels. Higher expenses and expense inflation may result in emerging profit falling below the Group's profit objectives.	Expense levels are monitored quarterly against budgets and forecasts. An activity-based costing process is used to allocate costs relating to processes and activities to individual product lines. Some products' structures include variable maintenance charges. These charges are reviewed annually in light of changes in maintenance expense levels. This review may result in changes in charge levels, subject to Treating Customers Fairly principles.
Lapse risk	Lapse risk arises where policies lapse before initial costs are recouped, or where lapse experience differs from pricing assumptions.	Product design also allows for surrender penalties in early surrender with certain products. Experience is closely monitored. Premium rates can be reset at the end of the guarantee term. Old Mutual Rewards benefits offered to our customers also contribute towards encouraging persistence.
Mass lapse risk	Mass lapse risk is the risk that the Group will not be able to continue operations after losing the policyholders due to market panic or some other external event.	The Group holds capital to guard against a mass lapse scenario. This includes an allowance for operating expenses over a one-year period.

F: Financial risk and capital management continued

F4: Insurance risk continued

Risk type	Nature of risk	Risk management
Property and casualty: Exposure relating to catastrophe events	Natural and non-natural disasters could result in increased claims experience which could result in underwriting losses.	The Group sets out the total aggregate exposure that it is prepared to accept in certain territories to a range of events, such as natural catastrophes. The aggregate position is reviewed annually. The Group uses a number of modelling tools to monitor aggregation and to simulate catastrophe losses in order to measure the effectiveness of the reinsurance programmes and the net exposure of the Group.
Property and casualty: Insurance risk	The principal risk is that the frequency or severity of claims is greater than expected and that the Group does not charge premiums appropriate for the risk accepted.	The Group's underwriting strategy seeks diversity to ensure a balanced portfolio and is based on a large portfolio of similar risks spread over a large geographical area. The underwriting strategy is set out in an annual business plan and risk appetite that determines the classes of business to be written, the territories in which business is to be written and the industry sectors to which the Group is prepared to accept exposure. Adherence to the underwriting delegated authorities is managed through the underwriting portfolio management and quality assurance processes.
Property and casualty: Reinsurance risk	Reinsurance risk is the risk that the reinsurance cover placed is inadequate and/or inefficient relative to the Group's risk management strategy and objectives.	The Group buys a combination of proportional and non-proportional reinsurance treaties to reduce the overall volatility as well as the net exposure on any one risk/event to within the stated annual risk appetite limits.
Property and casualty: Claims development	The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term, subject to predetermined time scales dependent on the nature of the insurance contract. The Group is therefore exposed to the risk that claims reserves will not be adequate to fund historic claims (runoff risk).	The majority of the Group's insurance contracts are classified as 'short-tailed', meaning that most claims are settled within a year after the loss date. This contrasts with the 'long-tailed' classes where the claims cost takes longer to materialise and settle. The Group's long-tailed business is generally limited to liability, personal accident, third-party motor liability and certain engineering classes. To manage runoff risk the Group takes all the reasonable steps to ensure that it has appropriate information regarding its claims exposures and adopts sound reserving practices. Further, there is a specific capital provision to allow for the risk of inadequate reserves.

Underlying items of contracts with direct participation features

The following table sets out the composition and fair value of the underlying items of the Group's life savings contracts[1].

Year ended 31 December Rm	2023	2022
Cash and cash equivalents	**20 595**	22 969
Government bonds	**37 935**	37 304
Other debt securities	**28 420**	31 815
Equities	**128 690**	127 187
Pooled investments	**277 533**	248 360
Properties	**15 059**	15 396
Other	**14 840**	11 917
	523 072	494 948

1 *The Group's life savings contracts are insurance contracts with direct participation features, measured using the variable fee approach*

Concentration of insurance risk

The Group manages concentration risk through various mechanisms and monitors the opportunities for mitigating actions. Such mechanisms include: underwriting principles and product pricing procedures, reinsurance and the diversification of business over several classes of insurance and large numbers of uncorrelated individual risks.

The following table sets out the carrying amounts of the Group's insurance contracts (net of reinsurance) by country of issue:

At 31 December Rm	2023	2022
South Africa	**554 434**	520 230
Namibia	**20 757**	19 053
Kenya	**3 354**	4 029
Zimbabwe	**14 460**	12 158
Other	**14 110**	14 717
	607 115	570 187

Sensitivity analysis

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 following tables demonstrate the effect of a change in a key assumption on policyholder liabilities related to insurance contracts while other assumptions remain unchanged. The analysis presents the sensitivities both before and after risk mitigation by reinsurance.

		CSM		Profit or loss		Equity	
For the year ended 31 December 2023 Rm	Notes	Gross	Net	Gross	Net	Gross	Net
Life risk and annuities							
5% increase in mortality rates		(2 783)	(2 101)	(594)	(545)	(592)	(543)
5% decrease in mortality rates		2 845	2 148	590	540	588	538
5% increase in morbidity rates		(728)	(535)	(72)	(91)	(73)	(92)
5% decrease in morbidity rates		726	530	71	91	72	91
5% increase in annuitant mortality rates		592	592	(46)	(46)	(46)	(46)
5% decrease in annuitant mortality rates		(626)	(626)	49	49	49	49
10% increase in discontinuance (lapse) rates		(1 020)	(1 061)	(284)	(305)	(290)	(310)
10% decrease in discontinuance (lapse) rates		1 135	1 184	288	308	294	314
10% increase in maintenance rates (expenses)		(1 121)	(1 148)	(334)	(307)	(327)	(300)
10% decrease in maintenance rates (expenses)		1 122	1 149	340	313	334	307
Life savings							
5% increase in mortality rates		(124)	(116)	(32)	(32)	(33)	(33)
5% decrease in mortality rates		112	117	19	19	20	20
5% increase in morbidity rates		(12)	(12)	(3)	(3)	(3)	(3)
5% decrease in morbidity rates		12	12	3	3	3	3
5% increase in annuitant mortality rates		(50)	(50)	6	6	6	6
5% decrease in annuitant mortality rates		52	52	(6)	(6)	(6)	(6)
10% increase in discontinuance (lapse) rates		(1 038)	(1 038)	(80)	(80)	(76)	(76)
10% decrease in discontinuance (lapse) rates		1 151	1 151	70	70	71	71
10% increase in maintenance rates (expenses)		(704)	(696)	(394)	(394)	(385)	(385)
10% decrease in maintenance rates (expenses)		684	688	378	378	373	373
Property and casualty							
5% increase in ultimate claims		–	–	(1 278)	(503)	(1 252)	(492)
5% decrease in ultimate claims		–	–	1 207	468	1 183	459

F: Financial risk and capital management continued

F4: Insurance risk continued

For the year ended 31 December 2022 Rm	Notes	CSM Gross	CSM Net	Profit or loss Gross	Profit or loss Net	Equity Gross	Equity Net
Life risk and annuities							
5% increase in mortality rates		(2 562)	(1 806)	(738)	(749)	(741)	(752)
5% decrease in mortality rates		3 009	1 766	638	717	642	721
5% increase in morbidity rates		(644)	(478)	(102)	(109)	(102)	(109)
5% decrease in morbidity rates		640	472	90	94	90	94
5% increase in annuitant mortality rates		582	582	(44)	(44)	(44)	(44)
5% decrease in annuitant mortality rates		(616)	(616)	51	51	51	51
10% increase in discontinuance (lapse) rates		(911)	(948)	(285)	(330)	(284)	(330)
10% decrease in discontinuance (lapse) rates		1 023	1 070	286	331	286	330
10% increase in maintenance rates (expenses)		(782)	(782)	(386)	(389)	(386)	(389)
10% decrease in maintenance rates (expenses)		784	784	374	371	374	371
Life savings							
5% increase in mortality rates		(108)	(108)	5	5	11	11
5% decrease in mortality rates		108	108	5	5	23	23
5% increase in morbidity rates		(19)	(19)	10	10	10	10
5% decrease in morbidity rates		19	19	3	3	3	3
5% increase in annuitant mortality rates		(46)	(46)	8	8	8	8
5% decrease in annuitant mortality rates		48	48	(8)	(8)	(8)	(8)
10% increase in discontinuance (lapse) rates		(1 118)	(1 118)	(32)	(32)	(17)	(17)
10% decrease in discontinuance (lapse) rates		1 243	1 243	30	30	42	42
10% increase in maintenance rates (expenses)		(678)	(678)	(97)	(97)	(78)	(78)
10% decrease in maintenance rates (expenses)		679	679	101	101	109	109
Property and casualty							
5% increase in ultimate claims		–	–	(658)	(470)	(664)	(476)
5% decrease in ultimate claims		–	–	608	435	613	441

Sensitivity analysis

Changes in underwriting risk variables mainly affect the CSM, profit or loss and equity, net of tax as follows.

CSM	Changes in fulfilment cash flows not relating to any loss components, other than those recognised as insurance finance income or expenses.
Profit or loss and equity	Changes in fulfilment cash flows relating to loss components. Changes in fulfilment cash flows that are recognised as insurance finance income or expenses in profit or loss.

Assumptions

Actuarial methods are used to estimate the ultimate cost of claims and there are underlying assumptions with these methods. These include the assumption that past experience is a reasonable guide for the future development of claims. In some classes of business, where processes or systems change, adjustments are made in order to estimate the ultimate claims. Judgement is applied where needed, but the methods are reviewed by the Head of Actuarial for reasonability.

Guarantees and options

Some of the insurance contracts issued by the Group contain guarantees and options, the ultimate liability for which will depend significantly on the number of policyholders exercising their options and on market and investment conditions applying at that time.

Certain life assurance contracts include the payment of guaranteed values to policyholders on maturity, death, disability or survival. The published liabilities include the provision for both the intrinsic and time-value of the options and guarantees.

Sensitivity analysis

The time-value of options and guarantees has been valued using a market-consistent stochastic asset model that is in alignment with the Advisory Practice Notes (APN) issued by the Actuarial Society of South Africa as guidance, APN 110 in particular. The options and guarantees that could have a material effect on the amount, timing and uncertainty of future cash flows are described in the following table:

Product category	Description of options and guarantees
Retail	
Death, disability, point and/ or maturity guarantees	A closed block of universal life business with an underlying minimum growth rate guarantee (4.25% p.a. for life and endowment business and 4.75% p.a. for retirement annuity business), and smoothed bonus business with vested bonuses, applicable when calculating death, disability and maturity claims.
Guaranteed annuity options	Retirement annuities sold prior to June 1997 contain guaranteed annuity options, whereby the policyholder has an option to exchange the full retirement proceeds for a minimum level of annuity income at maturity.
Corporate	
Vested bonuses in respect of pre-retirement with-profits business	There is a material pre-retirement savings smoothed bonus portfolio. Vested bonuses affect the calculation of benefit payments when a member exits from the scheme as the face value is paid out. If, however, a scheme terminates, the lower of face and market value is paid out and the vested bonuses are not guaranteed.
Guaranteed annuity payments in respect of with-profit annuity business	There is a significant with-profit annuity portfolio. The underlying pricing interest rate is guaranteed and as such the current level of annuity payments (including past declared bonuses) cannot be reduced. If, however, a scheme terminates, the lower of the liability value on the Financial Soundness Valuation basis and the underlying asset market value is paid out.

The following disclosures are provided within the principles of APN 110 issued by the Actuarial Society.

Investment guarantee reserves have been calculated using an internal economic scenario generator (ESG) model that generates product-specific economic scenarios. These scenarios comprise interest rates, inflation and fund returns. The model is calibrated to South African derivative market data (where available and reliable), according to the Group's specific calibration requirements. The calibration has been performed as at 31 December 2022.

The risk-free zero coupon yield curve has been derived from mid-swap spot rates at the calibration date.

Term (years)	Annualised zero-coupon yield
1	**8.4%**
2	**8.0%**
3	**8.0%**
4	**8.1%**
5	**8.3%**
10	**9.8%**
15	**10.6%**
20	**10.7%**
25	**10.0%**
30	**9.3%**

Maturity (years)	Strike	Price	Implied volatility
1	Spot	**6.30%**	**21.70%**
1	0.8 times spot	**1.99%**	**27.22%**
1	Forward	**7.84%**	**20.44%**
5	Spot	**9.22%**	**24.08%**
5	1.04^5 times spot	**16.36%**	**23.36%**
5	Forward	**17.02%**	**23.32%**
20	Spot	**2.14%**	**27.63%**
20	1.04^20 times spot	**9.67%**	**27.70%**
20	Forward	**21.85%**	**27.84%**

Description of derivative contract[1]	Calculated price (% of spot price)
Five-year put with a strike price equal to (1.04)^5 of spot, on an underlying index constructed as 60% FTSE/JSE Top 40 and 40% ALBI, with rebalancing of the underlying index back to these weights taking place yearly.	**7.12%**
Twenty-year put option based on an interest rate with a strike equal to the present five-year forward rate as at maturity of the put option (stripped from the zero coupon yield curve), which pays out if the five-year interest rate at the time of maturity (in 20 years) is lower than this strike.	**0.31%**

1 Note that the FTSE/JSE Top 40 referred to in this section is a capital return index, whereas the ALBI is a total return index

F: Financial risk and capital management continued

F5: Capital management

The Group aims to maintain its solvency levels within the target range of 170% to 200%. The target range has been set with reference to the requirements of relevant stakeholders and seeks to ensure we maintain sufficient, but not excessive, financial strength to support stakeholder requirements and retain financial flexibility through the maintenance of sufficient liquidity.

The Prudential Standards prescribed under the Insurance Act seek to improve policyholder protection and contribute to financial stability by aligning insurers' regulatory capital requirements with underlying risks. It also strengthens the regulatory requirements in respect of governance, risk management and internal controls for insurers and aligns with international standards. In accordance with the Prudential Standards, each insurance company must maintain own funds to cover at a minimum their capital requirements. In practice, companies will hold a buffer above this minimum requirement. The solvency capital requirements (SCR) are the primary solvency capital requirement for South African insurers. The SCR is calibrated to correspond to the amount of own funds that an insurer needs to hold at a confidence level of 99.5% over a one-year period. The SCR can be calculated either using the Standard Formula or an Internal Model.

The required capital for OMLAC(SA), which is the major component of the Group solvency, is calculated using the standard formula. This requires the calculation of capital requirements for each key risk category, namely business risk, market risk, life liability risk, credit, counterparty and concentration risk, operational risk and currency risk. The capital requirements for each risk category are aggregated using a prescribed correlation matrix, which allows for diversification effects between some of the risk categories. Subject to regulatory approval, the standard formula allows for certain methodology elections to be made.

The Group's solvency capital position must be compliant with regulatory requirements at all times. In addition to the calculated regulatory capital requirement, the Group holds a buffer above these minimum requirements that will allow it to remain compliant after a predefined extreme adverse scenario. The primary sources of capital used by the Group are shareholders' equity and qualifying subordinated debt. There are a number of constraints, including the Group's desired credit rating, required liquidity and dividend capacity, which inform the optimal mix of capital sources.

During 2021, the Prudential Authority approved Old Mutual Limited's application to use the accounting consolidation method when aggregating SCR for the Group solvency capital calculation. The accounting consolidation method allows for the diversification of risks between South African licensed insurance entities that have the effect of reducing Group SCR and improving the solvency capital position.

The Group manages its capital based on the regulatory requirements set out by the Prudential Authority for insurance groups with Old Mutual Limited as the designated holding company of the Group. The Group targets an Old Mutual Limited solvency coverage ratio of 170% to 200%.

At 31 December Rm (unaudited)	**Optimal target range**	**2023**	2022[1]	Change (2023 vs 2022)
OMLAC(SA)				
Eligible own funds		**59 062**	59 530	(1%)
Solvency capital requirement (SCR)		**29 011**	27 857	4%
Solvency ratio	175% to 210%	**204%**	214%	(1 000 bps)
Group				
Eligible own funds		**100 530**	93 149	8%
Solvency capital requirement (SCR)		**56 398**	49 632	14%
Solvency ratio	170% to 200%	**178%**	188%	(1 000 bps)

1 The prior year has been re-presented to align results to the audited Prudential Authority submission

G: Analysis of financial and insurance assets and liabilities

G1: Investment and securities and derivative financial assets and liabilities

(a) Investments and securities

The table below analyses the investments and securities that the Group invests in, either for its own proprietary behalf (shareholder funds) or on behalf of third parties (either policyholder funds or pooled investments).

At 31 December Rm	2023	2022
Government and government-guaranteed securities	**129 573**	125 702
Other debt securities, preference shares and debentures[1]	**97 279**	101 140
Listed	**25 347**	25 481
Unlisted	**71 932**	75 659
Equity securities	**338 115**	330 552
Listed[2]	**326 404**	300 527
Unlisted	**11 711**	30 025
Pooled investments[2]	**323 657**	264 417
Listed	**148 338**	125 427
Unlisted	**175 319**	138 990
Short-term funds and securities treated as investments[3]	**67 931**	69 122
Other	**1 565**	1 471
Total	**958 120**	892 404

1 Refer to note J8 for details in relation to the restatement due to prior period errors
2 Pooled investments represent the Group's holdings of shares or units in open-ended investment companies, unit trusts, mutual funds and similar investment vehicles that are not consolidated
3 Included in short-term funds and securities treated as investments is cash and cash equivalents of R21 335 million (2022: R25 324 million)

Investments and securities are regarded as current and non-current assets based on the intention with which the financial assets are held, as well as their contractual maturity profile. Of the amounts shown above, R56 122 million (2022: R59 178 million) is expected to be recoverable within 12 months from the reporting date and R901 998 million (2022: R833 226 million) is expected to be recovered more than 12 months from the reporting date.

The majority of the listed equity securities are traded on well-established exchanges such as the New York Stock Exchange, London Stock Exchange and JSE Securities Exchange.

The Group's holdings of unlisted equity securities arise principally from private equity investment and unlisted investment vehicles.

(b) Derivative financial assets and liabilities

Derivative financial assets and liabilities predominantly consist of interest rate swaps and bond forward contracts used to economically hedge the Group's borrowed fund fixed and variable rate exposures.

	2023				2022			
	Carrying value		Notional value		Carrying value		Notional value	
At 31 December Rm	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	**8 147**	**(11 216)**	**140 894**	**150 452**	8 659	(11 160)	139 648	142 903
Forward rate agreements	**19**	**(277)**	**32 210**	**25 253**	806	(787)	74 973	37 967
Other (options and futures)	**44**	**(94)**	**–**	**–**	223	(633)	–	–
Total	**8 210**	**(11 587)**	**173 104**	**175 705**	9 688	(12 580)	214 621	180 870

R464 million (2022: R1 121 million) of the total derivative financial assets of R8 210 million (2022: R9 688 million) is regarded as current, with the remainder being non-current.

R422 million (2022: R1 772 million) of the total derivative financial liabilities of R11 587 million (2022: R12 580 million) is regarded as current, with the remainder being non-current.

Maturity analysis

The table below provides the maturity profile of the anticipated future cash flows based on contractual maturity dates for derivative liabilities. It is presented on an undiscounted basis, and will therefore differ from the carrying value of derivative liabilities above:

At 31 December Rm	2023
Less than one year	**(516)**
Greater than one year and less than five years	**(1 436)**
Greater than five years	**(22 334)**
Total	**(24 286)**

G: Analysis of financial and insurance assets and liabilities continued

G2: Insurance and investment contracts

G2.1 Accounting policies

Classification of contracts

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Group to financial risk are classified as investment contracts and follow financial instruments accounting under IFRS 9. Some investment contracts without discretionary participation features issued by the Group fall under this category.

Some investment contracts issued by the Group contain discretionary participation features (DPF), whereby the investor has the right and is expected to receive, as a supplement to the amount not subject to the Group's discretion, potentially significant additional benefits based on the return of specified pools of investment assets. The Group accounts for these contracts under IFRS 17.

The Group issues insurance contracts with direct participation features that are substantially investment-related service contracts where the return on the underlying items is shared with policyholders. Underlying items comprise specified portfolios of investment assets that determine amounts payable to policyholders.

An insurance contract with direct participation features is defined by the Group as one which, at inception, meets the following criteria:

- The contractual terms specify that the policyholders participate in a share of a clearly identified pool of underlying items
- The Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items
- The Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items

All other insurance contracts originated by the Group are insurance contract without direct participation features.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

Separation of components of insurance contracts

Before the Group accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- Cash flows relating to embedded derivatives that are required to be separated
- Cash flows relating to distinct investment components
- Promises to transfer distinct goods or distinct non-insurance services

The Group applies IFRS 17 to all remaining components of the contract.

Level of aggregation of insurance contracts

The Group manages insurance contracts issued by product lines within an operating segment. Insurance contracts within a product line that are subject to similar risks and are managed together are aggregated into a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

Recognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- The beginning of the coverage period
- The date when the first payment from the policyholder is due or actually received, if there is no due date
- When the Group determines that a group of contracts becomes onerous

Insurance contracts acquired in a business combination or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

Investment contracts with DPF are initially recognised at the date the Group becomes a party to the contract. The Group becomes party to a contract when the Group accepts the first payment, which is the date from which the Group has an obligation to provide investment-return or investment-related service.

The Group recognises a group of proportionate reinsurance contracts held from the later of:

- The beginning of the coverage period of the group of reinsurance contracts held
- The date of initial recognition of any underlying contract

If the Group recognises an onerous group of underlying contracts before the beginning of the coverage period of the group of reinsurance contracts held, then the group of proportionate reinsurance contracts held is recognised at the same time as the onerous group of underlying contracts.

The Group recognises a group of non-proportionate reinsurance contracts held (such as Group-wide catastrophe stop-loss reinsurance) from the beginning of the coverage period of the group of reinsurance contracts; this is typically the first period in which premiums are paid or reinsurance recoveries are received.

Reinsurance contracts are to be recognised in full for all underlying insurance contracts expected to be issued that fall within the boundary of the reinsurance contracts held. An insurance contract is derecognised when it is:

- Extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled)
- The contract is modified and certain additional criteria are met

Modification

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the fulfilment cash flows (FCF), unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

(a) If the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
  (i) Is not in scope of IFRS 17
  (ii) Results in different separable components
  (iii) Results in a different contract boundary
  (iv) Belongs to a different group of contracts

(b) The original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or *vice versa*

(c) The original contract was accounted for under the premium allocation approach (PAA), but the modification means that the contract no longer meets the eligibility criteria for that approach

Derecognition

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Group:

(a) Adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the Group.

(b) Adjusts the contractual service margin (CSM) (unless the decrease in the FCF is allocated to the loss component of the liability for remaining coverage (LFRC) of the Group) in the following manner, depending on the reason for the derecognition:
  (i) If the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service.
  (ii) If the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party.
  (iii) If the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in (a) adjusted for the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification. When recognising the new contract in this case, the Group assumes such a hypothetical premium as actually received.

(c) Adjusts the number of coverage units for the expected remaining coverage to reflect the number of coverage units removed.

When an insurance contract accounted for under the PAA is derecognised, adjustments to the FCF to remove related rights and obligations and account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

(a) If the contract is extinguished, any net difference between the derecognised part of the LFRC of the original contract and any other cash flows arising from extinguishment

(b) If the contract is transferred to the third party, any net difference between the derecognised part of the LFRC of the original contract and the premium charged by the third party

(c) If the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LFRC and the hypothetical premium the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification

Measurement

Fulfilment cash flows

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and payout for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

(a) Are based on a probability-weighted mean of the full range of possible outcomes

(b) Are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables

(c) Reflect conditions existing at the measurement date

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the liability for incurred claims (LIC).

The estimates of future cash flows are adjusted using the current discount rates to reflect the time-value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the Group belongs. Other costs that are incurred in fulfilling the contracts include:

» Claims handling, maintenance and administration costs
» Recurring commissions payable on instalment premiums receivable within the contract boundary
» Costs that the Group will incur in providing investment services
» Costs that the Group will incur in performing investment activities to the extent that the Group performs them to enhance benefits from insurance coverage for policyholders by generating an investment return from which policyholders will benefit if an insured event occurs
» Income tax and other costs specifically chargeable to the policyholders under the terms of the contracts

G: Analysis of financial and insurance assets and liabilities continued

G2: Insurance and investment contracts continued

G2.1 Accounting policies continued

Contract boundary

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance coverage or other services. A substantive obligation ends when:

(a) The Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks

(b) Both of the following criteria are satisfied:

- (i) The Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio
- (ii) The pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts, form part of a single insurance contract with all the cash flows within its boundary.

Some insurance contracts issued by the Group provide policyholders with an option to buy an annuity upon the initially issued policies' maturity. The Group assesses its practical ability to reprice such insurance contracts in their entirety to determine if annuity-related cash flows are within or outside of the insurance contract boundary. As a result of this assessment, non-guaranteed annuity options are not measured by the Group until they are exercised.

Cash flows outside the insurance contract boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added.

Cash flows are within the boundaries of investment contracts with DPF if they result from a substantive obligation of the Group to deliver cash at a present or future date.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive services from the reinsurer.

The Group's quota share life reinsurance agreements generally have an unlimited duration but are cancellable for new underlying business with a one-month notice period (individual business) or a three-month notice period (Group business) by either party. Facultative arrangements tend to be written as one-year contracts. Thus, the Group treats such reinsurance contracts as a series of annual contracts that cover underlying business issued within a year. Estimates of future cash flows arising from all underlying contracts issued and expected to be issued within one year's boundary are included in each of the reinsurance contracts' measurements.

The excess of loss reinsurance contracts held provides coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held. Some of these contracts may include mandatory or voluntary reinstatement reinsurance premiums, which are guaranteed per the contractual arrangements and are thus within the respective reinsurance contracts' boundaries.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

Initial measurement – groups of contracts not measured under the PAA

Contractual service margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides coverage in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

(a) The initial recognition of the FCF

(b) The derecognition at the date of initial recognition of any asset or liability recognised for insurance acquisition cash flows

(c) Cash flows arising from the contracts in the group at that date

A negative CSM at the date of inception means the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately with no CSM recognised on the balance sheet on initial recognition.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance expense as it receives reinsurance coverage in the future.

For insurance contracts acquired, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

(a) The initial recognition of the FCF.

(b) Cash flows arising from the contracts in the group at that date, including consideration received for the contracts as a proxy for the premiums received at the date of acquisition. In a business combination, the consideration received is the fair value of the contracts at that date.

For onerous contracts acquired as part of business combinations, the Group recognises the difference between the consideration paid (after excluding amounts relating to other assets/liabilities acquired) and the FCF as goodwill or as a gain on a bargain purchase. For onerous contracts acquired as part of a transfer of insurance contracts, this difference is recognised as a loss in profit or loss.

The Group establishes a loss component of the liability for the remaining coverage for this excess.

For reinsurance contracts acquired where the underlying contracts are onerous at the date of acquisition or transfer a loss recovery component (LRC) is set up at the date of acquisition or transfer.

The LRC will be recognised as goodwill or as a gain on a bargain purchase where the business was acquired as part of a business combination. For transfers of insurance contracts, this difference is recognised as an income in profit or loss.

Subsequent measurement – groups of contracts not measured under the PAA

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of:
(a) The LFRC, comprising:
  (i) The FCF related to future service allocated to the Group at that date
  (ii) The CSM of the Group at that date
(b) The LIC, comprising the FCF related to past service allocated to the group at the reporting date

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:
(a) The remaining coverage, comprising:
  (i) The FCF related to future service allocated to the Group at that date
  (ii) The CSM of the Group at that date
(b) The incurred claims, comprising the FCF related to past service allocated to the Group at the reporting date

For a group of contracts to which the premium allocation approach does not apply, the Group continues to treat the premiums receivable from the intermediary as future cash flows within the boundary of an insurance contract and, applying IFRS 17, includes them in the measurement of the group of insurance contracts until recovered in cash.

Changes in fulfilment cash flows

The FCF is updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:
(a) Changes that relate to current or past service are recognised in profit or loss
(b) Changes that relate to future service are recognised by adjusting the CSM or the loss component within the LFRC as per the policy below

For insurance contracts measured under the general measurement model (GMM), the following adjustments relate to future service and thus adjust the CSM:
(a) Experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes
(b) Changes in estimates of the present value of future cash flows in the LFRC, except those relating to the effect of the time-value of money and the effect of financial risk and changes thereof
(c) Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period
(d) Differences between any policyholder loan expected to become repayable (plus any insurance finance income or expenses related to that expected repayment before it becomes repayable in the period) and the actual policyholder loan that becomes repayable in the period
(e) Changes in the risk adjustment for non-financial risk that relate to future service

Adjustments (a) to (d) are measured using the locked-in discount rates as described in the section 'Interest accretion on the CSM' below.

For insurance contracts under the GMM, the following adjustments do not relate to future service and thus do not adjust the CSM:
(a) Changes in the FCF for the effect of the time-value of money and the effect of financial risk and changes thereof
(b) Changes in the FCF relating to the LIC
(c) Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows)

For insurance contracts under the variable fee approach (VFA), the following adjustments relate to future service and thus adjust the CSM:
(a) Changes in the Group's share of the fair value of the underlying items, except to the extent that the Group has applied the risk mitigation option to exclude from the CSM changes in the effect of financial risk on the amount of its share of the underlying items or fulfilment cash flows
(b) Changes in the FCF that do not vary based on the returns of underlying items
  (i) Changes in the effect of the time-value of money and financial risks including the effect of financial guarantees
  (ii) Experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes
  (iii) Changes in estimates of the present value of future cash flows in the LFRC, except those described in the following paragraphs (iv) to (vi)
  (iv) Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period
  (v) Differences between any policyholder loan expected to become repayable in the period and the actual policyholder loan that becomes repayable in the period
  (vi) Changes in the risk adjustment for non-financial risk that relate to future service

Adjustments (ii) to (vi) are measured using the current discount rates.

For insurance contracts under the VFA, the following adjustments do not relate to future service and thus do not adjust the CSM:
(a) Changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items
(b) Changes in the FCF that do not vary based on the returns of underlying items
  (i) Changes in the FCF relating to the LIC
  (ii) Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows)

G: Analysis of financial and insurance assets and liabilities continued

G2: Insurance and investment contracts continued

G2.1 Accounting policies continued

Changes to the contractual service margin

For insurance contracts issued, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

(a) The effect of any new contracts added to the group.
(b) For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
(c) Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LFRC. When the CSM is zero, changes in the FCF adjust the loss component within the LFRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
(d) The effect of any currency exchange differences.
(e) The amount recognised as insurance revenue for services provided during the period determined after all other adjustments above.

For a group of reinsurance contracts held, the carrying amount of the CSM at the end of each reporting period is adjusted to reflect changes in the FCF in the same manner as a group of underlying insurance contracts issued, except that when underlying contracts are onerous and thus changes in the underlying FCF related to future service are recognised in insurance service expenses by adjusting the loss component, respective changes in the FCF of reinsurance contracts held are also recognised in the insurance service result.

Interest accretion on the CSM

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition that are applied to nominal cash flows (locked-in discount rates). If more contracts are added to the existing groups in the subsequent reporting periods, the Group revises the locked-in discount curves by calculating weighted-average discount curves over the period that contracts in the group are issued. The weighted-average discount curves are determined by multiplying the new CSM added to the group and their corresponding discount curves over the total CSM.

Adjusting the CSM for changes in the FCF relating to future service

The CSM is adjusted for changes in the FCF measured by applying the discount rates as specified above in the Changes in fulfilment cash flows section.

Release of the CSM to profit or loss

The amount of the CSM recognised in profit or loss for services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

The total number of coverage units in a group is the quantity of coverage provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

(a) The quantity of benefits provided by contracts in the group
(b) The expected coverage duration of contracts in the group
(c) The likelihood of insured events occurring, only to the extent that they affect the expected duration of contracts in the group

For reinsurance contracts held, the CSM is released to profit or loss as services are received from the reinsurer in the period.

The Group changes the treatment of accounting estimates made in previous annual financial statements when applying IFRS 17 in this subsequent annual reporting period.

Onerous contracts – loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group recognises the excess in insurance service expenses and records it as a loss component of the LFRC.

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the LFRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

(a) Expected incurred claims and expenses for the period
(b) Changes in the risk adjustment for non-financial risk for the risk expired
(c) Finance income/(expenses) from insurance contracts issued

The amounts of loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are not reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

Initial and subsequent measurement – groups of contracts measured under the PAA

The Group uses the PAA for measuring contracts with a coverage period of one year or less, or where it reasonably expects that such a simplification would produce a measurement of the liability for remaining coverage that would not differ materially from the one that would be produced by applying the general measurement model.

On initial recognition of insurance contracts issued, the Group measures the LFRC at the amount of premiums received, less any acquisition cash flows allocated to the group of contracts adjusted for any amounts arising from the derecognition of any prepaid acquisition cash flows asset.

For groups of insurance contracts measured under the PAA that do not contain contracts with a coverage period greater than one year, the Group expenses acquisition cash flows as the costs are incurred.

On initial recognition of reinsurance contracts held, the Group measures the remaining coverage at the amount of ceding premiums paid.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:
(a) The LFRC
(b) The LIC, comprising the FCF related to past service allocated to the Group at the reporting date

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:
(a) The remaining coverage
(b) The incurred claims, comprising the FCF related to past service allocated to the group at the reporting date

For insurance contracts issued, at each of the subsequent reporting dates, the LFRC is:
(a) Increased for premiums received in the period
(b) Decreased for insurance acquisition cash flows paid in the period (if applicable)
(c) Decreased for the amounts of expected premiums received recognised as insurance revenue for the services provided in the period
(d) Increased for accretion of interest (if applicable)
(e) Increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses (if applicable)

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:
(a) Increased for ceding premiums paid in the period
(b) Decreased for the amounts of ceding premiums recognised as reinsurance expenses for the services received in the period

The Group does not adjust the LFRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time-value of money where, at initial recognition, the entity expects the time between any premium becoming due and providing the related insurance contact services is one year or less.

If a group of contracts becomes onerous, the Group increases the carrying amount of the LFRC to the amounts of the FCF determined under the GMM with the amount of such an increase recognised in insurance service expenses.

Subsequently, the Group amortises the amount of the loss component within the LFRC by decreasing insurance service expenses. The loss component amortisation is based on the passage of time over the remaining coverage period of contracts within an onerous group. If facts and circumstances indicate that the expected profitability of the onerous group during the remaining coverage has changed, then the Group remeasures the FCF by applying the GMM and reflects changes in the FCF by adjusting the loss component as required until the loss component is reduced to zero.

For a group of contracts to which the premium allocation approach applies, the Group does not increase the liability for remaining coverage, it does so only when it recovers the premiums in cash from the intermediary.

Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows under (iii)) are included in the carrying amount of the related portfolios of contracts.

The Group disaggregates amounts recognised in the statement of profit or loss into (a) an insurance service result, comprising insurance revenue and insurance service expenses; and (b) insurance finance income or expenses.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

Insurance revenue and expenses

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows:

Measurement and presentation

Insurance revenue – Contracts not measured under the PAA

The Group recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Group expects to receive consideration, and comprises the following items.

- A release of the CSM, measured based on coverage units provided (see 'Release of the CSM' below).
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts (see (v)), which are recognised as insurance revenue and insurance service expenses at that date.
- Other amounts, including experience adjustments for premium receipts for current or past services for the life risk segment and amounts related to incurred policyholder tax expenses for the participating segment.

In addition, the Group allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The Group recognises the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

Insurance revenue – Contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Group allocates expected premiums equally to each period of related insurance contract services, unless the expected pattern of the release of risk during the coverage period differs significantly from an even basis. In the latter case, expected premium receipts are allocated to the period based on the expected timing of incurred claims and other incurred insurance service expenses.

G: Analysis of financial and insurance assets and liabilities continued
G2: Insurance and investment contracts continued
G2.1 Accounting policies continued
Measurement and presentation continued
Loss components
For contracts not measured under the PAA, the Group establishes a loss component of the liability for remaining coverage for onerous groups of insurance contracts. The loss component determines the amounts of fulfilment cash flows that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue when they occur. When the fulfilment cash flows are incurred, they are allocated between the loss component and the liability for remaining coverage excluding the loss component on a systematic basis.

Changes in fulfilment cash flows relating to future services and changes in the amount of the Group's share of the fair value of the underlying items for direct participating contracts are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates a new CSM for the group of contracts.

Insurance service expenses
Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items.
- Incurred claims and other insurance service expenses: For some life risk contracts, incurred claims also include premiums waived on death or detection of critical illness.
- Amortisation of insurance acquisition cash flows: For contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Group amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.
- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time-value of money, financial risk and changes therein.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

Net expenses from reinsurance contracts
Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Group recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Group expects to pay consideration.

For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts covering onerous underlying contracts, the Group establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:
- On recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised
- For changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Group expects to recover from the reinsurance contracts.

Insurance finance income and expenses
Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time-value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

The Group has chosen not to disaggregate insurance finance income and expenses between profit or loss and OCI. All insurance finance income and expenses for the period are presented in profit or loss.

The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service results and insurance finance income or expenses.

G2.2: Significant judgements and estimates

Fulfilment cash flows

The Group's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value. If there are significant interdependencies between cash flows that vary based on changes in market variables and other cash flows, then the Group uses stochastic modelling techniques to estimate the expected present value. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for market variables such as interest rates and equity returns.

Estimates of future cash flows

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

Investment guarantees embedded in insurance contracts and investment contracts with discretionary participation features are measured using stochastic modelling techniques because the guarantee does not move symmetrically with different investment return scenarios. The Group's measurement of the investment guarantee reserves incorporates a full range of scenarios representing possible future investment return (or interest rate) environments.

Contract boundaries

The assessment of the contract boundary, which defines which future cash flows are included in the measurement of a contract, requires judgement and consideration of the Group's substantive rights and obligations under the contract.

Insurance contracts

Some term assurance and critical illness contracts issued by the Group have annual terms that are guaranteed to be renewable each year. The Group determines that the cash flows related to future renewals (i.e. the guaranteed renewable terms) of these contracts are outside the contract boundary. This is because the premium charged for each year reflects the Group's expectation of its exposure to risk for that year and, on renewal, the Group can reprice the premium to reflect the reassessed risks for the next year based on claims experience and expectations for the respective portfolio. Any renewal of the contract is treated as a new contract and is recognised, separately from the initial contract, when the recognition criteria are met.

Some universal life contracts contain a guaranteed annuity option, which allows the policyholder to convert, on maturity of the stated term, the maturity benefit into an immediately starting life-contingent annuity at a predetermined rate. The Group has assessed the contract boundary for the entire contract, including the option, and concluded that the cash flows related to the guaranteed annuity option fall within the boundary of the contract. This is because the Group does not have the practical ability to reprice the contract on maturity of the stated term.

Reinsurance contracts

Each of the Group's quota share reinsurance contracts has an annual term, covers underlying contracts issued within the term on a risk-attaching basis and provides unilateral rights to both the Group and the reinsurer to terminate the cession of new business at any time by giving three-months' notice to the other party. On initial recognition, the cash flows within the reinsurance contract boundary are determined to be those arising from underlying contracts that the Group expects to issue and cede under the reinsurance contract within the next three months. Subsequently, expected cash flows beyond the end of this initial notice period are considered cash flows of new reinsurance contracts and are recognised separately from the initial contract, as they fall within the rolling three-month notice period.

Each of the Group's excess of loss and stop loss reinsurance contracts have an annual term and covers claims from underlying contracts incurred within the year (i.e. loss occurring). Cash flows within the contract boundary are those arising from underlying claims incurred during the year.

Life and Savings

Assumptions about mortality/longevity, morbidity and policyholder behaviour that are used in estimating future cash flows are developed by product type at local entity level, reflecting recent experience and the profiles of policyholders within a group of insurance contracts.

Mortality/longevity and morbidity assumptions are generally developed using a blend of national mortality data, industry trends and the local entity's recent experience. Experience is monitored through regular studies, the results of which are reflected both in the pricing of new products and in the measurement of existing contracts.

Policyholder behaviour is a key assumption in the measurement of life savings and participating insurance contracts. Each type of policyholder behaviour is estimated by product type, based on trends in recent experience.

G: Analysis of financial and insurance assets and liabilities continued

G2: Insurance and investment contracts continued

G2.2: Significant judgements and estimates continued

Property and Casualty

The Group estimates the ultimate cost of settling claims incurred but unpaid at the reporting date and the value of salvage and other expected recoveries by reviewing individual claims reported and making allowance for claims incurred but not yet reported. The ultimate cost of settling claims is estimated using a range of loss reserving techniques. These techniques assume that the Group's own claims experience is indicative of future claims development patterns and therefore ultimate claims cost. The ultimate cost of settling claims is estimated separately for each geographic area and line of business, except for large claims, which are assessed separately from other claims.

The assumptions used, including loss ratios and future claims inflation, are implicitly derived from the historical claims development data on which the projections are based, although judgement is applied to assess the extent to which past trends might not apply in the future and future trends are expected to emerge.

Discount rates

All cash flows are discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. The Group generally determines the risk-free rates using the observed mid-price swap yield curves for AA-rated banks (adjusted for the bank's credit risk). The yield curve is interpolated between the last available market data point and an ultimate forward rate, which reflects long-term real interest rate and inflation expectations. For markets in which there is no reliable swap yield curve, government bond yields are used. Although the ultimate forward rate is subject to revision, it is expected to be stable and would change only on significant changes to long-term expectations. To reflect the liquidity characteristics of the insurance contracts, the risk-free yield curves are adjusted by an illiquidity premium as appropriate. Illiquidity premiums are generally determined by comparing the spreads on corporate bonds with the costs of CDSs with matching critical terms for the same issuer.

Cash flows that vary based on the returns on any financial underlying items are adjusted for the effect of that variability using risk-neutral measurement techniques and discounted using the risk-free rates as adjusted for illiquidity. When the present value of future cash flows is estimated by stochastic modelling, the cash flows are discounted at scenario-specific rates calibrated, on average, to be the risk-free rates as adjusted for illiquidity.

The table below sets out the yield curves used to discount the cash flows of insurance contracts for major currencies.

Risk-free reference spot yields and expense inflation	At 31 December 2023	At 31 December 2022
Risk-free rates		
» One year	**8.4%**	8.0%
» Five years	**9.6%**	9.6%
» 10 years	**12.2%**	11.9%
» 20 years	**14.5%**	13.0%
Expense inflation rates		
» One year	**4.3%**	4.0%
» Five years	**5.3%**	5.6%
» 10 years	**6.9%**	7.1%
» 20 years	**9.0%**	8.1%

Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the individual issuing entity would require for bearing non-financial risk, separately for the non-life and other contracts, and are allocated to groups of contracts based on an analysis of the risk profiles of the groups. Risk adjustments for non-financial risk reflects the diversification benefits from contracts issued by the entity, in a way that is consistent with the compensation that it would require and that reflects its degree of risk aversion, and the effects of the diversification benefits are determined using a correlation matrix technique.

The risk adjustment for non-financial risk is determined using a confidence level technique. To determine the risk adjustments for non-financial risk for reinsurance contracts, the Group applies these techniques both gross and net of reinsurance and derives the amount of risk being transferred to the reinsurer as the difference between the two results.

Applying a confidence level technique, the Group estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows.

Risk mitigation option

The Group uses derivatives and other instruments to mitigate the financial risk arising from financial guarantees in certain participating contracts in accordance with its documented risk management objective and strategy for mitigating financial risk. An economic offset exists between the insurance contracts and the risk-mitigating items, and credit risk does not dominate the economic offset.

The Group has chosen to recognise changes in the amount of its share of the fair value of the underlying items and changes in fulfilment cash flows due to changes in the effect of financial risk not arising from underlying items that are mitigated by the use of derivatives or reinsurance contracts in profit or loss and not to adjust the CSM.

Investment components

The Group identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. Investment components are excluded from insurance revenue and insurance service expenses.

Some participating contracts have explicit surrender values. The investment component excluded from insurance revenue and insurance service expenses is determined as the surrender value specified in the contractual terms less any accrued fees and surrender charges.

G: Analysis of financial and insurance assets and liabilities continued
G2: Insurance and investment contracts continued
G2.2: Significant judgements and estimates continued
G2.3: Insurance and reinsurance contracts

Rm	Notes	At 31 December 2023 Assets	At 31 December 2023 Liabilities	At 31 December 2022 Assets	At 31 December 2022 Liabilities
Insurance contracts					
Total life and guaranteed savings		**4 920**	**(608 812)**	3 693	(571 845)
Life risk and annuities		**4 920**	**(86 019)**	3 650	(78 466)
Life savings		**–**	**(522 793)**	43	(493 379)
Property and casualty		**72**	**(10 388)**	4	(9 207)
Total insurance contracts		**4 992**	**(619 200)**	3 697	(581 052)
Of which:					
Expected to be recovered/(settled) more than 12 months after the reporting date		**3 288**	**(550 118)**	2 458	(514 314)
Expected to be recovered/(settled) within 12 months after the reporting date		**1 704**	**(69 082)**	1 239	(66 738)
Reinsurance contracts					
Total life and guaranteed savings		**3 438**	**(519)**	3 490	(387)
Life risk and annuities		**3 438**	**(519)**	3 490	(387)
Life savings		**–**	**–**	–	–
Property and casualty		**5 360**	**(1 187)**	4 581	(516)
Total reinsurance contracts		**8 798**	**(1 706)**	8 071	(903)
Of which:					
Expected to be recovered/(settled) more than 12 months after the reporting date		**4 183**	**175**	3 513	(103)
Expected to be recovered/(settled) within 12 months after the reporting date		**4 615**	**(1 881)**	4 558	(800)

The maximum exposure to credit risk from reinsurance contracts is R8 093 million (2022: R6 917 million). The maximum exposure to credit risk from insurance contracts is insignificant.

G2.4: Movements in the carrying amounts of insurance and reinsurance contracts

The following reconciliations show how the net carrying amounts of insurance and reinsurance in each line of business changed during the year as a result of cash flows and amounts recognised in the income statement.

For each line of business, the Group presents a table that separately analyses movements in the liability for remaining coverage and movement in the liability for incurred claims and reconciles these movements to the line items in the income statement.

A second reconciliation is presented for contracts not measured under the PAA, which separately analyses changes in the estimates for the present value of future cash flows, the risk adjustment for non-financial risk and the CSM.

The estimates of the present value of the future cash flows from insurance and reinsurance assets represents the Group's maximum exposure to credit risk from these assets.

G2.5: Analysis of insurance and reinsurance contracts
(a) Insurance contracts: Life risk and annuities
(i) Analysis by remaining coverage and incurred claims

Year ended 31 December 2023 Rm	Liability for remaining coverage: Excluding loss component	Liability for remaining coverage: Loss component	Liabilities for incurred claims: Contracts not under the PAA	Liabilities for incurred claims – Contracts under the PAA: Estimates of present value of future cash flows	Liabilities for incurred claims – Contracts under the PAA: Risk adjustment for non-financial risk	Total
Net opening balance (insurance contracts)	(55 355)	(5 357)	(3 768)	(10 275)	(61)	(74 816)
Represented by:						
Opening insurance assets	5 799	(1 768)	(378)	(3)	–	3 650
Opening insurance liabilities	(61 154)	(3 589)	(3 390)	(10 272)	(61)	(78 466)
Changes in profit or loss						
Insurance revenue	32 629	–	–	–	–	32 629
Contracts under the modified retrospective approach	3 452	–	–	–	–	3 452
Contracts under the modified retrospective approach	6 387	–	–	–	–	6 387
Other contracts	22 790	–	–	–	–	22 790
Insurance service expenses	(4 868)	(173)	(15 727)	(5 840)	(28)	(26 636)
Incurred claims and other insurance service expenses	–	713	(15 741)	(5 868)	–	(20 896)
Amortisation of insurance acquisition cash flows	(4 868)	–	–	–	–	(4 868)
Losses and reversal of losses on onerous contracts	–	(886)	–	–	–	(886)
Adjustments to liabilities for incurred claims	–	–	14	28	(28)	14
Insurance service result	27 761	(173)	(15 727)	(5 840)	(28)	5 993
Insurance finance (expense)/ income	(4 275)	(436)	224	(613)	1	(5 099)
Total changes in profit or loss	23 486	(609)	(15 503)	(6 453)	(27)	894
Investment components	2 610	–	(2 610)	–	–	–
Cash flows						
Premiums received	(37 474)	–	–	(19)	–	(37 493)
Insurance acquisition cash flows paid	6 043	–	–	–	–	6 043
Insurance claims paid, including investment components	–	–	15 632	4 956	–	20 588
Other expenses paid	–	–	2 583	699	–	3 282
Total cash flows (insurance contracts)	(31 431)	–	18 215	5 636	–	(7 580)
Foreign currency exchange differences and other	92	155	1	153	2	403
Net closing balance (insurance contracts)	(60 598)	(5 811)	(3 665)	(10 939)	(86)	(81 099)
Represented by:						
Closing insurance assets	8 044	(2 440)	(683)	(1)	–	4 920
Closing insurance liabilities	(68 642)	(3 371)	(2 982)	(10 938)	(86)	(86 019)
Net closing balance (insurance contracts)	(60 598)	(5 811)	(3 665)	(10 939)	(86)	(81 099)

G: Analysis of financial and insurance assets and liabilities continued
G2: Insurance and investment contracts continued
G2.5: Analysis of insurance and reinsurance contracts continued
(a) Insurance contracts: Life risk and annuities continued
(i) Analysis by remaining coverage and incurred claims continued

Year ended 31 December 2022 Rm	Liability for remaining coverage: Excluding loss component	Liability for remaining coverage: Loss component	Liabilities for incurred claims: Contracts not under the PAA	Liabilities for incurred claims: Contracts under the PAA: Estimates of present value of future cash flows	Liabilities for incurred claims: Contracts under the PAA: Risk adjustment for non-financial risk	Total
Net opening balance (insurance contracts)	(54 883)	(4 183)	(3 759)	(9 924)	(60)	(72 808)
Represented by:						
Opening insurance assets	3 832	(890)	(300)	–	–	2 642
Opening insurance liabilities	(58 715)	(3 293)	(3 459)	(9 924)	(60)	(75 451)
Changes in profit or loss						
Insurance revenue	31 673	–	–	–	–	31 673
Contracts under the modified retrospective approach	3 578	–	–	–	–	3 578
Contracts under the fair value approach	6 732	–	–	–	–	6 732
Other contracts	21 363	–	–	–	–	21 363
Insurance service expenses	(4 696)	(682)	(15 715)	(6 471)	(6)	(27 570)
Incurred claims and other insurance service expenses	–	741	(16 004)	(6 699)	–	(21 962)
Amortisation of insurance acquisition cash flows	(4 696)	–	–	–	–	(4 696)
Losses and reversal of losses on onerous contracts	–	(1 423)	–	–	–	(1 423)
Adjustments to liabilities for incurred claims	–	–	289	228	(6)	511
Insurance service result	26 977	(682)	(15 715)	(6 471)	(6)	4 103
Insurance finance (expense)/income	(2 483)	(371)	24	(294)	2	(3 122)
Total changes in profit or loss	24 494	(1 053)	(15 691)	(6 765)	(4)	981
Investment components	1 835	–	(1 835)	–	–	–
Cash flows						
Premiums received	(32 748)	–	–	–	–	(32 748)
Insurance acquisition cash flows paid	5 655	–	–	–	–	5 655
Insurance claims paid, including investment components	–	–	14 956	5 782	–	20 738
Other expenses paid	–	–	2 558	545	–	3 103
Total cash flows (insurance contracts)	(27 093)	–	17 514	6 327	–	(3 252)
Foreign currency exchange differences and other	292	(121)	3	87	3	264
Net closing balance (insurance contracts)	(55 355)	(5 357)	(3 768)	(10 275)	(61)	(74 816)
Represented by:						
Closing insurance assets	5 799	(1 768)	(378)	(3)	–	3 650
Closing insurance liabilities	(61 154)	(3 589)	(3 390)	(10 272)	(61)	(78 466)
Net closing balance (insurance contracts)	(55 355)	(5 357)	(3 768)	(10 275)	(61)	(74 816)

(ii) Analysis by measurement component – contracts not measured under the PAA

Year ended 31 December 2023 Rm	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin: Contracts under modified retrospective approach	Contractual service margin: Contracts under fair value approach contracts	Contractual service margin: Other contracts	Total
Net opening balance (insurance contracts)	(29 149)	(4 111)	(8 172)	(7 501)	(15 558)	(64 491)
Represented by:	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**			**Contractual service margin**	**Total**
Opening insurance assets	6 079	(714)			(1 732)	3 633
Opening insurance liabilities	(35 228)	(3 397)			(29 499)	(68 124)
Changes in profit or loss						
Changes that relate to current services	401	934	686	814	2 166	5 001
CSM recognised for services provided	–	–	686	814	2 166	3 666
Release of risk adjustment for the risk expired	–	899	–	–	–	899
Experience adjustments	401	35	–	–	–	436
Changes that relate to future services	2 933	(590)	(44)	(852)	(2 284)	(837)
Contracts initially recognised in the year	2 463	(754)	–	–	(2 473)	(764)
Changes in estimates that adjust the CSM	571	136	(44)	(852)	189	–
Changes in estimates that result in losses and reversal of losses on onerous contracts	(101)	28	–	–	–	(73)
Changes that relate to past services						
Adjustment to liabilities for incurred claims	24	(14)	–	–	–	10
Insurance service result	3 358	330	642	(38)	(118)	4 174
Insurance finance expense	(1 551)	(264)	(711)	(461)	(1 587)	(4 574)
Total changes in profit or loss	1 807	66	(69)	(499)	(1 705)	(400)
Cash flows						
Premiums received	(29 121)	–	–	–	–	(29 121)
Insurance acquisition cash flows paid	5 529	–	–	–	–	5 529
Insurance claims paid, including investment components	15 632	–	–	–	–	15 632
Other expenses paid	2 583	–	–	–	–	2 583
Total cash flows (insurance contracts)	(5 377)	–	–	–	–	(5 377)
Effect of movements in exchange rates	161	(3)	–	32	(1)	189
Net closing balance (insurance contracts)	(32 558)	(4 048)	(8 241)	(7 968)	(17 264)	(70 079)
Represented by:	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**			**Contractual service margin**	**Total**
Closing insurance assets	7 933	(947)			(2 072)	4 914
Closing insurance liabilities	(40 491)	(3 101)			(31 401)	(74 993)
Net closing balance (insurance contracts)	(32 558)	(4 048)			(33 473)	(70 079)

G: Analysis of financial and insurance assets and liabilities continued

G2: Insurance and investment contracts continued

G2.5: Analysis of insurance and reinsurance contracts continued

(a) Insurance contracts: Life risk and annuities continued

(ii) Analysis by measurement component – contracts not measured under the PAA continued

			Contractual service margin			
Year ended 31 December 2022 Rm	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Total
Net opening balance (insurance contracts)	(28 087)	(4 070)	(9 530)	(7 873)	(13 077)	(62 637)
Represented by:	Estimates of present value of future cash flows	Risk adjustment for non-financial risk			Contractual service margin	Total
Opening insurance assets	4 313	(436)			(1 236)	2 641
Opening insurance liabilities	(32 400)	(3 634)			(29 244)	(65 278)
Changes in profit or loss						
Changes that relate to current services	218	909	679	699	1 891	4 396
CSM recognised for services provided	–	–	679	699	1 891	3 269
Release of risk adjustment for the risk expired	–	875	–	–	–	875
Experience adjustments	218	34	–	–	–	252
Changes that relate to future services	878	(890)	1 501	10	(3 089)	(1 590)
Contracts initially recognised in the year	2 550	(660)	–	–	(2 640)	(750)
Changes in estimates that adjust the CSM	(869)	(193)	1 501	10	(449)	–
Changes in estimates that result in losses and reversal of losses on onerous contracts	(803)	(37)	–	–	–	(840)
Changes that relate to past services						
Adjustment to liabilities for incurred claims	276	26	–	–	–	302
Insurance service result	1 372	45	2 180	709	(1 198)	3 108
Insurance finance expense	(351)	(89)	(822)	(367)	(1 282)	(2 911)
Total changes in profit or loss	1 021	(44)	1 358	342	(2 480)	197
Cash flows						
Premiums received	(24 512)	–	–	–	–	(24 512)
Insurance acquisition cash flows paid	4 866	–	–	–	–	4 866
Insurance claims paid, including investment components	14 956	–	–	–	–	14 956
Other expenses paid	2 558	–	–	–	–	2 558
Total cash flows (insurance contracts)	(2 132)	–	–	–	–	(2 132)
Effect of movements in exchange rates	49	3	–	30	(1)	81
Net closing balance (insurance contracts)	(29 149)	(4 111)	(8 172)	(7 501)	(15 558)	(64 491)
Represented by:	Estimates of present value of future cash flows	Risk adjustment for non-financial risk			Contractual service margin	Total
Closing insurance assets	6 079	(714)			(1 732)	3 633
Closing insurance liabilities	(35 228)	(3 397)			(29 499)	(68 124)
Net closing balance (insurance contracts)	(29 149)	(4 111)			(31 231)	(64 491)

(iii) Analysis by remaining coverage and incurred claims

Year ended 31 December 2023 Rm	Remaining coverage component		Incurred claims component			
			Contracts under the PAA			
	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts not under the PAA	Total
Net opening balance (reinsurance contracts)	(981)	378	2 699	25	982	3 103
Represented by:						
Opening reinsurance assets	503	189	2 502	16	280	3 490
Opening reinsurance liabilities	(1 484)	189	197	9	702	(387)
Changes in profit or loss						
Allocation of reinsurance premiums paid	(3 314)	–	–	–	–	(3 314)
Amounts recoverable from reinsurers	–	145	687	(6)	1 925	2 751
Recoveries of incurred claims and other insurance service expenses	–	–	960	25	1 913	2 898
Recoveries and reversals of recoveries of losses on onerous underlying contracts	–	145	–	–	–	145
Adjustments to assets for incurred claims	–	–	(273)	(31)	12	(292)
Net expenses from reinsurance contracts	(3 314)	145	687	(6)	1 925	(563)
Net finance income from reinsurance contracts	216	36	184	2	(6)	432
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–	–
Total changes in profit or loss	(3 098)	181	871	(4)	1 919	(131)
Investment components	–	–	–	–	–	–
Cash flows						
Premiums paid net of ceding commission and other attributable expenses	2 876	–	–	–	–	2 876
Amounts received	–	–	(1 031)	–	(1 859)	(2 890)
Total cash flows (reinsurance contracts)	2 876	–	(1 031)	–	(1 859)	(14)
Effect of movements in exchange rates and other	(8)	(5)	(23)	(2)	(1)	(39)
Net closing balance (reinsurance contracts)	(1 211)	554	2 516	19	1 041	2 919
Represented by:						
Closing reinsurance assets	384	348	2 337	14	355	3 438
Closing reinsurance liabilities	(1 595)	206	179	5	686	(519)
Net closing balance (reinsurance contracts)	(1 211)	554	2 516	19	1 041	2 919

Notes to the consolidated financial statements

For the year ended 31 December 2023

G: Analysis of financial and insurance assets and liabilities continued
G2: Insurance and investment contracts continued
G2.5: Analysis of insurance and reinsurance contracts continued
(a) Insurance contracts: Life risk and annuities continued
(iii) Analysis by remaining coverage and incurred claims continued

	Remaining coverage component		Incurred claims component			
			Contracts under the PAA			
Year ended 31 December 2022 Rm	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts not under the PAA	Total
Net opening balance (reinsurance contracts)	(768)	456	2 955	24	1 184	3 851
Represented by:						
Opening reinsurance assets	(249)	456	2 954	24	1 115	4 300
Opening reinsurance liabilities	(519)	–	1	–	69	(449)
Changes in profit or loss						
Allocation of reinsurance premiums paid	(3 475)	–	–	–	–	(3 475)
Amounts recoverable from reinsurers	–	(88)	1 293	4	2 201	3 410
Recoveries of incurred claims and other insurance service expenses	–	–	756	10	2 228	2 994
Recoveries and reversals of recoveries of losses on onerous underlying contracts	–	(88)	–	–	–	(88)
Adjustments to assets for incurred claims	–	–	537	(6)	(27)	504
Net expenses from reinsurance contracts	(3 475)	(88)	1 293	4	2 201	(65)
Net finance income from reinsurance contracts	(115)	33	86	–	–	4
Effect of changes in non-performance risk of reinsurers	(12)	–	–	–	37	25
Total changes in profit or loss	(3 602)	(55)	1 379	4	2 238	(36)
Investment components	–	–	–	–	–	–
Cash flows						
Premiums paid net of ceding commission and other attributable expenses	3 391	–	–	–	–	3 391
Amounts received	–	–	(1 618)	–	(2 440)	(4 058)
Total cash flows (reinsurance contracts)	3 391	–	(1 618)	–	(2 440)	(667)
Effect of movements in exchange rates and other	(2)	(23)	(17)	(3)	–	(45)
Net closing balance (reinsurance contracts)	(981)	378	2 699	25	982	3 103
Represented by:						
Closing reinsurance assets	503	189	2 502	16	280	3 490
Closing reinsurance liabilities	(1 484)	189	197	9	702	(387)
Net closing balance (reinsurance contracts)	(981)	378	2 699	25	982	3 103

(iv) Analysis by measurement component – contracts not measured under the PAA

Year ended 31 December 2023 Rm	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin: Contracts under modified retrospective approach	Contractual service margin: Contracts under fair value approach	Contractual service margin: Other contracts	Total
Net opening balance (reinsurance contracts)	**670**	**321**	**100**	**230**	**(310)**	**1 011**
Represented by:	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**			**Contractual service margin**	**Total**
Opening reinsurance assets	506	43			524	1 073
Opening reinsurance liabilities	164	278			(504)	(62)
Changes in profit or loss						
Changes that relate to current services	**(23)**	**(44)**	**23**	**(165)**	**22**	**(187)**
CSM recognised for services received	–	–	23	(165)	22	(120)
Release of risk adjustment for the risk expired	–	(44)	–	–	–	(44)
Experience adjustments	(23)	–	–	–	–	(23)
Changes that relate to future services	**(498)**	**275**	**(249)**	**18**	**588**	**134**
Contracts initially recognised in the year	50	22	–	–	32	104
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	(8)	–	–	6	32	30
Changes in estimates that adjust the CSM	(540)	253	(249)	12	524	–
Changes that relate to past services						
Adjustment to liabilities for incurred claims	11	1	–	–	–	12
Net income or expenses from reinsurance contracts	**(510)**	**232**	**(226)**	**(147)**	**610**	**(41)**
Net finance income from reinsurance contracts	372	(95)	(183)	1 035	(830)	299
Effect of changes in non-performance risk	–	10	–	–	–	10
Total changes in profit or loss	**(138)**	**147**	**(409)**	**888**	**(220)**	**268**
Cash flows						
Premiums paid net of ceding commission and other attributable expenses	1 372	–	–	–	–	1 372
Amounts received	(1 859)	–	–	–	–	(1 859)
Total cash flows (reinsurance contracts)	**(487)**	**–**	**–**	**–**	**–**	**(487)**
Effect of movements in exchange rates and other	2	1	(1)	–	(2)	–
Net closing balance (reinsurance contracts)	**47**	**469**	**(310)**	**1 118**	**(532)**	**792**
Represented by:	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**			**Contractual service margin**	**Total**
Closing reinsurance assets	512	84			444	1 040
Closing reinsurance liabilities	(465)	385			(168)	(248)
Net closing balance (reinsurance contracts)	**47**	**469**			**276**	**792**

G: Analysis of financial and insurance assets and liabilities continued
G2: Insurance and investment contracts continued
G2.5: Analysis of insurance and reinsurance contracts continued
(a) Insurance contracts: Life risk and annuities continued
(iv) Analysis by measurement component – contracts not measured under the PAA continued

			Contractual service margin			
Year ended 31 December 2022 Rm	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Total
Net opening balance (reinsurance contracts)	1 028	432	(141)	297	(565)	1 051
Represented by:	Estimates of present value of future cash flows	Risk adjustment for non-financial risk			Contractual service margin	Total
Opening reinsurance assets	1 151	426			(448)	1 129
Opening reinsurance liabilities	(123)	6			39	(78)
Changes in profit or loss						
Changes that relate to current services	509	(32)	8	(111)	105	479
CSM recognised for services received	–	–	8	(111)	105	2
Release of risk adjustment for the risk expired	–	(32)	–	–	–	(32)
Experience adjustments	509	–	–	–	–	509
Changes that relate to future services	(240)	(156)	249	(25)	267	95
Contracts initially recognised in the year	271	–	–	–	(271)	–
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	32	1	–	–	62	95
Changes in estimates that adjust the CSM	(543)	(157)	249	(25)	476	–
Changes that relate to past services						
Adjustment to liabilities for incurred claims	(27)	–	–	–	–	(27)
Net income or expenses from reinsurance contracts	242	(188)	257	(136)	372	547
Net finance income from reinsurance contracts	(70)	88	(16)	70	(117)	(45)
Effect of changes in non-performance risk	(1)	(10)	–	(1)	–	(12)
Total changes in profit or loss	171	(110)	241	(67)	255	490
Cash flows						
Premiums paid net of ceding commission and other attributable expenses	1 911	–	–	–	–	1 911
Amounts received	(2 440)	–	–	–	–	(2 440)
Total cash flows (reinsurance contracts)	(529)	–	–	–	–	(529)
Effect of movements in exchange rates and other	–	(1)	–	–	–	(1)
Net closing balance (reinsurance contracts)	670	321	100	230	(310)	1 011
Represented by:	Estimates of present value of future cash flows	Risk adjustment for non-financial risk			Contractual service margin	Total
Closing reinsurance assets	506	43			524	1 073
Closing reinsurance liabilities	164	278			(504)	(62)
Net closing balance (reinsurance contracts)	670	321			20	1 011

(b) Insurance contracts: Life savings

(i) Analysis by remaining coverage and incurred claims

Year ended 31 December 2023 Rm	Liability for remaining coverage Excluding loss component	Liability for remaining coverage Loss component	Liabilities for incurred claims Contracts not under the PAA	Total
Net opening balance (insurance contracts)	(487 064)	(1 114)	(5 158)	(493 336)
Represented by:				
Opening insurance assets	43	–	–	43
Opening insurance liabilities	(487 107)	(1 114)	(5 158)	(493 379)
Changes in profit or loss				
Insurance revenue	10 018	–	–	10 018
Contracts under the modified retrospective approach	4 152	–	–	4 152
Contracts under the fair value approach	3 433	–	–	3 433
Other contracts	2 433	–	–	2 433
Insurance service expenses	(1 307)	(506)	(3 759)	(5 572)
Incurred claims and other insurance service expenses	–	130	(3 742)	(3 612)
Amortisation of insurance acquisition cash flows	(1 307)	–	–	(1 307)
Losses and reversal of losses on onerous contracts	–	(636)	–	(636)
Adjustments to liabilities for incurred claims	–	–	(17)	(17)
Insurance service result	8 711	(506)	(3 759)	4 446
Insurance finance income/(expense)	(77 700)	151	(162)	(77 711)
Total changes in profit or loss	(68 989)	(355)	(3 921)	(73 265)
Investment components	70 585	–	(70 585)	–
Cash flows				
Premiums received	(48 297)	–	–	(48 297)
Insurance acquisition cash flows paid	1 468	–	–	1 468
Insurance claims paid, including investment components	–	–	71 318	71 318
Other expenses paid	–	–	3 243	3 243
Total cash flows (insurance contracts)	(46 829)	–	74 561	27 732
Foreign currency exchange differences and other	15 858	192	26	16 076
Net closing balance (insurance contracts)	(516 439)	(1 277)	(5 077)	(522 793)
Represented by:				
Closing insurance assets	–	–	–	–
Closing insurance liabilities	(516 439)	(1 277)	(5 077)	(522 793)
Net closing balance (insurance contracts)	(516 439)	(1 277)	(5 077)	(522 793)

G: Analysis of financial and insurance assets and liabilities continued
G2: Insurance and investment contracts continued
G2.5: Analysis of insurance and reinsurance contracts continued
(b) Insurance contracts: Life savings continued
(i) Analysis by remaining coverage and incurred claims continued

	Liability for remaining coverage		Liabilities for incurred claims	
Year ended 31 December 2022 **Rm**	Excluding loss component	Loss component	Contracts not under the PAA	Total
Net opening balance (insurance contracts)	(517 730)	(515)	(5 121)	(523 366)
Represented by:				
Opening insurance assets	–	–	–	–
Opening insurance liabilities	(517 730)	(515)	(5 121)	(523 366)
Changes in profit or loss				
Insurance revenue	9 208	–	–	9 208
Contracts under the modified retrospective approach	4 124	–	–	4 124
Contracts under the fair value approach	3 324	–	–	3 324
Other contracts	1 760	–	–	1 760
Insurance service expenses	(1 224)	(618)	(3 765)	(5 607)
Incurred claims and other insurance service expenses	–	111	(3 734)	(3 623)
Amortisation of insurance acquisition cash flows	(1 224)	–	–	(1 224)
Losses and reversal of losses on onerous contracts	–	(729)	–	(729)
Adjustments to liabilities for incurred claims	–	–	(31)	(31)
Insurance service result	7 984	(618)	(3 765)	3 601
Insurance finance expense	(16 084)	–	(55)	(16 139)
Total changes in profit or loss	(8 100)	(618)	(3 820)	(12 538)
Investment components	69 573	–	(69 573)	–
Cash flows				
Premiums received	(46 740)	–	–	(46 740)
Insurance acquisition cash flows paid	1 528	–	–	1 528
Insurance claims paid, including investment components	–	–	70 098	70 098
Other expenses paid	–	–	3 251	3 251
Total cash flows (insurance contracts)	(45 212)	–	73 349	28 137
Foreign currency exchange differences and other	14 405	19	7	14 431
Net closing balance (insurance contracts)	(487 064)	(1 114)	(5 158)	(493 336)
Represented by:				
Closing insurance assets	43	–	–	43
Closing insurance liabilities	(487 107)	(1 114)	(5 158)	(493 379)
Net closing balance (insurance contracts)	(487 064)	(1 114)	(5 158)	(493 336)

(ii) Analysis by measurement component – contracts not measured under the PAA

Year ended 31 December 2023 Rm	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin Contracts under modified retrospective approach	Contractual service margin Contracts under fair value approach	Contractual service margin Other contracts	Total
Net opening balance (insurance contracts)	(463 338)	(1 408)	(8 013)	(17 092)	(3 485)	(493 336)
	Estimates of present value of future cash flows	**Risk adjustment for non-financial risk**			**Contractual service margin**	**Total**
Represented by:						
Opening insurance assets	43	–			–	43
Opening insurance liabilities	(463 381)	(1 408)			(28 590)	(493 379)
Changes in profit or loss						
Changes that relate to current services	1 032	202	2 002	1 308	405	4 949
CSM recognised for services provided	–	–	2 002	1 308	405	3 715
Release of risk adjustment for the risk expired	–	193	–	–	–	193
Experience adjustments	1 032	9	–	–	–	1 041
Changes that relate to future services	3 348	(128)	(1 109)	(1 323)	(1 274)	(486)
Contracts initially recognised in the year	638	(119)	–	–	(750)	(231)
Changes in estimates that adjust the CSM	2 963	(7)	(1 109)	(1 323)	(524)	–
Changes in estimates that result in losses and reversal of losses on onerous contracts	(253)	(2)	–	–	–	(255)
Changes that relate to past services						
Adjustment to liabilities for incurred claims	(16)	(1)	–	–	–	(17)
Insurance service result	4 364	73	893	(15)	(869)	4 446
Insurance finance expense	(76 826)	(18)	–	(832)	(35)	(77 711)
Total changes in profit or loss	(72 462)	55	893	(847)	(904)	(73 265)
Cash flows						
Premiums received	(48 297)	–	–	–	–	(48 297)
Insurance acquisition cash flows paid	1 468	–	–	–	–	1 468
Insurance claims paid, including investment components	71 318	–	–	–	–	71 318
Other expenses paid	3 243	–	–	–	–	3 243
Total cash flows (insurance contracts)	27 732	–	–	–	–	27 732
Effect of movements in exchange rates	15 500	23	–	514	39	16 076
Net closing balance (insurance contracts)	(492 568)	(1 330)	(7 120)	(17 425)	(4 350)	(522 793)
	Estimates of present value of future cash flows	**Risk adjustment for non-financial risk**			**Contractual service margin**	**Total**
Represented by:						
Closing insurance assets	–	–			–	–
Closing insurance liabilities	(492 568)	(1 330)			(28 895)	(522 793)
Net closing balance (insurance contracts)	(492 568)	(1 330)			(28 895)	(522 793)

Notes to the consolidated financial statements

For the year ended 31 December 2023

G: Analysis of financial and insurance assets and liabilities continued

G2: Insurance and investment contracts continued

G2.5: Analysis of insurance and reinsurance contracts continued

(b) Insurance contracts: Life savings continued

(ii) Analysis by measurement component – contracts not measured under the PAA continued

			Contractual service margin			
Year ended 31 December 2022 **Rm**	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Total
Net opening balance (insurance contracts)	(492 084)	(1 478)	(9 100)	(17 381)	(3 323)	(523 366)
Represented by:	Estimates of present value of future cash flows	Risk adjustment for non-financial risk			Contractual service margin	Total
Opening insurance assets	–	–			–	–
Opening insurance liabilities	(492 084)	(1 478)			(29 804)	(523 366)
Changes in profit or loss						
Changes that relate to current services	425	209	2 136	1 269	321	4 360
CSM recognised for services provided	–	–	2 136	1 269	321	3 726
Release of risk adjustment for the risk expired	–	201	–	–	–	201
Experience adjustments	425	8	–	–	–	433
Changes that relate to future services	2 081	(190)	(1 049)	(1 086)	(484)	(728)
Contracts initially recognised in the year	438	(100)	–	–	(586)	(248)
Changes in estimates that adjust the CSM	2 104	(71)	(1 049)	(1 086)	102	–
Changes in estimates that result in losses and reversal of losses on onerous contracts	(461)	(19)	–	–	–	(480)
Changes that relate to past services						
Adjustment to liabilities for incurred claims	(47)	16	–	–	–	(31)
Insurance service result	2 459	35	1 087	183	(163)	3 601
Insurance finance (expense)/income	(15 971)	2	–	(166)	(4)	(16 139)
Total changes in profit or loss	(13 512)	37	1 087	17	(167)	(12 538)
Cash flows						
Premiums received	(46 740)	–	–	–	–	(46 740)
Insurance acquisition cash flows paid	1 528	–	–	–	–	1 528
Insurance claims paid, including investment components	70 098	–	–	–	–	70 098
Other expenses paid	3 251	–	–	–	–	3 251
Total cash flows (insurance contracts)	28 137	–	–	–	–	28 137
Effect of movements in exchange rates	14 121	33	–	272	5	14 431
Net closing balance (insurance contracts)	(463 338)	(1 408)	(8 013)	(17 092)	(3 485)	(493 336)
Represented by:	Estimates of present value of future cash flows	Risk adjustment for non-financial risk			Contractual service margin	Total
Closing insurance assets	43	–			–	43
Closing insurance liabilities	(463 381)	(1 408)			(28 590)	(493 379)
Net closing balance (insurance contracts)	(463 338)	(1 408)			(28 590)	(493 336)

(c) Insurance contracts: Property and casualty

(i) Analysis by remaining coverage and incurred claims

Year ended 31 December 2023 Rm	Liability for remaining coverage: Excluding loss component	Liability for remaining coverage: Loss component	Liabilities for incurred claims – Contracts under the PAA: Estimates of present value of future cash flows	Liabilities for incurred claims – Contracts under the PAA: Risk adjustment for non-financial risk	Total
Net opening balance (insurance contracts)	**(1 540)**	**(157)**	**(6 896)**	**(610)**	**(9 203)**
Represented by:					
Opening insurance assets	8	–	(4)	–	4
Opening insurance liabilities	(1 548)	(157)	(6 892)	(610)	(9 207)
Changes in profit or loss					
Insurance revenue	25 613	–	–	–	25 613
Other contracts	25 613	–	–	–	25 613
Insurance service expenses	(3 923)	48	(18 490)	123	(22 242)
Incurred claims and other insurance service expenses	–	–	(18 730)	(145)	(18 875)
Amortisation of insurance acquisition cash flows	(3 923)	–	–	–	(3 923)
Losses and reversal of losses on onerous contracts	–	48	–	–	48
Adjustments to liabilities for incurred claims	–	–	240	268	508
Insurance service result	21 690	48	(18 490)	123	3 371
Insurance finance (expense)/income	(24)	–	(257)	(17)	(298)
Total changes in profit or loss	**21 666**	**48**	**(18 747)**	**106**	**3 073**
Investment components	13	–	(13)	–	–
Cash flows					
Premiums received	(26 513)	–	(180)	–	(26 693)
Insurance acquisition cash flows paid	4 117	–	–	–	4 117
Insurance claims paid, including investment components	–	–	17 225	–	17 225
Other expenses paid	–	–	816	–	816
Total cash flows (insurance contracts)	**(22 396)**	**–**	**17 861**	**–**	**(4 535)**
Foreign currency exchange differences and other	94	5	237	13	349
Net closing balance (insurance contracts)	**(2 163)**	**(104)**	**(7 558)**	**(491)**	**(10 316)**
Represented by:					
Closing insurance assets	144	–	(70)	(2)	72
Closing insurance liabilities	(2 307)	(104)	(7 488)	(489)	(10 388)
Net closing balance (insurance contracts)	**(2 163)**	**(104)**	**(7 558)**	**(491)**	**(10 316)**

G: Analysis of financial and insurance assets and liabilities continued
G2: Insurance and investment contracts continued
G2.5: Analysis of insurance and reinsurance contracts continued
(c) Insurance contracts: Property and casualty continued
(i) Analysis by remaining coverage and incurred claims continued

Year ended 31 December 2022 Rm	Liability for remaining coverage		Liabilities for incurred claims Contracts under the PAA		
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Net opening balance (insurance contracts)	(1 742)	(140)	(7 220)	(503)	(9 605)
Represented by:					
Opening insurance assets	6	–	(2)	(1)	3
Opening insurance liabilities	(1 748)	(140)	(7 218)	(502)	(9 608)
Changes in profit or loss					
Insurance revenue	22 419	–	–	–	22 419
Other contracts	22 419	–	–	–	22 419
Insurance service expenses	(3 264)	(17)	(17 493)	(59)	(20 833)
Incurred claims and other insurance service expenses	–	–	(17 172)	–	(17 172)
Amortisation of insurance acquisition cash flows	(3 264)	–	–	–	(3 264)
Losses and reversal of losses on onerous contracts	–	(17)	–	–	(17)
Adjustments to liabilities for incurred claims	–	–	(321)	(59)	(380)
Insurance service result	19 155	(17)	(17 493)	(59)	1 586
Insurance finance expense	(16)	–	(59)	(49)	(124)
Total changes in profit or loss	19 139	(17)	(17 552)	(108)	1 462
Cash flows					
Premiums received	(22 271)	–	–	–	(22 271)
Insurance acquisition cash flows paid	3 323	–	–	–	3 323
Insurance claims paid, including investment components	–	–	17 045	–	17 045
Other expenses paid	–	–	792	–	792
Total cash flows (insurance contracts)	(18 948)	–	17 837	–	(1 111)
Foreign currency exchange differences and other	11	–	39	1	51
Net closing balance (insurance contracts)	(1 540)	(157)	(6 896)	(610)	(9 203)
Represented by:					
Closing insurance assets	8	–	(4)	–	4
Closing insurance liabilities	(1 548)	(157)	(6 892)	(610)	(9 207)
Net closing balance (insurance contracts)	(1 540)	(157)	(6 896)	(610)	(9 203)

(ii) Analysis by remaining coverage and incurred claims

Year ended 31 December 2023 Rm	Remaining coverage component		Incurred claims component		
	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Net opening balance (reinsurance contracts)	591	22	3 236	216	4 065
Represented by:					
Opening reinsurance assets	588	21	3 759	213	4 581
Opening reinsurance liabilities	3	1	(523)	3	(516)
Changes in profit or loss					
Allocation of reinsurance premiums paid	(5 164)	–	–	–	(5 164)
Amounts recoverable from reinsurers	–	(4)	2 429	253	2 678
Recoveries of incurred claims and other insurance service expenses	–	–	2 902	47	2 949
Recoveries and reversals of recoveries of losses on onerous underlying contracts	–	(4)	–	–	(4)
Adjustments to assets for incurred claims	–	–	(473)	206	(267)
Net expenses from reinsurance contracts	(5 164)	(4)	2 429	253	(2 486)
Net finance income from reinsurance contracts	3	(1)	113	39	154
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–
Total changes in profit or loss	(5 161)	(5)	2 542	292	(2 332)
Investment components	(235)	–	235	–	–
Cash flows					
Premiums paid net of ceding commission and other attributable expenses	3 933	–	199	–	4 132
Amounts received	–	–	(1 590)	–	(1 590)
Total cash flows (reinsurance contracts)	3 933	–	(1 391)	–	2 542
Effect of movements in exchange rates and other	(9)	–	(86)	(7)	(102)
Net closing balance (reinsurance contracts)	(881)	17	4 536	501	4 173
Represented by:					
Closing reinsurance assets	(326)	26	5 159	501	5 360
Closing reinsurance liabilities	(555)	(9)	(623)	–	(1 187)
Net closing balance (reinsurance contracts)	(881)	17	4 536	501	4 173

G: Analysis of financial and insurance assets and liabilities continued
G2: Insurance and investment contracts continued
G2.5: Analysis of insurance and reinsurance contracts continued
(c) Insurance contracts: Property and casualty continued
(ii) Analysis by remaining coverage and incurred claims continued

Year ended 31 December 2022 Rm	Remaining coverage component Excluding loss recovery component	Remaining coverage component Loss recovery component	Incurred claims component Estimates of present value of future cash flows	Incurred claims component Risk adjustment for non-financial risk	Total
Net opening balance (reinsurance contracts)	(952)	33	4 595	265	3 941
Represented by:					
Opening reinsurance assets	(209)	29	3 690	261	3 771
Opening reinsurance liabilities	(743)	4	905	4	170
Changes in profit or loss					
Allocation of reinsurance premiums paid	(4 558)	–	–	–	(4 558)
Amounts recoverable from reinsurers	–	(7)	3 718	(49)	3 662
Recoveries of incurred claims and other insurance service expenses	–	–	3 747	–	3 747
Recoveries and reversals of recoveries of losses on onerous underlying contracts	–	(7)	–	–	(7)
Adjustments to assets for incurred claims	–	–	(29)	(49)	(78)
Net expenses from reinsurance contracts	(4 558)	(7)	3 718	(49)	(896)
Net finance income from reinsurance contracts	(1)	(3)	65	2	63
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–
Total changes in profit or loss	(4 559)	(10)	3 783	(47)	(833)
Investment components	–	–	–	–	–
Cash flows					
Premiums paid net of ceding commission and other attributable expenses	6 107	–	–	–	6 107
Amounts received	–	–	(5 128)	–	(5 128)
Total cash flows (reinsurance contracts)	6 107	–	(5 128)	–	979
Effect of movements in exchange rates and other	(5)	(1)	(14)	(2)	(22)
Net closing balance (reinsurance contracts)	591	22	3 236	216	4 065
Represented by:					
Closing reinsurance assets	588	21	3 759	213	4 581
Closing reinsurance liabilities	3	1	(523)	3	(516)
Net closing balance (reinsurance contracts)	591	22	3 236	216	4 065

G2.6: Effect of contracts initially recognised in the year

The following table summarises the effect on the measurement components of insurance and reinsurance contracts arising from the initial recognition of contracts not measured under the PAA that were initially recognised during the year:

Year ended 31 December 2023 Rm	Profitable contracts issued	Onerous contracts issued	Total insurance contracts issued
Insurance contracts: Life risk and annuities			
Insurance acquisition cash flows	(2 822)	(2 332)	(5 154)
Claims and other insurance service expenses payable	(12 123)	(3 740)	(15 863)
Estimate of present value of cash outflows	(14 945)	(6 072)	(21 017)
Estimate of present value of cash inflows	17 877	5 603	23 480
Risk adjustment for non-financial risk	(459)	(295)	(754)
Contractual service margin	(2 473)	–	(2 473)
Losses recognised on initial recognition	–	(764)	(764)

Year ended 31 December 2023 Rm	Contracts initiated without loss-recovery component	Contracts initiated with loss-recovery component	Total reinsurance contracts issued
Reinsurance contracts: Life risk and annuities			
Estimate of present value of cash outflows	(76)	(751)	(827)
Estimate of present value of cash inflows	70	807	877
Risk adjustment for non-financial risk	3	19	22
Contractual service margin	3	29	32
Income recognised on initial recognition	–	104	104

Year ended 31 December 2022 Rm	Profitable contracts issued	Onerous contracts issued	Total insurance contracts issued
Insurance contracts: Life risk and annuities			
Insurance acquisition cash flows	(2 432)	(2 276)	(4 708)
Claims and other insurance service expenses payable	(9 805)	(3 090)	(12 895)
Estimate of present value of cash outflows	(12 237)	(5 366)	(17 603)
Estimate of present value of cash inflows	15 268	4 885	20 153
Risk adjustment for non-financial risk	(391)	(269)	(660)
Contractual service margin	(2 640)	–	(2 640)
Losses recognised on initial recognition	–	(750)	(750)

Year ended 31 December 2022 Rm	Contracts initiated without loss-recovery component	Contracts initiated with loss-recovery component	Total reinsurance contracts issued
Reinsurance contracts: Life risk and annuities			
Estimate of present value of cash outflows	(94)	(642)	(736)
Estimate of present value of cash inflows	85	922	1 007
Risk adjustment for non-financial risk	3	(3)	–
Contractual service margin	6	(277)	(271)
Income recognised on initial recognition	–	–	–

G: Analysis of financial and insurance assets and liabilities continued
G2: Insurance and investment contracts continued
G2.6: Effect of contracts initially recognised in the year continued

The following table summarises the effect on the measurement components of insurance and reinsurance contracts arising from the initial recognition of contracts not measured under the PAA that were initially recognised during the year:

Year ended 31 December 2023 Rm	Profitable contracts issued	Onerous contracts issued	Total insurance contracts issued
Insurance contracts: Life savings			
Insurance acquisition cash flows	**(701)**	**(542)**	**(1 243)**
Claims and other insurance service expenses payable	**(16 439)**	**(8 952)**	**(25 391)**
Estimate of present value of cash outflows	**(17 140)**	**(9 494)**	**(26 634)**
Estimate of present value of cash inflows	**17 967**	**9 305**	**27 272**
Risk adjustment for non-financial risk	**(77)**	**(42)**	**(119)**
Contractual service margin	**(750)**	**–**	**(750)**
Losses recognised on initial recognition	**–**	**(231)**	**(231)**

Year ended 31 December 2022 Rm	Profitable contracts issued	Onerous contracts issued	Total insurance contracts issued
Insurance contracts: Life savings			
Insurance acquisition cash flows	(522)	(645)	(1 167)
Claims and other insurance service expenses payable	(13 094)	(8 963)	(22 057)
Estimate of present value of cash outflows	(13 616)	(9 608)	(23 224)
Estimate of present value of cash inflows	14 255	9 407	23 662
Risk adjustment for non-financial risk	(53)	(47)	(100)
Contractual service margin	(586)	–	(586)
Losses recognised on initial recognition	–	(248)	(248)

G2.7: Contractual service margin maturity analysis

The following table illustrates when the Group expects to realise the remaining CSM as revenue for contracts not measured under the PAA:

Year ended 31 December 2023 Rm	Less than one year	One to five years	Six to 10 years	More than 10 years	Total
Insurance contracts					
Total life	**(6 790)**	**(20 091)**	**(15 053)**	**(20 434)**	**(62 368)**
Life risk and annuities	**(3 358)**	**(9 813)**	**(7 798)**	**(12 504)**	**(33 473)**
Life savings	**(3 432)**	**(10 278)**	**(7 255)**	**(7 930)**	**(28 895)**
Total insurance contracts	**(6 790)**	**(20 091)**	**(15 053)**	**(20 434)**	**(62 368)**
Reinsurance contracts					
Total life	**70**	**178**	**67**	**(39)**	**276**
Life risk and annuities	**70**	**178**	**67**	**(39)**	**276**
Life savings	**–**	**–**	**–**	**–**	**–**
Total reinsurance contracts	**70**	**178**	**67**	**(39)**	**276**

Year ended 31 December 2022 Rm	Less than one year	One to five years	Six to 10 years	More than 10 years	Total
Insurance contracts					
Total life	(6 443)	(19 234)	(14 442)	(19 702)	(59 821)
Life risk and annuities	(3 073)	(9 107)	(7 294)	(11 757)	(31 231)
Life savings	(3 370)	(10 127)	(7 148)	(7 945)	(28 590)
Total insurance contracts	(6 443)	(19 234)	(14 442)	(19 702)	(59 821)
Reinsurance contracts					
Total life	–	11	19	(10)	20
Life risk and annuities	–	11	19	(10)	20
Life savings	–	–	–	–	–
Total reinsurance contracts	–	11	19	(10)	20

G2.8: Non-life claims development

The following tables illustrate the development of gross and net insurance cumulative claims for the past five financial periods, including the impact of re-estimation of claims provisions at the end of each financial year for the Property and casualty businesses. The first table shows actual gross cumulative claims and the second shows actual net cumulative claims:

Estimate of cumulative claims gross of reinsurance

Financial year Rm	Total	2023	2022	2021	2020	2019	2018 and prior
At the end of the year	**54 151**	**10 303**	**12 614**	**8 799**	**12 330**	**10 105**	**–**
One year later	**42 104**	**–**	**12 778**	**8 726**	**11 049**	**9 551**	**–**
Two years later	**29 622**	**–**	**–**	**9 205**	**11 084**	**9 333**	**–**
Three years later	**19 775**	**–**	**–**	**–**	**10 881**	**8 894**	**–**
Four years later	**9 286**	**–**	**–**	**–**	**–**	**9 286**	**–**
Five years later	**65 189**	**–**	**–**	**–**	**–**	**–**	**65 189**
	117 642	**10 303**	**12 778**	**9 205**	**10 881**	**9 286**	**65 189**
Cumulative payments	**(112 281)**	**(7 214)**	**(11 499)**	**(8 954)**	**(10 464)**	**(9 158)**	**(64 992)**
Estimated balance to pay	**5 360**	**3 089**	**1 279**	**251**	**416**	**128**	**197**
Effect of discounting	**(438)**						
Claims development excluded for which uncertainty about the amount and timing of the claims payments is considered insignificant	**3 127**						
Gross liabilities for incurred claims included in the statement of financial position	**8 049**						

G: Analysis of financial and insurance assets and liabilities continued

G2: Insurance and investment contracts continued

G2.8: Non-life claims development continued

Estimate of cumulative claims gross of reinsurance

Financial year Rm	Total	2022	2021	2020	2019	2018	2017 and prior
At the end of the year	48 056	12 251	8 984	10 710	9 684	6 427	–
One year later	34 856	–	8 862	9 535	8 737	7 722	–
Two years later	25 948	–	–	9 507	8 746	7 695	–
Three years later	16 196	–	–	–	8 449	7 747	–
Four years later	7 633	–	–	–	–	7 633	–
Five years later	53 431	–	–	–	–	–	53 431
	100 133	12 251	8 862	9 507	8 449	7 633	53 431
Cumulative payments	(94 752)	(8 316)	(8 325)	(9 010)	(8 294)	(7 497)	(53 310)
Estimated balance to pay	5 381	3 935	537	497	155	136	121
Effect of discounting	(709)						
Claims development excluded for which uncertainty about the amount and timing of the claims payments is considered insignificant	2 834						
Gross liabilities for incurred claims included in the statement of financial position	7 506						

The following tables illustrate the development of gross and net insurance cumulative claims for the past five financial periods, including the impact of re-estimation of claims provisions at the end of each financial year for the Property and casualty businesses. The first table shows actual gross cumulative claims and the second shows actual net cumulative claims:

Estimate of cumulative claims net of reinsurance

Financial year Rm	Total	2023	2022	2021	2020	2019	2018 and prior
At the end of the year	**32 363**	**6 738**	**8 862**	**2 380**	**7 614**	**6 769**	**–**
One year later	**22 448**	**–**	**7 715**	**2 734**	**6 888**	**5 111**	**–**
Two years later	**15 490**	**–**	**–**	**3 878**	**6 574**	**5 038**	**–**
Three years later	**10 310**	**–**	**–**	**–**	**5 886**	**4 424**	**–**
Four years later	**4 818**	**–**	**–**	**–**	**–**	**4 818**	**–**
Five years later	**48 808**	**–**	**–**	**–**	**–**	**–**	**48 808**
	77 843	**6 738**	**7 715**	**3 878**	**5 886**	**4 818**	**48 808**
Cumulative payments	**(74 516)**	**(4 540)**	**(6 978)**	**(3 945)**	**(5 612)**	**(4 768)**	**(48 673)**
Estimated balance to pay	**3 327**	**2 198**	**737**	**(67)**	**274**	**50**	**135**
Effect of discounting	**(427)**						
Claims development excluded for which uncertainty about the amount and timing of the claims payments is considered insignificant	**112**						
Net liabilities for incurred claims included in the statement of financial position	**3 012**						

Financial year Rm	Total	2022	2021	2020	2019	2018	2017 and prior
	Estimate of cumulative claims net of reinsurance						
At the end of the year	28 374	6 726	5 296	4 779	5 660	5 913	–
One year later	18 374	–	4 662	4 031	5 231	4 450	–
Two years later	13 993	–	–	4 371	5 115	4 507	–
Three years later	9 373	–	–	–	4 915	4 458	–
Four years later	4 417	–	–	–	–	4 417	–
Five years later	41 123	–	–	–	–	–	41 123
	66 214	6 726	4 662	4 371	4 915	4 417	41 123
Cumulative payments	(64 116)	(4 490)	(4 719)	(4 511)	(4 947)	(4 379)	(41 070)
Estimated balance to pay	2 098	2 236	(57)	(140)	(32)	38	53
Effect of discounting	(130)						
Claims development excluded for which uncertainty about the amount and timing of the claims payments is considered insignificant	2 086						
Net liabilities for incurred claims included in the statement of financial position	4 054						

G2.9: Investment contract liabilities

The following table reconciles the movements of the Group's investment contracts:

Year ended 31 December Rm	2023	2022
Opening balance	**195 404**	205 269
Contributions received	**32 138**	22 301
Maturities, withdrawals and surrenders	**(24 887)**	(27 171)
Fair value movements	**25 295**	(5 987)
Foreign exchange and other movements	**2 679**	992
Balance at end of the year	**230 629**	195 404

Notes to the consolidated financial statements

For the year ended 31 December 2023

G: Analysis of financial and insurance assets and liabilities continued

G2: Insurance and investment contracts continued

G2.10: Maturity analysis

The following table shows a maturity analysis of cash flows for participating insurance contracts and risk insurance and reinsurance contracts which reflects the dates on which the cash flows are expected to occur, for portfolios which are in a liability position.

This analysis does not include the liability for remaining coverage for contracts measured under the PAA.

The maturity analysis for investment contracts reflects the contractual maturity dates. The majority of investment contracts are open ended and have no fixed maturity date. These contracts are included in the one year or less category.

	Undiscounted cash flows						
Year ended 31 December 2023 Rm	**One year or less**	**One to two years**	**Two to three years**	**Three to four years**	**Four to five years**	**More than five years**	**Total**
Net policyholder cash flows							
Insurance contract cash flows	**(63 590)**	**(54 993)**	**(58 662)**	**(63 182)**	**(67 498)**	**(4 548 158)**	**(4 856 083)**
Life risk and annuities	**(3 897)**	**(3 544)**	**(3 926)**	**(4 236)**	**(4 704)**	**(252 851)**	**(273 158)**
Life savings	**(57 117)**	**(51 153)**	**(54 617)**	**(58 867)**	**(62 749)**	**(4 295 203)**	**(4 579 706)**
Property and casualty	**(2 576)**	**(296)**	**(119)**	**(79)**	**(45)**	**(104)**	**(3 219)**
Reinsurance contract cash flows	**589**	**(69)**	**(72)**	**(86)**	**(85)**	**7 164**	**7 441**
Life risk and annuities	**(109)**	**(108)**	**(112)**	**(102)**	**(90)**	**7 162**	**6 641**
Property and casualty	**698**	**39**	**40**	**16**	**5**	**2**	**800**
Investment contract cash flows	**(230 866)**	**(568)**	**(2 395)**	**(3 588)**	**(3 964)**	**(227)**	**(241 608)**
Unit-linked investment contracts and similar contracts	**(212 864)**	**–**	**–**	**–**	**–**	**–**	**(212 864)**
Other investment contracts	**(18 002)**	**(568)**	**(2 395)**	**(3 588)**	**(3 964)**	**(227)**	**(28 744)**
Net policyholder cash flows	**(293 867)**	**(55 630)**	**(61 129)**	**(66 856)**	**(71 547)**	**(4 541 221)**	**(5 090 250)**

	Undiscounted cash flows						
Year ended 31 December 2022 Rm	One year or less	One to two years	Two to three years	Three to four years	Four to five years	More than five years	Total
Net policyholder cash flows							
Insurance contract cash flows	(63 236)	(50 151)	(49 276)	(50 879)	(54 237)	(2 861 526)	(3 129 305)
Life risk and annuities	(4 438)	(3 053)	(3 083)	(3 425)	(3 696)	(219 053)	(236 748)
Life savings	(51 486)	(46 772)	(46 006)	(47 371)	(50 403)	(2 642 412)	(2 884 450)
Property and casualty	(7 312)	(326)	(187)	(83)	(138)	(61)	(8 107)
Reinsurance contract cash flows	(1 573)	(19)	(31)	(32)	(36)	14 058	12 367
Life risk and annuities	(23)	(19)	(31)	(32)	(36)	14 058	13 917
Property and casualty	(1 550)	–	–	–	–	–	(1 550)
Investment contract cash flows	(196 477)	(248)	(578)	(2 514)	(3 713)	(263)	(203 793)
Unit-linked investment contracts and similar contracts	(181 558)	–	–	–	–	–	(181 558)
Other investment contracts	(14 919)	(248)	(578)	(2 514)	(3 713)	(263)	(22 235)
Net policyholder cash flows	(261 286)	(50 418)	(49 885)	(53 425)	(57 986)	(2 847 731)	(3 320 731)

Life risk and annuities and Property and casualty contracts have zero amounts payable on demand.

Unit-linked and similar investment contract policyholders have the option to terminate or transfer their contracts at any time and to receive the surrender or transfer value of their policies, being the policyholders' account values less applicable surrender fees. Although these liabilities are payable on demand, the Group does not expect all these amounts to be paid out within one year of the reporting date.

For life savings contracts with a carrying value of R493 billion (2022: R463 billion), the amount payable on demand as at 31 December 2023 is R319 billion (2022: R266 billion).

G3: Borrowed funds

At 31 December 2023 Rm	Notes	Mass and Foundation Cluster	Old Mutual Insure	Old Mutual Africa Regions	Other Group activities	Total
Term loans	G3(a)	**2 350**	**–**	**2 659**	**–**	**5 009**
Revolving credit facilities	G3(b)	**–**	**–**	**590**	**–**	**590**
Subordinated debt securities	G3(c)	**–**	**–**	**–**	**10 486**	**10 486**
Total borrowed funds		**2 350**	**–**	**3 249**	**10 486**	**16 085**

At 31 December 2022 Rm	Notes	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

Included in the amounts shown above is R4 860 million (2022: R3 954 million) regarded as current, with the remainder regarded as non-current.

Maturity analysis

The table below provides the maturity profile of the anticipated future cash flows, based on contractual maturity dates for borrowed funds, including interest. It is presented on an undiscounted basis, and will therefore, differ from both the carrying value and fair value of borrowed funds:

At 31 December Rm	2023	2022
Less than one year	**4 860**	3 954
Greater than one year and less than five years	**13 336**	14 396
Greater than five years	**1 907**	284
Total	**20 103**	18 634

Analysis of borrowed funds

(a) Term loans

At 31 December Rm	Maturity date	2023	2022
Floating rate loans			
R1 400 million at three-month JIBAR + 2.05%	Repaid	**–**	1 400
R600 million at three-month JIBAR + 1.90%	Repaid	**–**	600
R1 050 million at three-month JIBAR + 2.20%	Repaid	**–**	1 050
R900 million at three-month JIBAR + 2.22%	Repaid	**–**	900
R800 million at JIBAR + 1.23%	December 2025	**800**	–
R800 million at JIBAR + 1.28%	June 2026	**800**	–
R750 million at JIBAR + 1.33%	December 2026	**750**	–
KES5.0 billion 182 days treasury bill + 4.1% per annum	February 2024	**620**	723
US$10 million six-month USD LIBOR + 6.75%	Repaid	**–**	114
US$18.3 million at 12.2%	Repaid	**–**	320
US$90 million LIBOR + 5%	November 2026	**993**	982
KES1.0 billion at Absa Bank Prime + 2%	October 2024	**98**	118
US$11.8 million at LIBOR + 4.5%	August 2028	**124**	138
KES250 million at 11.25%	November 2024	**29**	2
MWK4.5 billion at 1.1% above Lombard rate	September 2028	**34**	60
US$5 million at six-month LIBOR + 6%	Repaid	**–**	6
US$5 million at six-month LIBOR + 6.5%	Repaid	**–**	6
Fixed rate loans			
US$17.720 million at 4.103%	February 2028	**307**	305
US$6 million at 9.50%	June 2024	**25**	45
US$25 million at 10.7%	January 2024	**429**	–
US$9.6 million at 12.37%	Repaid	**–**	20
Total term loans		**5 009**	6 789

G: Analysis of financial and insurance assets and liabilities continued
G3: Borrowed funds continued
Analysis of borrowed funds continued
(b) Revolving credit facilities

At 31 December Rm	Maturity date	2023	2022
N$800 million at prime overdraft rate less 1.00%	April 2024	**590**	650
R1 000 million facility at three-month JIBAR + 2.15%	Repaid	**–**	250
Total revolving credit facilities utilised		**590**	900

The Group had access to a R1 000 million revolving credit facility which matured in July 2023.

The Group has access to a revolving credit facility from Stanbic of KES1 000 million (2022: KES1 000 million). At 31 December 2023, this facility was undrawn (2022: undrawn).

The Group has access to an unsecured revolving credit facility from Standard Bank Namibia Limited of N$800 million (2022: N$800million). At 31 December 2023, N$590 million was drawn (2022: N$650 million).

(c) Subordinated debt securities

At 31 December Rm	Tier	Maturity date	2023	2022
Non-banking				
R500 million at three-month JIBAR + 1.55%	Tier 2	October 2027	**500**	500
R1 110 million at three-month JIBAR + 1.55%	Tier 2	June 2027	**1 114**	1 110
R1 500 million at three-month JIBAR + 1.54%	Tier 2	September 2026	**1 512**	1 506
R2 000 million at three-month JIBAR + 1.55%	Tier 2	June 2024	**2 005**	2 010
R1 150 million at 10.96%	Tier 2	March 2030	**1 175**	1 208
R623 million at 11.35%	Tier 2	September 2030	**647**	660
R2 000 million at three-month JIBAR + 1.93%	Tier 2	November 2025	**2 027**	2 030
R859 million at three-month JIBAR + 1.50%	Tier 2	May 2028	**865**	–
R641 million at three-month JIBAR + 1.34%	Tier 2	November 2028	**641**	–
Total net subordinated debt securities			**10 486**	9 024

On 23 May 2023 and 3 November 2023, Old Mutual Life Assurance Company (South Africa) Limited (OMLAC(SA)) issued a R859 million and R641 million 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 three-month Johannesburg Interbank Average Rate (JIBAR) plus 150 bps and 134 bps, payable quarterly in arrears. The maturity date of this instruments is 28 May 2028 and 3 November 2028. No subordinated debt instruments have been redeemed in the current period.

Other movements in borrowed funds were as follows: R4 110 million (2022: R1 783 million) of term loans and revolving credit facilities were issued and R6 329 million (2022: R1 474 million) was redeemed.

(d) Reconciliation of borrowed funds arising from financing activities

Year ended 31 December Rm	2023	2022
Balance at the beginning of the year	**16 713**	17 506
Changes from financing cash flows	**(1 768)**	(123)
Proceeds from issue of new borrowed funds	**5 610**	3 404
Proceeds from issue of term loans	**3 910**	1 533
Proceeds from issue of revolving credit facilities	**200**	250
Proceeds from issue of subordinated debt securities	**1 500**	1 621
Redemption of borrowed funds	**(6 329)**	(2 960)
Redemption of term loans	**(5 819)**	(1 124)
Redemption of revolving credit facilities	**(510)**	(350)
Redemption of subordinated debt securities	**–**	(1 486)
Interest paid	**(1 049)**	(567)
Non-cash changes	**1 140**	(670)
Fair value changes	**(40)**	(125)
Effect of changes in foreign exchange rates	**128**	(1 201)
Accrued interest	**1 052**	656
Balance at the of the year	**16 085**	16 713

G: Analysis of financial and insurance assets and liabilities continued

G3: Borrowed funds continued

Breaches of covenants

As at 31 December 2023, the financial covenants on two existing loans were in breach. The funding was raised to support operations in the Old Mutual Africa Regions segment.

The loans in breach totalled R142 million (US$7.7 million) (2022: R553 million (US$32.5 million)). The Group is still in negotiation with lenders for formal waivers. The lenders of these breached loans have the right to call the outstanding amounts at any time. At 31 December 2023, none of these breached loans have been called on as they are being serviced.

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

G4: Amounts owed to bank depositors

In the banking businesses, the Group receives cash from bank depositors. The depositors receive interest on the amounts owed depending on the value of the amount borrowed and the terms of the deposit.

The table below provides the maturity profile of the anticipated future cash flows, based on contractual maturity dates for amounts owed to bank depositors, including interest. It is presented on an undiscounted basis, and will therefore, differ from the carrying amount of amounts owed to bank depositors:

At 31 December 2023 Rm	**Carrying amount**	**Less than three months**	**More than three months less than one year**	**Between one and five years**	**More than five years**	**Total**
Current accounts	**22**	**22**	**–**	**–**	**–**	**22**
Savings deposits	**3 448**	**3 448**	**–**	**–**	**–**	**3 448**
Other deposits and loan accounts	**1 544**	**616**	**886**	**42**	**–**	**1 544**
Negotiable certificates of deposit	**125**	**125**	**–**	**–**	**–**	**125**
Amounts owed to bank depositors	**5 139**	**4 211**	**886**	**42**	**–**	**5 139**

At 31 December 2022 Rm	Carrying amount	Less than three months	More than three months less than one year	Between one and five years	More than five years	Total
Savings deposits	691	259	–	1	431	691
Other deposits and loan accounts	1 798	702	1 046	50	–	1 798
Negotiable certificates of deposit	2 217	2 185	32	–	–	2 217
Amounts owed to bank depositors	4 706	3 146	1 078	51	431	4 706

H: Non-financial assets and liabilities

H1: Goodwill and other intangible assets

Goodwill arises on the acquisition of a business and represents the premium of the amount paid over the fair value of identifiable assets and liabilities. Other intangible assets include those assets which were initially recognised on a business combination and software development costs related to amounts recognised for in-house systems development.

(a) Goodwill and goodwill impairment

Goodwill arising on the acquisition of a subsidiary undertaking is recognised as an asset at the date that control is achieved (the acquisition date). Goodwill is measured as the excess of, the aggregate of (i) the consideration transferred, (ii) the amount of any non-controlling interest in the acquiree, and (iii) if the business combination is achieved in stages, the acquisition date fair value of the acquirers previously held equity interest, over the net of the acquisition amounts of the identifiable assets acquired and the liabilities assumed. If the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any), this excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairments at least once annually. Any impairment losses are recognised immediately in other operating and administrative expenses in profit or loss and are not subsequently reversed.

On loss of control of a subsidiary undertaking, any attributable goodwill is included in the determination of any profit or loss on disposal. On disposal of a business, where goodwill on acquisition is allocated to the entire cash-generating unit (CGU), goodwill is allocated to the disposal on a relative basis.

Goodwill is allocated to one or more CGUs, being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each unit or group of units to which goodwill has been allocated is not larger than an operating segment as defined by IFRS 8.5 before aggregation.

H: Non-financial assets and liabilities continued

H1: Goodwill and other intangible assets continued

(b) Other intangible assets acquired as part of a business combination

Contractual banking and asset management customer relationships, relationships with distribution channels and similar intangible assets, acquired as a part of a business combination, are capitalised at their fair value, represented by the estimated net present value of the future cash flows from the relevant relationships acquired at the date of acquisition.

Brands and similar items acquired as part of a business combination are capitalised at their fair value based on a 'relief from royalty' valuation methodology.

Subsequent to initial recognition, such acquired intangible assets are amortised on a straight-line basis over their estimated useful lives as set out below:

Distribution channels	10 years
Customer relationships	10 years
Brands	15 – 20 years

The estimated useful life is re-evaluated at each reporting period.

Other intangible assets acquired in a business combination are impaired if the carrying value is greater than the net recoverable amount. The net recoverable amount is measured using the higher of the fair value less costs to sell and the value-in-use. Value-in-use is the present value of projected cash flows covering the remaining useful life of the asset. An impairment loss is recognised in profit or loss immediately.

(c) Internally developed software

Internally developed software (software) is amortised over its estimated useful life, where applicable. Such assets are stated at cost less accumulated amortisation and impairment losses. Software is recognised in the consolidated statement of financial position if, and only if, it is probable that the relevant future economic benefits attributable to the software will flow to the Group and its cost can be measured reliably.

Costs incurred in the research phase are expensed in profit or loss whereas costs incurred in the development phase are capitalised when the requirements of IAS 38 relating to the recognition of internally generated assets have been met.

The main criterion is that future economic benefits can be identified as a result of the development expenditure.

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of the relevant software, which range between two and 15 years, depending on the nature and use of the software. This excludes capitalised software that has not been brought into use yet.

(d) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(e) Analysis of goodwill and other intangible assets

The following table analyses the movements in cost, amortisation and impairment of goodwill and other intangible assets for the year ended 31 December 2023 and the year ended 31 December 2022:

Rm	Goodwill	Present value of acquired in-force business	Software development costs	Other intangible assets	Total
Cost					
Balance at 1 January 2022	6 557	256	6 619	1 523	14 955
Acquisitions through business combinations	303	–	–	192	495
Additions	–	–	1 083	4	1 087
Disposals or retirements	–	(256)	(47)	(3)	(306)
Foreign exchange and other movements	(68)	–	(112)	(9)	(189)
Balance at 31 December 2022	**6 792**	**–**	**7 543**	**1 707**	**16 042**
Acquisitions through business combinations[1]	**239**	**–**	**–**	**276**	**515**
Additions	**–**	**–**	**1 224**	**21**	**1 245**
Disposals or retirements	**–**	**–**	**(1 001)**	**–**	**(1 001)**
Transfer from PPE	**–**	**–**	**154**	**122**	**276**
Foreign exchange and other movements	**(466)**	**–**	**(156)**	**99**	**(523)**
Balance at 31 December 2023	**6 565**	**–**	**7 764**	**2 225**	**16 554**
Amortisation and impairment losses					
Balance at 1 January 2022	5 153	256	2 093	1 219	8 721
Amortisation charge for the year	–	–	627	15	642
Impairment losses	–	–	4	179	183
Disposals or retirements	–	(256)	(45)	(3)	(304)
Foreign exchange and other movements	(68)	–	(59)	(7)	(134)
Balance at 31 December 2022	**5 085**	**–**	**2 620**	**1 403**	**9 108**
Amortisation charge for the year	**–**	**–**	**569**	**57**	**626**
Impairment losses[2]	**252**	**–**	**–**	**49**	**301**
Acquisition through business combinations[1]	**–**	**–**	**–**	**10**	**10**
Disposals or retirements	**–**	**–**	**(871)**	**–**	**(871)**
Transfer from PPE	**–**	**–**	**131**	**31**	**162**
Foreign exchange and other movements	**(466)**	**–**	**(68)**	**(81)**	**(615)**
Balance at 31 December 2023	**4 871**	**–**	**2 381**	**1 469**	**8 721**
Net carrying value at:					
31 December 2022	1 707	–	4 923	304	6 934
31 December 2023	**1 694**	**–**	**5 383**	**756**	**7 833**

1 Refer to note J7 for more information on acquisition
2 The goodwill that was impaired relates to Old Mutual Insure R64 million and Old Mutual Investments R188 million

(f) Allocation of goodwill to CGUs

The carrying amount of goodwill relates to the following CGUs:

At 31 December Rm	2023	2022
Old Mutual Namibia	**59**	59
Old Mutual Insure[1]	**380**	373
Old Mutual Finance	**385**	385
Mass Foundation Cluster excluding OMF[2]	**168**	–
Old Mutual Wealth	**169**	169
Old Mutual Investments[3]	**467**	655
Old Mutual Corporate	**66**	66
Goodwill, net of impairment losses	**1 694**	1 707

1 Old Mutual Insure added new goodwill of R71 million relating to the purchase of Genric, Versma and Primak and also impaired existing goodwill of R64 million
2 This relates to Two Mountains Funeral Services acquisition; refer to note J7 for further details on the acquisition
3 Old Mutual Investments goodwill was impaired by R188 million

H: Non-financial assets and liabilities continued
H1: Goodwill and other intangible assets continued

Critical accounting estimates and judgements – Goodwill and intangible assets

Annual impairment testing of goodwill
In accordance with the requirements of IAS 36 *Impairment of Assets*, goodwill is tested annually for impairment for each cash-generating units (CGU) by comparing the carrying amount of each CGU to its recoverable amount, being the higher of that CGU's value in use or fair value less costs to sell. The appropriateness of the CGUs is evaluated on an annual basis. An impairment charge is recognised when the recoverable amount is less than the carrying value.

Determination of cash-generating units
The Group's CGUs for impairment testing have been determined as the individual countries for the South African and Namibian businesses, with the South African CGU further allocated into the underlying businesses. The South African CGU is further allocated into CGUs being Old Mutual Finance, Mass Foundation Cluster, Old Mutual Real Estate Holding Company (OMREHC), Old Mutual Wealth, Old Mutual Investments, Old Mutual Insure and Old Mutual Corporate. In the Old Mutual Investments' CGU, goodwill impairment testing has been performed at the same level that the goodwill arose in Old Mutual Investment Group, namely on the acquisitions of African Infrastructure Investment Managers (AIIM), Futuregrowth Asset Management and Marriott Asset Management. This is consistent with the way that management monitors these goodwill balances. At 31 December 2023, based on the Group's operating model, it was concluded that the basis of CGUs continues to remain appropriate.

Value-in-use model and key assumptions used
In the performance of goodwill impairment testing, the Group's CGUs mostly used discounted cash flow models for a period of three to five years, with a terminal value thereafter. This incorporates planned business performance, long-term growth rates and a risk-adjusted discounted rate reflecting cost of equity as appropriate for the CGU.

The rate specific to the CGU is derived using the overall Old Mutual Limited Group cost of equity. The OML Group cost of equity (CoE) is calibrated using a derivation of the conventional Capital Asset Pricing Model (CAPM). The rationale for choosing this methodology is to ensure objectivity in deriving the CoE. This entails calibrating the risk-free rate and risk premium:

- The risk-free rate is calculated based on historic government bond yields
- The risk premium is calculated as the beta on the Old Mutual Limited share (Old Mutual Limited return relative to the equity market) multiplied by the historic market risk premium

To calculate the discount rate applicable to the CGU, the Old Mutual Limited risk premium is risk and term-adjusted using an internal risk measure to reflect the risk inherent in the CGU relative to the overall Group and the expected term of the asset.

Note, if the CGU is based outside of South Africa, the risk-free rate is calibrated using the historic government bond yield applicable in the relevant country.

The pre-tax discount rates used in these calculations range from 12% to 23% at 31 December 2023 (2022: 12.5% to 18.5%).

The long-term growth rate assumptions used in the impairment calculations range from 5% to 7% at 31 December 2023.

There have been no significant changes in the assumptions used. Management has further performed stress testing, the results of which have been considered when determining the final impairment losses/reversals to be processed.

Impairment losses recognised during the year ended 31 December 2023
In the second half of 2023, goodwill held in AIIM (R161 million), Marriott Asset Management (R27 million) and Old Mutual Insure (R64 million) has been partially impaired as reflected in the latest value-in-use calculations.

Where an impairment loss has been recognised, the recoverable amount is disclosed in note H1(f) above.

The remaining year-end goodwill impairment reviews indicated that there is sufficient headroom to maintain these balances, with no additional impairments required to be recognised.

Sensitivities and headroom analysis
Sensitivity tests were performed on inputs in the underlying impairment tests, for example by applying a 1% increase in the discount rate and a 10% decrease in the cash flows. The outcomes of these sensitivity tests supported that there is sufficient headroom to maintain goodwill balances, and no additional impairments were required to be recognised.

H2: Fixed assets
(a) Property, plant and equipment
Buildings that are owner-occupied are recorded at fair value. Owner-occupied properties are valued as at 31 December each year by external professional valuers. Fair value is determined by reference to market-based evidence. For each business, the valuation methodology adopted is dependent upon the nature of the property. Income-generating assets are valued using discounted cash flows and vacant land and property are valued according to sales of comparable properties.

The Group assesses and adjusts (if required) the useful life, residual value and depreciation method for property and equipment on an annual basis.

Leased assets
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. Contracts where the service provider has a substantive right to substitute the asset for an alternative asset during the lease term are not regarded as a lease, but instead a service contract. Accordingly, these contracts are not accounted for in accordance with IFRS 16. The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

<table>
<tr><th>Category</th><th>Valuation model</th><th>Measurement</th></tr>
<tr><td>Land</td><td>Revaluation model</td><td>» Land is stated at revalued amounts and is not depreciated.
» Increases or decreases in the carrying amount are taken to OCI and presented in a revaluation reserve in equity.
» The revaluation reserve will be released in equity when the asset is sold.</td></tr>
<tr><td>Buildings</td><td>Revaluation model</td><td>» Stated at revalued amounts. Depreciated over a period of 50 years using the straight-line method.
» Revaluation gains and losses on owner-occupied property are recognised in the consolidated statement of comprehensive income. Losses that offset previous gains in respect of the same asset are charged against the property revaluation reserve, and all other losses are charged to the income statement as an impairment.
» On revaluation any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the property concerned and the net amount restated to the revalued amount.
» On derecognition, any gain or loss on disposal, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss in the period the asset is derecognised.</td></tr>
<tr><td>Land and buildings measured at fair value</td><td>Fair value model</td><td>» Owner-occupied properties that are underlying items of the Group's direct participating contracts are measured at fair value. Changes in fair values are recognised as gains in profit or loss and included in net investment return.</td></tr>
<tr><td>Plant and equipment</td><td>Cost model</td><td>» Plant and equipment, principally computer equipment, motor vehicles, fixtures and fittings are stated at cost less accumulated depreciation and impairment losses. The maximum estimated useful life ranges from three to 10 years.</td></tr>
<tr><td>Leased assets</td><td>Cost model</td><td>» The lease term is defined as the non-cancellable period for which a lessee has the right to use an underlying asset, together with both:
→ Periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option.
→ Periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.
» If the lease transfers ownership of the underlying assets to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee will depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.</td></tr>
<tr><td>Lease liability (Group as lessee)</td><td>Amortised cost</td><td>The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:
» Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
» Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
» The amount expected to be payable by the lessee under residual value guarantees.
» The exercise price of purchase options, if the lessee is reasonably certain to exercise the options.
» Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in Trade, other payables and other liabilities line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
» The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
» The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
» A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.</td></tr>
</table>

H: Non-financial assets and liabilities continued
H2: Fixed assets continued
(a) Property, plant and equipment continued
Property, plant and equipment owned by the Group

The following tables analyse land, buildings, plant and equipment and buildings leased by the Group.

Rm	Land (revalued)	Buildings (revalued)	Land and buildings (fair value)	Plant and equipment	Total	Leased buildings	Total
Gross carrying amount							
Balance at 1 January 2022	515	4 173	3 100	4 138	11 926	1 731	13 657
Additions	–	254	–	531	785	355	1 140
Additions from business combinations	–	87	–	48	135	28	163
Increase arising from revaluation	44	698	–	–	742	–	742
Net gain from fair value adjustments	–	–	122	–	122	–	122
Transfer to investment property	(2)	(678)	–	–	(680)	–	(680)
Reclassification within property, plant and equipment[1]	50	1 737	(1 787)	–	–	–	–
Disposals	–	(55)	–	(82)	(137)	(387)	(524)
Foreign exchange and other movements	(143)	(416)	(262)	(367)	(1 188)	(5)	(1 193)
Balance at 31 December 2022	**464**	**5 800**	**1 173**	**4 268**	**11 705**	**1 722**	**13 427**
Additions[3]	**–**	**1 344**	**–**	**576**	**1 920**	**731**	**2 651**
Additions from business combinations[4]	**–**	**21**	**–**	**58**	**79**	**8**	**87**
Increase arising from revaluation	**68**	**736**	**–**	**–**	**804**	**–**	**804**
Net gain from fair value adjustments	**–**	**–**	**191**	**–**	**191**	**–**	**191**
Transfers to intangible assets	**–**	**–**	**–**	**(276)**	**(276)**	**–**	**(276)**
Transfer to assets held for sale and distribution	**–**	**–**	**(688)**	**–**	**(688)**	**–**	**(688)**
Disposals	**–**	**(66)**	**–**	**(800)**	**(866)**	**(304)**	**(1 170)**
Foreign exchange and other movements	**(127)**	**(1 320)**	**(358)**	**(390)**	**(2 195)**	**–**	**(2 195)**
Balance at 31 December 2023	**405**	**6 515**	**318**	**3 436**	**10 674**	**2 157**	**12 831**
Accumulated depreciation and impairment losses							
Balance at 1 January 2022	–	563	–	2 886	3 449	1 053	4 502
Additions through business combinations	–	–	–	12	12	19	31
Depreciation charge for the year	–	43	–	462	505	386	891
Impairments[2]	–	402	–	–	402	–	402
Disposals	–	–	–	(271)	(271)	(317)	(588)
Foreign exchange and other movements	–	7	–	(48)	(41)	(29)	(70)
Balance at 31 December 2022	**–**	**1 015**	**–**	**3 041**	**4 056**	**1 112**	**5 168**
Additions	**–**	**–**	**–**	**3**	**3**	**–**	**3**
Depreciation charge for the period	**–**	**60**	**–**	**414**	**474**	**343**	**817**
Reversal of impairment[2]	**–**	**(134)**	**–**	**–**	**(134)**	**–**	**(134)**
Transfers to intangible assets	**–**	**–**	**–**	**(162)**	**(162)**	**–**	**(162)**
Disposals	**–**	**(10)**	**–**	**(780)**	**(790)**	**(202)**	**(992)**
Foreign exchange and other movements	**–**	**(14)**	**–**	**(196)**	**(210)**	**(47)**	**(257)**
Balance at 31 December 2023	**–**	**917**	**–**	**2 320**	**3 237**	**1 206**	**4 443**
Net carrying amount at:							
31 December 2022	464	4 785	1 173	1 227	7 649	610	8 259
31 December 2023	**405**	**5 598**	**318**	**1 116**	**7 437**	**951**	**8 388**

1 During the 2022 financial year, Mutual Park was transferred from a with-profit policyholder portfolio to the OMLAC(SA) shareholder portfolio

2 In 2023, the R138 million reversal of impairment recognised in 2023 relates to a reversal of impairment on 1 Mutual Place in Sandton and R4 million impairment on Mutual Park. The R402 million impairment loss recognised in 2022 relates to a R558 million impairment of Mutual Park in Cape Town and a reversal of impairment of R156 million on 1 Mutual Place in Sandton. The attractiveness of office space in Sandton decreased due to COVID-19 impacts, which led to a decrease in the fair value of 1 Mutual Place in the prior year. The decrease resulted in the fair value dropping below the cost of the property and therefore, as per IAS 16, the loss was recognised in the income statement as an impairment loss

Both the Mutual Park and 1 Mutual Place buildings are in the Other Group activities segment

3 Assets to the value of R1 078 million are included in additions and relate to the Group looking through certain investments deemed to be controlled during the current year

4 Refer to note J7 for more information on acquisitions

(i) Property, plant and equipment

The carrying value of owner-occupied property leased to third parties included in the above is R79 million (2022: R78 million) and comprises land of Rnil (2022: Rnil) and buildings of R79 million (2022: R78 million). The value of owner-occupied property pledged as security is R75 million (2022: R449 million). For the year ended 31 December 2023, the Group made revaluation gains of R68 million on land (2022: R44 million) and R736 million (2022: R698 million) on buildings.

Excluding the impact of the consolidation of funds, the carrying value that would have been recognised had the land and buildings been carried under the historic cost model would be R105 million (2022: R48 million) and R696 million (2022: R404 million), respectively.

Property, plant and equipment are classified as Level 3 in terms of the fair value hierarchy. Level 3 fair value measurements are those that include the use of significant unobservable inputs. The significant non-observable inputs used in the valuations are the expected rental values per square metre and the capitalisation rates. Details of the valuation techniques and ranges of estimates for unobservable inputs are disclosed in note H2(c).

The fair value of the owner-occupied properties valuation would increase/(decrease) if the expected rental values per square metre were to be higher (lower) and the capitalisation rates were to be lower (higher).

(ii) Leases as lessee

Year ended 31 December Rm	2023	2022
Amounts recognised in profit or loss		
Finance expense on lease liabilities	**(138)**	(118)
Lease expenses relating to short-term leases	**(19)**	(41)
Lease expenses relating to low-value leases	**(145)**	(96)
Amounts recognised in statement of cash flows		
Total cash outflow on repayment of leases	**531**	506
Total cash outflow on interest paid on leases	**138**	118

Analysis of lease costs

The following table sets out the maturity analysis of undiscounted outstanding commitments under non-cancellable leases.

At 31 December Rm	2023	2022
Within one year	**335**	357
Greater than one year and less than five years	**897**	793
After five years	**124**	74
	1 356	1 224

(iii) Lease renewal options

Some leases of office buildings contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

At 31 December 2023 Rm	Lease liabilities recognised (discounted)	Potential future lease payments not included in lease liabilities
Office buildings	**1 127**	**–**
	1 127	**–**

At 31 December 2022 Rm	Lease liabilities recognised (discounted)	Potential future lease payments not included in lease liabilities
Office buildings	777	–
	777	–

H: Non-financial assets and liabilities continued
H2: Fixed assets continued
(b) Investment property
Classification
Investment properties are held to earn rentals or for capital appreciation or both and are not significantly occupied by the Group or any of its subsidiaries. Certain investment properties are matched to policyholder liabilities.

Measurement
Investment properties are measured at fair value as determined by a registered independent valuer at least every three years, and annually by locally qualified staff, having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

For practical reasons, valuations are carried out on a cyclical basis over a 12-month period due to the large number of properties involved. In the event of a material change in market and property-specific conditions between the valuation date and reporting date an internal valuation is performed and adjustments made to reflect any material changes in value.

Surpluses and deficits arising from changes in fair value and rental income are reflected as investment income in investment return in the income statement, as appropriate.

Fair value hierarchy of the Group's properties
The fair values of the Group's investment properties are categorised into Level 3 of the fair value hierarchy. The following table reconciles the fair value measurements of Group's investment properties.

		2023	2022
Year ended 31 December **Rm**	Notes	**Owned by the Group**	Owned by the Group
Balance at beginning of the year		**42 530**	38 672
Additions		**2 235**	1 850
Disposals		**–**	(60)
Net gain from fair value adjustments		**8 078**	6 814
Transferred from property, plant and equipment	H2(a)	**–**	680
Foreign exchange and other movements		**(5 661)**	(5 575)
Transfer (to)/from assets held for sale and distribution	H9	**(10)**	149
Balance at end of the year		**47 172**	42 530

All of the Group's investment properties are located in Africa, Romania and Bulgaria and are principally held within the policyholder funds.

The value of freehold and leasehold properties are as follows:

Year ended 31 December **Rm**	**2023**	2022
Freehold	**44 602**	41 308
Leasehold	**2 570**	1 222
	47 172	42 530

Amounts recognised in profit or loss for investment properties
The following table analyses the amounts recognised in profit or loss for investment properties owned, right-of-use assets and investment properties subject to leases:

Year ended 31 December **Rm**	Notes	**2023**	2022
Rental income from investment property	D2	**3 546**	3 214
Direct operating expenses arising from investment property that generated rental income		**(1 696)**	(1 420)

(c) ## 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 62.5% (2022: 65.2%) 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 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: 8.50% (2022: 8.25%) Discount rates: 13.0% (2022: 12.75%) Market rentals: R205 per m² (2022: R270 per m²) Vacancy rates: 0.0% (2022: 0.0%) **Retail** Capitalisation rates: 6.75% to 10.0% (2022: 6.75% to 10.0%) Discount rates: 12.75% to 15.50% (2022: 12.75% to 15.5%) Market rentals: R130 to R516.24 per m² (2022: R58.51 to R287.84 per m²) Vacancy rates: 0.0% to 16.48% (2022: 0.0% to 9.84%) **Industrial** Capitalisation rates: 8.5% to 11.0% (2022: 8.5% to 11.0%) Discount rates: 13.0% to 15.0% (2022: 13.25% to 15.0%) Market rentals: R36 to R72.09 per m² (2022: R33.71 to R77.58 per m²) Vacancy rates 0.0% to 10.01% (2022: 0.0% to 6.60%) **Bulgarian properties** **Office** Capitalisation rates: 7.6% (2022: 7.4% to 7.6%) Discount rates: 10.4% to 10.6% (2022: 10.9% to 11.1%) Market rentals: EUR12 to EUR17 per m² (2022: EUR11 to EUR16 per m²) Vacancy rates: 4.0% to 5.0% (2022: 2.5% to 2.75%) **Romanian properties** **Office** Discount rates: 8.91% (2022: 8.9%) Market rentals: EUR16 per m² (2022: EUR15 per m²) Vacancy rates: 5.0% (2022: 2.5%) **East Africa properties** **Office** Capitalisation rates: 8.60% to 12.30% (2022: 8% to 12.3%) Discount rates: 12.40% to 14.90% (2022: 11.75% to 15%) Market rentals: US$8.5 to US$37.5 per m² (2022: US$8.5 to US$35 per m²) **Zimbabwe properties** Capitalisation rates: 6.5% to 10.0% (2022: 6.3% to 9.5%) Market rentals: ZWL$20 000 to ZWL$65 000 per m² (2022: ZWL$3 500 to ZWL$7 600 per m²) Vacancy rates: 0% to 20% (2022: 19.7%)

H: Non-financial assets and liabilities continued
H2: Fixed assets continued
(c) 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 square metre and bulk per square metre 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 m^2: R100 to R250 (2022: R100 to R250)
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 m^2: R75 to R250 (2022: R75 to R250)

(d) 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	2023	2022
An increase of 1% in discount rates would decrease the fair value by:	**(1 385)**	(1 186)
A decrease of 1% in discount rates would increase the fair value by:	**1 467**	1 266
An increase of 1% in capitalisation rates would decrease the fair value by:	**(3 439)**	(3 136)
A decrease of 1% in capitalisation rates would increase the fair value by:	**4 385**	3 626
An increase of 10% in market rentals per m^2 would increase the fair value by:	**3 455**	3 066
A decrease of 10% in market rentals per m^2 would decrease the fair value by:	**(3 439)**	(3 005)

(e) Lease arrangements (with the Group as lessor)
Investment property comprises a portfolio of retail, commercial and industrial properties that are leased to third parties. These are classified as operating leases, because they do not transfer substantially all the risks and rewards incidental to the ownership of the assets. Each lease has a defined lease period and financial terms. Renewal negotiations with tenants commence prior to expiry of their current lease agreement. Lease periods vary and are dependent on the tenant and property type. Contingent rents charged are immaterial. During the year ended 31 December 2023, rental concessions of R3 million (2022: R9 million) were provided to tenants of the South African property portfolio.

At 31 December Rm	2023	2022
Total future minimum lease receivables under leases		
Within one year	**2 548**	2 457
Greater than one year and less than five years	**6 406**	5 087
After five years	**2 590**	1 549
	11 544	9 093

H3: Costs of obtaining contracts

Costs of obtaining contracts relate to costs that the Group incurred to obtain new business. These acquisition costs are capitalised in the statement of financial position and are amortised in profit or loss over the life of the contracts.

The following table analyses the movements in deferred acquisition costs relating to investment and asset management contracts.

Year ended 31 December Rm	Investment contracts	Asset manage-ment	Total
Balance at 1 January 2022	301	222	523
New business	185	1	186
Amortisation	(287)	(32)	(319)
Foreign exchange and other movements	86	2	88
Balance at 31 December 2022	**285**	**193**	**478**
New business	**43**	**29**	**72**
Amortisation	**(78)**	**(68)**	**(146)**
Foreign exchange and other movements	**26**	**1**	**27**
Balance at 31 December 2023	**276**	**155**	**431**

Based on the maturity profile of the above assets, R109 million (2022: R107 million) is recoverable within 12 months from the reporting date. R322 million (2022: R371 million) is non-current.

H4: Trade, other receivables and other assets

At 31 December Rm	2023	2022
Amounts owed by policyholders	**103**	88
Amounts owed by intermediaries	**461**	592
Outstanding settlements	**31 904**	17 392
Other receivables	**5 263**	2 518
Accrued interest and rent	**5 622**	4 051
Prepayments and accrued income	**2 038**	1 249
Other assets	**4 208**	4 949
Total trade, other receivables and other assets	**49 599**	30 839

The trade, other receivables and other assets is presented net of ECLs. Refer to note F1 for further details.

Based on the maturity profile of the above assets, R49 510 million (2022: R29 659 million) is recoverable within 12 months from the reporting date. The remaining balance is non-current.

H5: Provisions

Rm	Compen-sation provisions	Provision for donations	Other	Total
Balance at 31 December 2022	**280**	**916**	**533**	**1 729**
Unused amounts reversed	**–**	**–**	**38**	**38**
Charge to profit or loss	**63**	**174**	**422**	**659**
Utilised during the year	**(34)**	**(49)**	**(310)**	**(393)**
Transfer to other liabilities	**–**	**–**	**(17)**	**(17)**
Other movements	**–**	**161**	**(176)**	**(15)**
Balance at 31 December 2023	**309**	**1 202**	**490**	**2 001**

Analysis of provisions

Compensation provisions at 31 December 2023 comprise:

- R152 million (2022: R140 million) relating to regulatory uncertainty.
- R44 million (2022: R50 million) multiple causal events.
- R113 million (2022: R90 million) relates to the provision for clawback of prescribed claims. This provision is held to allow for the probable future payment of claims that have been previously reversed. Due to the nature of the provision, the timing of the expected cash outflows is uncertain. Estimates of this provision are reviewed annually and are adjusted as and when new circumstances arise.

Of the total compensation provisions, R309 million (2022: R280 million) is estimated to be payable after 12 months from the reporting date.

Provisions for donations

The provision for donations is held predominantly in respect of commitments made by the South African business to the future funding of charitable donations. The funds were made available on the closure of the Group's unclaimed shares trusts which were set up as part of the demutualisation in 1999 and closed in 2006. All of this is regarded to be payable after more than one year due to the long-term nature of the agreements in place.

Notes to the consolidated financial statements

For the year ended 31 December 2023

H: Non-financial assets and liabilities continued

H5: Provisions continued

Other provisions

Other provisions include amounts for the resolution of legal uncertainties and the settlement of other claims raised by contracting parties. Based on the maturity profile of other provisions, the total balance is estimated to be payable within 12 months from the reporting date.

Material provisions and accruals are discounted at discount rates specific to the risks inherent in the liability. The timing and final amounts of payments in respect of provisions, particularly those in respect of litigation claims and similar actions against the Group, are uncertain and could result in adjustments to the amounts recorded.

The effects of discounting for all provisions are immaterial.

H6: Contract liabilities

Contract liabilities relates to initial fees received for the future provision of services that the Group will render on investment management contracts. These fees are recognised as a liability in the consolidated statement of financial position and are amortised in profit or loss over the expected life of the contracts. The table below analyses the movements in contract liabilities.

Year ended 31 December Rm	**2023**	2022
Balance at 1 January	**411**	435
Fees and commission income deferred	**210**	222
Revenue recognised during the year	**(140)**	(129)
Acquisition of subsidiaries	**–**	3
Restatements due to hyperinflation	**13**	10
Foreign exchange and other movements	**1**	(130)
Balance at 31 December	**495**	411

Based on the maturity profile of the contract liabilities, R189 million (2022: R217 million) will be earned within 12 months from the reporting date. R306 million (2022: R194 million) as non-current.

H7: Deferred tax assets and liabilities

Deferred income taxes are calculated on all temporary differences at the tax rate applicable to the jurisdiction in which the temporary differences arise.

(a) Deferred tax assets

Deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable, where on the basis of all available evidence, it is considered more likely than not that there will be suitable taxable profits against which the reversal of the deferred tax asset can be deducted.

The following table provides an analysis of the deferred tax assets account:

At 31 December Rm	**2023**	2022
Deferred tax asset		
Tax losses carried forward[1]	**795**	1 090
Accelerated capital allowances	**23**	12
Policyholder tax	**6**	7
Other temporary differences[2]	**3 439**	3 929
Netted against liabilities[3]	**(318)**	(298)
Total	**3 945**	4 740

1 In general, 98% of the carried forward tax losses have arisen in South Africa and 2% in Old Mutual Africa Regions. A significant portion of the carried forward tax losses (R530 million; R546 million in 2022) relate to transfer losses incurred between policyholder and shareholder funds within OMLAC(SA), a deferred tax asset of R221 million relates to COVID-19 provisions raised in 2020 and 2021 which have been partially utilised in 2022 and 2023. Further, deferred tax assets have been recognised in respect of cumulative tax losses amounting to R112 million by Old Mutual Specialised Finance Proprietary Limited and R95 million by Adviceworx Proprietary Limited on the basis that the entities have been able to demonstrate future profitability thus demonstrating the recoverability of the deferred tax asset against future taxable profits. Management has interrogated the business cases for all entities for which assets have been raised and is confident that these entities will generate sufficient future taxable profits against which these losses will be utilised

2 Included in other temporary differences is the transitional tax impact of IFRS 17, attributable to OMLAC(SA), of R2 378 million (2022: R2 853 million), which will be realised over the phase-in period. Provisions make up R548 million (2022: R609 million) of the other temporary differences

3 Amounts 'netted against liabilities' are other taxable temporary differences set off against deferred tax assets for Group reporting purposes

The amounts for which no deferred tax asset has been recognised comprise:

	2023		2022	
At 31 December Rm	**Gross amount**	**Tax**	Gross amount	Tax
Tax losses				
Expiring in less than a year	**531**	**134**	619	175
Expiring in the second to fifth years inclusive	**2 875**	**837**	2 637	1 225
Expiring after five years	**4 447**	**1 203**	3 464	982
	7 853	**2 174**	6 720	2 382
Accelerated capital allowances	**58**	**17**	1 194	299
Other temporary differences	**4 037**	**1 078**	2 443	627
Total	**11 948**	**3 269**	10 357	3 308

(b) Deferred tax liabilities

The following table provides an analysis of the deferred tax liabilities account:

At 31 December Rm	2023	2022
Deferred tax liabilities		
Accelerated tax depreciation	**35**	25
Deferred acquisition costs	**–**	6
Other acquired intangibles[1]	**113**	72
Capital gains tax – shareholder	**847**	744
Capital gains tax – policyholder	**3 952**	2 262
Other temporary differences	**603**	559
Netted against assets[2]	**(318)**	(298)
Total	**5 232**	3 370
Reconciliation of net deferred tax asset/(liability)		
At beginning of the year	**1 370**	(1 738)
Income statement charge	**(2 619)**	3 208
Foreign exchange and other movements	**6**	38
Charged to other comprehensive income	**(44)**	(138)
At end of the year	**(1 287)**	1 370

1 Included in deferred tax liabilities for 2023 is an amount of R59 million (2022: R50 million) relating to the acquisition of businesses. Refer to note J7 for more information
2 Amounts 'netted against assets' are other taxable temporary differences set off against deferred tax assets for Group reporting purposes

H8: Trade, other payables and other liabilities

At 31 December Rm	Notes	2023	2022
Amounts owed to policyholders		**663**	798
Amounts owed to intermediaries		**568**	755
Accruals		**2 909**	2 979
Post-employment benefits	J1(a)	**1 622**	1 593
Lease liabilities	H8.1	**1 127**	777
Share-based payments – cash-settled scheme liabilities	J2(d)	**43**	27
Interest-bearing liabilities	H8.2	**9 622**	8 375
Outstanding settlements		**30 945**	24 413
Liability in respect of repurchase agreements		**28 653**	27 070
Obligations in relation to collateral holdings		**5 389**	4 499
Short-term employee benefits		**1 890**	1 147
Trade creditors		**1 881**	2 099
Other payables[1]		**10 620**	9 684
Trade, other payables and other liabilities		**95 932**	84 216

1 Refer to note J8 for details in relation to the restatement due to prior period errors

Included in the amounts shown above is R66 116 million (2022: R70 781 million) regarded as current, with the remainder regarded as non-current.

H8.1: Lease liabilities

The following table provides an analysis of the lease liabilities included in trade, other payables and other liabilities:

At 31 December Rm	2023	2022
Balance at 1 January	**777**	847
Additions	**743**	298
Interest accrued	**138**	134
Repayments (capital)	**(531)**	(506)
Other movements[1]	**–**	4
Balance at 31 December	**1 127**	777

1 Includes interest paid

H: Non-financial assets and liabilities continued

H8: Trade, other payables and other liabilities continued

H8.2: Interest-bearing liabilities

The following table provides an analysis of the interest-bearing liabilities included in trade, other payables and other liabilities.

Year ended 31 December Rm	Maturity date	2023	2022
Floating rate term loans			
R500 million drawn of a R500 million facility at three-month JIBAR + 2%	April 2024	**512**	513
R500 million drawn of a R500 million facility at three-month JIBAR + 1.63%	May 2026	**510**	508
R500 million drawn of a R500 million facility at three-month JIBAR + 1.715%	May 2027	**512**	508
EUR61 million drawn of EUR61 million facility at three-month EURIBOR + 2.25%	February 2024	**1 234**	1 192
EUR38 million drawn of EUR38 million facility at three-month EURIBOR + 2.70%	November 2027	**768**	549
EUR58 million drawn of a EUR58 million facility at three-month EURIBOR + 2.70%	November 2027	**1 200**	790
R500 million drawn of a R500 million facility at three-month JIBAR + 1.85%	March 2024	**501**	504
EUR44 million drawn of EUR44 million facility at three-month EURIBOR + 2.25%	March 2025	**804**	749
R78 million drawn of a R78 million facility at three-month JIBAR + 2.00%	May 2025	**79**	79
R128 million drawn of a R600 million facility at one-month JIBAR + 1.6%	May 2025	**128**	–
R500 million drawn of a R500 million facility at three-month JIBAR + 2.19%	June 2025	**510**	512
R500 million drawn of a R500 million facility at three-month JIBAR + 2.12%	June 2024	**506**	509
R300 million drawn of a R300 million facility at three-month JIBAR + 1.3%	June 2024	**303**	–
R300 million drawn of a R300 million facility at three-month JIBAR + 1.45%	June 2026	**303**	–
R300 million drawn of a R300 million facility at three-month JIBAR + 1.5%	November 2027	**303**	–
R300 million drawn of a R300 million facility at three-month JIBAR + 1.72%	June 2029	**305**	–
Fixed-rate term loans			
EUR16 million drawn at 5.6%	August 2027	**329**	291
R979 million drawn at 6.74%	June 2023	**–**	976
GBP15 million drawn at 4.5%	February 2026	**337**	288
GBP21.5 million drawn at 3.5%	July 2025	**478**	407
Total fixed and variable rate term loans		**9 622**	8 375

H8.3: Maturity analysis

The table below provides the maturity profile of the anticipated future cash flows based on contractual maturity dates for trade, other payables and other liabilities that are classified as financial liabilities. It is presented on an undiscounted basis, and will therefore differ from the carrying value of trade, other payables and other liabilities above:

At 31 December Rm	2023
Less than one year	**58 116**
Greater than one year and less than five years	**10 291**
Greater than five years	**25 450**
Total	**93 857**

H9: Assets and liabilities held for sale

The Group reclassified owner-occupied property originally included in property, plant and equipment to the value of R688 million into assets held for sale. The net fair value loss arising from the valuation of these properties on transfer date amounted to R62 million and was recognised in investment returns in the income statement. Included in 2023 is investment property held for sale of R360 million relating to the consolidation of funds and another investment property of R10 million.

In 2023, the Group disposed of property, plant and equipment amounting to R1 million, investment in associate of R14 million and other assets of R3 million previously classified as assets held for sale.

In 2022, 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). 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 was investment property held for sale of R352 million relating to the consolidation of funds, investment in associate of R14 million, Property, plant and equipment and other assets of R3 million.

Assets held for sale per segment have been included in note B3.

Year ended 31 December Rm	2023	2022
Assets classified as held for sale		
Investment property	**370**	352
Investments in associated undertakings and joint ventures	**–**	14
Other assets	**–**	3
Property, plant and equipment	**688**	1
Total assets	**1 058**	370

H10: Share capital

Share capital

Financial instruments issued are classified as equity when there is no contractual obligation to transfer cash, other financial assets or issue a variable number of own equity instruments. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

(a) Authorised share capital

At 31 December Rm	2023	2022
10 000 000 000 (2022: 10 000 000 000) no par value ordinary shares	–	–
10 000 000 (2022: 10 000 000) no par value preference shares	–	–

(b) Accounting issued share capital

At 31 December Rm	2023	2022
4 790 906 428 (2022: 4 913 880 491) no par value ordinary shares	**238**	244

Share buybacks

On 30 May 2023, the Company announced the commencement of its share repurchase programme, pursuant to a Board and Prudential Authority approval of purchases of up to R1.5 billion of the Company's issued shares on the Johannesburg Stock Exchange (JSE) and limited to 3.5% of the Company's issued shares. The Company concluded the share repurchase programme on 16 October 2023, during which time 122 974 063 of its issued ordinary shares on the JSE were purchased with an aggregate cost of R1.5 billion. The average price of the shares repurchased is 1 214 cents per share.

As at 31 December 2023, the full 122 974 063 of the repurchased shares have been cancelled as issued shares and have reverted back to authorised but unissued share capital status. The 122 974 063 repurchased shares were 2.5% of issued shares of the Company at the beginning of the programme. The transaction costs relating to the share buyback amounted to R4 million.

Under the Bula Tsela transaction, 205.2 million shares were issued for legal purposes but for accounting purposes, 189.6 million of these shares are treated as in-substance options and are not reflected as issued in the financial statements.

Treasury shares

The cost of the Group's own equity instruments that it has reacquired (treasury shares) is deducted from equity. Gain or loss is not recognised on the purchase, sale, issue or cancellation of treasury shares. Treasury shares may be acquired and held by the Company or by other members of the consolidated group. Consideration paid or received is recognised directly in equity.

At 31 December 2023, the Group had 434 424 577 treasury shares (2022: 373 696 997).

I: Interests in subsidiaries, associates and joint ventures

Basis of consolidation and equity accounting

	Subsidiaries	Associates	Joint ventures
Typical shareholding in the assessment of entities that are not structured entities	Greater than 50%	Between 20% and 50%	Between 20% and 50%
Nature of the relationship	Entities over which the Group has control as defined in IFRS 10 are consolidated	Entities over which the Group has significant influence as defined in IAS 28	A joint arrangement in terms of which the Group and the other contracting parties have joint control as defined in IFRS 11

I: Interests in subsidiaries, associates and joint ventures continued

Basis of consolidation and equity accounting continued

Critical accounting estimates and judgements – Investments in subsidiaries, associated undertakings and joint ventures

The Group has applied the following key judgements in the application of the requirements of the consolidation set of standards (IFRS 10 *Consolidated Financial Statements* and IFRS 11 *Joint Arrangements*):

Consolidation of subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Consolidation of investment funds and securitisation vehicles

The Group acts as a fund manager for a number of investment funds. In determining whether the Group controls such a fund, it will focus on an assessment of the aggregate economic interests of the Group (comprising any carried interests and expected management fees) and the investor's rights to remove the fund manager. This general assessment is supplemented by an assessment of third-party rights in the investment funds, with regard to their practical ability to allow the Group not to control the fund. The Group assesses, on an annual basis, such interests to determine if the fund will be consolidated. The non-controlling interests in investment funds consolidated by the Group are classified as third-party interests in consolidated funds, a financial liability, in the consolidated statement of financial position. These interests are classified at FVTPL and measured at fair value, which is equal to the bid value of the number of units of the investment funds' scheme not owned by the Group.

The Group has sponsored certain asset-backed financing (securitisation) vehicles under its securitisation programme which are run according to pre-determined criteria that are part of the initial design of the vehicles. The Group is exposed to variability of returns from the vehicles through its holding of junior debt securities in the vehicles. It has concluded that it controls these vehicles and therefore has consolidated these asset-backed financing vehicles.

Structured entities

The Group is required to make judgements on what constitutes a structured entity. Accounting standards define a structured entity as an entity designed so that its activities are not governed by way of voting rights. In assessing whether the Group has power over such investees in which it has an economic interest, the Group considers numerous factors. These factors may include the purpose and design of the investee, its practical ability to direct the relevant activities of the investee, the nature of its relationship with the investee and the size of its exposure to the variability of returns of the investee. The Group has evaluated all exposures and has concluded that all investments in investment funds as well as certain securitisation vehicles and other funding vehicles represent investments in structured entities.

I1: Subsidiaries

(a) Principal subsidiaries and Group enterprises

The following table lists the principal Group undertakings whose results are included in the consolidated financial statements. All shares held are ordinary shares and are held directly and indirectly by the Company.

Name	Nature of business	Country of incorporation	2023 % holding	2022 % holding
Old Mutual Group Holdings (SA) Limited	Holding company	South Africa	100	100
Faulu Microfinance Bank Limited	Lending	Kenya	76	67
Old Mutual Insure Limited	Property and Casualty	South Africa	100	100
Old Mutual (Africa) Holdings Proprietary Limited	Holding company	South Africa	100	100
Old Mutual Emerging Markets Proprietary Limited	Holding company	South Africa	100	100
Old Mutual Finance (RF) Proprietary Limited	Lending	South Africa	100	100
Old Mutual Investment Group Proprietary Limited	Asset management	South Africa	100	100
Old Mutual Investments Proprietary Limited	Holding company	South Africa	100	100
Old Mutual Life Assurance Company (Namibia) Limited	Life assurance	Namibia	100	100
Old Mutual Life Assurance Company (South Africa) Limited	Life assurance	South Africa	100	100
Old Mutual Zimbabwe Limited	Life assurance	Zimbabwe	75	75
OM Group (UK) Limited	Holding company	England and Wales	100	100
OM Residual UK	Holding company	England and Wales	100	100
Old Mutual Holdings plc	Holding company	Kenya	67	67

All the above companies have a year-end of 31 December and their financial results have been incorporated and are included in the Group financial statements from the effective date that the Group controls the entity. There are certain funds in which the Group owns more than 50% of the equity but does not consolidate these because of certain management contracts which give other parties the power to control these funds. These management contracts may include that the ability to control is delegated to a third party with no rights of removal on similar types of contractual agreements.

(b) Non-controlling interests in subsidiaries

The following table summarises the information relating to the Group's subsidiaries that have material non-controlling interests.

At 31 December 2023 Rm	Old Mutual Holdings plc[1]	Old Mutual (Malawi) Limited	Futuregrowth Asset Managers	Old Mutual Finance (Namibia) Proprietary Limited[2]	Other subsidiaries	Total
Consolidated statement of financial position						
Total assets	**12 934**	**13 299**	**426**	**1 384**		
Total liabilities	**(10 565)**	**(11 143)**	**(173)**	**(734)**		
Net assets	**2 369**	**2 157**	**253**	**650**		
Non-controlling interests	**280**	**301**	**13**	**–**	**1 921**	**2 515**
Non-controlling interests (%)	**33%**	**28%**	**28%**	**–**		
Consolidated income statement						
Total revenue	**6 331**	**6 092**	**514**	**371**		
Profit before tax	**101**	**1 210**	**168**	**190**		
Income tax expense	**(528)**	**(349)**	**(45)**	**(15)**		
(Loss)/profit after tax for the financial year	**(427)**	**861**	**123**	**175**		
Non-controlling interests	**(5)**	**42**	**1**	**–**	**530**	**568**
Consolidated statement of cash flows						
Net (decrease)/increase in cash and cash equivalents	**(120)**	**39**	**(7)**	**(12)**		

1 The financial information of Old Mutual Holdings plc represents the results of Old Mutual Holdings for the year ended 31 December 2023 and the consolidated statement of financial position at 31 December 2023 as consolidated by the Group. This consolidated result may vary significantly from the full-year results published by Old Mutual Holdings due to acquisition entries recognised by the Group
2 There was an increase in shareholding from 75% to 100% ownership during the current year

At 31 December 2022 Rm	Old Mutual Holdings plc[1]	Old Mutual (Malawi) Limited	Future Growth Asset Managers	Old Mutual Finance (Namibia) (Pty) Ltd[2]	Other subsidiaries	Total
Consolidated statement of financial position						
Total assets	15 206	14 509	451	1 377		
Total liabilities	(12 289)	(12 012)	(272)	(868)		
Net assets	2 917	2 497	179	509		
Non-controlling interests	359	417	12	127	1 700	2 615
Non-controlling interests (%)	33%	28%	28%	25%		
Consolidated income statement						
Total revenue	6 089	3 696	490	336		
Profit/(loss) before tax	(84)	726	107	158		
Income tax (expense)/credit	(239)	(162)	(48)	(8)		
(Loss)/profit after tax for the financial year	(323)	564	59	150		
Non-controlling interests	(159)	45	2	37	495	420
Consolidated statement of cash flows						
Net increase/(decrease) in cash and cash equivalents	79	(21)	10	11		

1 The financial information of Old Mutual Holdings plc represents the results of Old Mutual Holdings for the year ended 31 December 2023 and the consolidated statement of financial position at 31 December 2023 as consolidated by the Group. This consolidated result may vary significantly from the full-year results published by Old Mutual Holdings due to acquisition entries recognised by the Group
2 There was an increase in shareholding from 75% to 100% ownership during the current year

During the year ended 31 December 2023, dividends of R129 million (2022: R340 million) were paid to non-controlling interests.

Notes to the consolidated financial statements

For the year ended 31 December 2023

I: Interests in subsidiaries, associates and joint ventures continued

I1: Subsidiaries continued

c) Restrictions on the Group's ability to obtain funds from its subsidiaries

Statutory and regulatory restrictions in terms of the Reserve Bank of Zimbabwe were imposed by the Zimbabwean government to restrict the amount of funds that can be transferred out of Zimbabwe to the Group. In addition, the banking subsidiary companies are restricted by Basel regulations and prudential requirements with regard to the distributions of funds to their holding company. Regulated entities may only be permitted to remit dividends in terms of local capital requirements and/or permission being obtained from the regulator to distribute such funds.

The non-controlling interests do not have any ability to restrict the cash flows to the Group.

(d) Guarantees provided by the Group to subsidiaries

No significant guarantees have been provided by the Group during the financial year.

The Group provides financial support in certain cases where funds require seed capital and also provides liquidity funding in the case of large divestments from unit trust funds.

(e) Loss of control of subsidiaries

The Group did not dispose of any principal subsidiary that resulted in loss of control during the year.

I2: Investments in associated undertakings and joint ventures

(a) Aggregate Group investment in associated undertakings and joint ventures

The following table presents the aggregate amounts for investment in associated undertakings and joint ventures at 31 December.

Year ended 31 December Rm	**2023**	2022
Balance at beginning of the year	**1 065**	908
Additions of investment in associated undertakings and joint ventures	**45**	216
Disposal of investment in associated undertakings and joint ventures	**(19)**	(10)
Share of profit after tax[1]	**110**	118
Dividend income	**(198)**	(89)
Foreign exchange and other movements[2]	**72**	(64)
Transfer to assets held for sale and distribution	**–**	(14)
Balance at end of the year	**1 075**	1 065

1 Included in the share of profit after tax is an impairment loss of R42 million that relates to impairment of intangible assets held by an associate and is excluded from headline earnings as the look-through approach is followed as required by the SAICA Circular 01/2023

2 During 2022, we moved R456 million from 'Investments in associated undertaking and joint ventures' to 'Investments and securities', as these are assets backing policyholder liabilities

(b) Analysis of equity-accounted and fair value investments in associated undertakings and joint ventures

Of the total carrying value of associates and joint ventures, R154 million (2022: R142 million) relates to those that measured at fair value and R921 million (2022: R923 million) relates to those that have been equity accounted.

The Group's equity-accounted and fair value investments in associated undertakings and joint ventures are as follows:

At 31 December 2023 Rm	Carrying amount	Group share of profit/(loss)
Associated undertakings		
Individually immaterial associates[1]	**771**	**228**
Total investment in associate undertakings	**771**	**228**
Joint ventures		
Individually immaterial joint ventures[1]	**304**	**(118)**
Total investment in joint ventures	**304**	**(118)**
Total investments in associates and joint ventures	**1 075**	**110**

1 During 2023, there were no individual material associates or joint ventures to be separately disclosed

At 31 December 2022 Rm	Carrying amount	Group share of profit/(loss)
Associated undertakings		
Individually immaterial associates[1]	673	248
Total investments in associate undertakings	673	248
Joint ventures		
Individually immaterial joint ventures[1]	392	(130)
Total investments in joint ventures	392	(130)
Total investments in associates and joint ventures	1 065	118

1 During 2022, there were no individual material associates or joint ventures to be separately disclosed

(c) Aggregate financial information of immaterial investments in associated undertakings

The aggregate financial information of immaterial investments in associated undertakings and joint ventures is as follows:

At 31 December Rm	2023	2022
Profit from continuing operations	**599**	728
Total comprehensive income	**610**	487

(d) Contingent liabilities and commitments

At 31 December 2023 and 31 December 2022, the Group had no significant contingent liabilities or commitments relating to investments in associated undertakings and joint ventures.

13: Structured entities

(a) Group's involvement in structured entities

In structured entities, voting rights are not the predominant factor in deciding who controls the entity but rather the Group's exposure to the variability of returns from these entities. The Group acts as fund manager to a number of investment funds. Determining whether the Group controls such an investment fund usually focuses on the assessment of decision-making rights as fund manager, the investor's rights to remove the fund manager and the aggregate economic interests of the Group in the fund in the form of interest held and exposure to variable returns.

In most instances, the Group's decision-making authority, in its capacity as fund manager, with regard to these funds is regarded to be well-defined. Discretion is exercised when decisions regarding the relevant activities of these funds are being made. Fund management agreements include only terms, conditions or amounts that are customarily present in arrangements for similar services and level of skills negotiated on an arm's length basis. The Group has concluded that it acts as an agent on behalf of the investors in all instances.

The Group is considered to be acting as principal where the Group is the fund manager and is able to make the investment decisions on behalf of the unit holders, earn a variable fee, and there are no kick-out rights that would remove the Group as fund manager.

The Group has not provided any non-contractual support to any consolidated or unconsolidated structured entities.

The Group has committed to providing certain liquidity facilities for certain securitisation vehicles.

I: Interests in subsidiaries, associates and joint ventures continued
13: Structured entities continued
(a) Group's involvement in structured entities continued

The table below summarises the types of structured entities the Group does not consolidate, but may have an interest in:

Type of structured entity	Nature	Purpose	Interest held by the Group
Securitisation vehicles for loans and advances	Finance the Group's own assets through the issue of notes to investors	» Generate funding for the Group's lending activities » Fees for loan » Servicing » Margin through sale of assets	» Investment in senior and junior notes issued by the vehicles
Investment funds	Manage client funds through the investment in assets	» Generate fees from managing assets on behalf of third-party investors	» Investments in units issued by the fund
Securitisation vehicles for third-party receivables	Finance third-party receivables and are financed through loans from third-party note holders and bank borrowing	» Generate fees from arranging the structure » Interest income may be earned on the notes held by the Group	» Interest in these vehicles is through notes that are traded in the market
Security vehicles	Hold and realise assets as a result of the default of a client	» These entities seek to protect the collateral of the Group on the default of a loan	» Ownership interest will be in proportion of the lending. At 31 December 2023, the Group held no value in security vehicles
Clients-investment entities	Hold client investment assets	» Generates various sources of income for the Group	» None
Black economic empowerment (BEE) funding	Fund the acquisition of shares by a BEE partner	» Generates interest on the funding provided	» Loans to BEE schemes

The Group's holdings in investment vehicles are subject to the terms and conditions of the respective investment vehicle's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those investment vehicles. All of the investment vehicles in the investment portfolios are managed by portfolio managers who are compensated by the respective investment vehicles for their services. Such compensation generally consists of an asset-based fee and a performance-based incentive fee, and is reflected in the valuation of the investment vehicles.

(b) Interest in unconsolidated structured entities

The Group invests in unconsolidated structured entities as part of its normal investment and trading activities. The Group's total interest in unconsolidated structured entities is classified as investments and securities held at FVTPL. The Group does not sponsor any of the unconsolidated structured entities.

The table below provides a summary of the carrying value of the Group's interest in unconsolidated structured entities for both continuing operations and those classified as held for distribution.

At 31 December Rm	2023	2022
Debt securities, preference shares and debentures	**1 042**	1 157
Equity securities	**2 722**	2 758
Pooled investment funds	**182 095**	175 532
	185 859	179 447

The Group's maximum exposure to loss with regards to the interests presented above is the carrying amount of the Group's investments. Once the Group has disposed of its shares or units in a fund, it ceases to be exposed to any risk from that fund. The Group's holdings in the above unconsolidated structured entities are largely less than 50% and as such the net asset value of these structured entities is likely to be significantly higher than their carrying value.

Pooled investment funds include the following investments:

Fund 1
The fund aims to create long-term wealth for investors within the constraints governing retirement funds. It aims to outperform the average return of similar funds without assuming any more risk. The fund invests in government securities, listed and unlisted debt securities, and listed and unlisted equity securities. As at year end, the Company's interest in the fund totalled R8 481 million compared to a total fund size of R184 500 million.

Fund 2
The fund aims to achieve the best possible investment growth for retirement savers (within the constraints of Regulation 28 of the Pensions Fund Act) over the long term. The fund invests in government securities, listed debt and equity securities. As at year end, the Company's interest in the fund totalled R7 730 million compared to a total fund size of R110 490 million.

Fund 3
The fund aims to provide a total return (the combination of income and capital growth) by investing in equities (e.g. company shares). Other investments may include the units of other funds (including foreign funds) and derivatives. As at year end, the Company's interest in the fund totalled R3 070 million compared to a total fund size of R13 100 million.

Remaining funds
The remaining R151 413 million is held across almost 1 500 funds with various investment strategies.

(c) Other interests in unconsolidated structured entities

The Group receives management fees and other fees in respect of its asset management businesses that manage investments in which the Group has no holding. These also represent interests in unconsolidated structured entities. As these investments are not held by the Group, the investment risk is borne by the external investors and therefore the Group's maximum exposure to loss relates to future management fees. The Group does not sponsor any of the funds or investment vehicles from which it receives fees.

J: Other notes

J1: Post-employment benefits

The Group's post-retirement schemes provide for the retirement, medical and disability benefits of employees and have been designed and are administered in accordance with local conditions and practices in the countries concerned and include both defined contribution and defined benefit schemes. The assets of these schemes are held in separate trustee-administered funds. Actuarial advice confirms that the existing assets are adequate to secure members' benefits over the remaining service lives of participating employees. The schemes are reviewed at least on a triennial basis or in accordance with local practice and regulations. In the intervening years, the actuary reviews the continuing appropriateness of the assumptions applied. The actuarial assumptions used to calculate the projected benefit obligations of the Group's pension schemes vary according to the economic conditions of the countries in which they operate. The post-retirement medical aid benefit is no longer offered by the Group and therefore the disclosure relates to winding up of this benefit.

The movement analysis of post-employment benefits presented in note J1(a) includes the information for all of the Group's pension schemes, including movements in plan assets for the year.

Restriction on the ability to access individual pension fund surpluses

The Group has pension fund surpluses and its ability to access the surpluses is regulated by local laws and regulations. In all situations, the Group does not have the unilateral right to access these surpluses as the use of the surplus must be approved by the relevant governing bodies of the pension funds.

(a) Liability for defined benefit obligations

	Pension plans		Other post-retirement benefit schemes	
Year ended 31 December **Rm**	**2023**	2022	**2023**	2022
Changes in projected benefit obligation				
Projected defined benefit obligation at beginning of the year	**181**	217	**1 593**	1 545
Current service cost	**–**	–	**13**	13
Interest cost on benefit obligation	**19**	21	**144**	132
Measurement gains arising from experience adjustments	**(26)**	(57)	**(56)**	(30)
Benefits paid	**–**	–	**(72)**	(67)
Projected defined benefit obligation at end of the year	**174**	181	**1 622**	1 593
Change in plan assets				
Plan assets at fair value at beginning of the year	**181**	217	**–**	–
Actual return on plan assets	**(7)**	(36)	**–**	–
Plan assets at fair value at end of the year	**174**	181	**–**	–
Net defined benefit obligation	**–**	–	**(1 622)**	(1 593)
Net amount recognised in consolidated statement of financial position	**–**	–	**(1 622)**	(1 593)
Disclosed as follows:				
Within trade, other payables and other liabilities (note H8)	**–**	–	**(1 622)**	(1 593)
	–	–	**(1 622)**	(1 593)

(b) Principal actuarial assumptions

The significant actuarial assumptions and sensitivities of the defined benefit liabilities to changes in those assumptions are set out below.

	Pension plans		Other post-retirement benefit schemes	
	2023	2022	**2023**	2022
Discount rate used	**10.9%**	11.1%	**10.9%**	10.5%
Price inflation	**5.3%**	6.3%	**7.4%**	7.0%
Rate of future salary increases	**6.8%**	7.3%	**9.9%**	8.0%
Expected return on plan assets	**10.9%**	11.1%	**11.4%**	10.9%

Actuarial assumptions used in calculating the projected benefit obligation are based on mortality estimates in line with those adopted for the 92 series of mortality tables prepared by the Continuous Mortality Investigation Bureau of the Institute of Actuaries.

J: Other notes continued
J1: Post-employment benefits continued
(b) Principal actuarial assumptions continued

The table below provides information on the sensitivity of significant assumptions used.

Year ended 31 December 2023 Rm	Reasonable possible change %	Pension plans Increase	Pension plans Decrease	Other post-retirement benefit schemes Increase	Other post-retirement benefit schemes Decrease
Sensitivity analysis of significant assumptions					
Increase in discount rate	**1.0%**	**166**	**183**	**1 408**	**1 751**
Increase in accrued service liabilities due to salary increase	**1.0%**	**183**	**166**	**–**	**–**
Increase in accrued service liabilities due to medical inflation	**1.0%**	**–**	**–**	**1 756**	**1 401**

Year ended 31 December 2022 Rm	Reasonable possible change %	Pension plans Increase	Pension plans Decrease	Other post-retirement benefit schemes Increase	Other post-retirement benefit schemes Decrease
Sensitivity analysis of significant assumptions					
Increase in discount rate	1.0%	180	170	1 351	1 703
Increase in accrued service liabilities due to salary increase	1.0%	184	179	–	–
Increase in assumed health costs trend rates	1.0%	–	–	1 707	1 344

(c) Plan asset allocation

Plan asset allocation relates to all of the Group's pension schemes is as follows:

Year ended 31 December	Pension plans 2023	Pension plans 2022
Equity securities	**51.9%**	54.8%
Debt securities	**25.5%**	23.4%
Property	**6.2%**	6.5%
Annuities and other	**16.4%**	15.3%
	100.0%	100.0%

(d) Expenses recognised in the income statements

Year ended 31 December Rm	Pension plans 2023	Pension plans 2022	Other post-retirement benefit schemes 2023	Other post-retirement benefit schemes 2022
Current service costs	**–**	–	**13**	13
Interest cost	**19**	21	**145**	132
Total (included in staff costs)	**19**	21	**158**	145

J2: Share-based payments

(a) Share incentive schemes

The Group incentivises employees through a number of share incentive schemes. These include an employee share ownership plan (ESOP), Old Mutual Africa Regions phantom incentive, long-term incentive plan (LTIP) and broad-based incentive (BBI) schemes. The ESOP, LTIP and BBI schemes are equity-settled, and the Old Mutual Africa Regions phantom scheme is cash-settled. More information on the Group's share incentive schemes is available in the Old Mutual Limited Remuneration Report, which will be released in March 2024 and can be accessed at https://www.oldmutual.com/investor-relators/reporting-centre/reports

Employee share ownership plan (ESOP)

These awards are granted under the Employee Share Ownership Plan (ESOP) rules. The ESOP consists of the deferred short-term incentive, buyout/sign-on and retention awards.

Deferred short-term incentive awards

A portion of the annual short-term incentive award, for middle management and above, is mandatorily deferred for a maximum period of three years. This deferral is converted to forfeitable Old Mutual Limited shares for participants in South Africa and Namibia and forfeitable phantom shares for participants in Old Mutual Africa Regions. Awards granted from 2021 vest in three equal tranches on the first, second and third anniversaries of the award, and have no further financial performance conditions. The awards are subject to malus and clawback conditions.

Buyout/sign-on awards

These awards support the recruitment of key and/or critical talent into the organisation subject to stringent policy guidelines. Buyout awards replace potential loss of income/unvested awards for new joiners, and/or address any financial obligations that the new joiner may have with their previous employer. Sign-on awards increase the overall competitiveness and attractiveness of an offer, specifically for the recruitment of scarce skills or high-potential individuals. These awards are preferably granted in forfeitable Old Mutual Limited shares for participants in South Africa and Namibia and in forfeitable phantom shares for participants in Old Mutual Africa Regions.

Retention awards

These awards are granted in special circumstances to retain key talent based on the outcomes of the Group Talent Management Strategy, or scarce and/or critical skills identified as a potential flight risk. The awards typically vest after three years.

Long-term incentive plan (LTIP)

LTI awards are granted under the long-term incentive plan (LTIP) rules. These awards are granted to executives and select senior managers, on a discretionary basis, subject to a minimum individual performance condition. These awards aim to align senior management and shareholder interests. Awards granted in 2021 and 2022 are conditional Old Mutual Limited shares for participants in South Africa and Namibia and conditional phantom shares for participants in Old Mutual Africa Regions. Vesting is subject to the achievement of Company and individual performance targets, and vest in equal tranches on the third, fourth and fifth anniversaries of the award. These LTI awards were then replaced by the forfeitable deferred performance award (DPA) still issued under the LTIP rules. The first DPA grant is expected in the April 2024 cycle. The DPA share awards will vest subject to acceptable individual performance outcomes as well as continued employment. The awards are subject to malus and clawback conditions.

Broad-based incentive scheme (BBI)

B-BBEE listing awards

A once-off broad-based share incentive scheme was awarded in September 2018 to all employees permanently employed at the time of Old Mutual listing on the JSE and still in service on the date of grant. This award was in recognition of each employee's contribution to the smooth transition to listing, and the anticipated future contribution they would make to the Group. In terms of this scheme, 25 254 employees were initially allocated 366 Old Mutual Limited shares each, totalling 8 485 344 shares (at a share price of R29.80). This initial grant was supplemented by a further 128 Old Mutual Limited shares at a share price of R22.00 (3 232 512 shares in total). The total Old Mutual Limited shares allocated was 11 717 856. The awards, granted under the ESOP rules all vested on 18 September 2020. After taking into account the lapse of shares linked to leavers, 11 122 496 Old Mutual Limited shares vested at a share price of R10.07.

B-BBEE Bula Tsela awards

A once-off broad-based share incentive scheme awarded 205.3 million new Old Mutual Limited ordinary shares during the 2022 year to the following groups:

- Qualifying Old Mutual employees, as part of the Old Mutual Bula Tsela employee transaction granted under the ESOP rules (grant date: 6 December 2022)
- A community trust for the support of eligible black South African individuals and groups as part of the Old Mutual Bula Tsela community transaction (grant date: 12 August 2022)
- Qualifying black South African individuals and groups whose applications pursuant to the public offer were successful, as part of the Old Mutual Bula Tsela Retail Transaction (grant date: 21 November 2022)

The Old Mutual Bula Tsela Employee Transaction has the following core elements:

- 78 125 166 shares were issued under the employee scheme, with 20% of these shares (the Other Employee Subscription Shares) issued at a subscription price equal to the post-retail offer closing date VWAP (R10.22 per share, five-day VWAP as at 1 November 2022) and 80% of these shares (the Notionally-funded Employee (NVF) Subscription Shares) were issued at their fair value as determined through the use of a Monte Carlo option pricing model. The subscription price equated to R3.39 per share.
- This option pricing model calculates the potential benefit accruing to beneficiaries, taking into account various assumptions/inputs, including the number of shares issued, the price at which shares are trading, and the cost of funding provided to the beneficiaries over the 10-year term.
- Employees will be allocated shares that will vest in tranches after four (25%), six (25%) and eight (50%) years. Shares may not be traded until the completion of a 10-year lock-in period. Employees will be entitled to a 15% trickle dividend on the NVF shares (remaining dividend will be used to settle the NVF) and 100% of the dividend on the remaining shares during the vesting period.

J: Other notes continued
J2: Share-based payments continued
(a) Share incentive schemes continued

- The fair value determined at the grant date of the equity-settled share-based payment is expensed on a graded vesting basis, as a result of the various vesting tranches, with a corresponding increase in equity. The expense is adjusted to reflect the actual number of share rights for which the vesting conditions are met.

The Old Mutual Bula Tsela Retail Transaction, in turn, had the following core elements:

- 63 600 838 Old Mutual Limited shares were acquired by RetailCo. RetailCo funded this acquisition through a combination of vendor finance from Old Mutual Limited (70%), money raised from the issue of its own shares (15%) and a donation from Old Mutual Limited (15%).
- Old Mutual is the first insurer in South Africa to offer shares directly to the black South African public in a retail scheme. Through the innovative 12-month pay-off option for applicants in the R1 000 election option, room was made for those who had not had the opportunity to participate in retail schemes before; a first for South Africa. A Warehouse Trust is used to facilitate the issue of RetailCo shares to individuals in the R1 000 election option. More than 38 000 black South African individuals, small businesses, and groups such as trusts and stokvels qualified for RetailCo shares in this transformative empowerment scheme. The Old Mutual Bula Tsela Retail Scheme is 100% black-owned and approximately 51% black women-owned, and 29% black youth-owned. 9 750 008 RetailCo ordinary shares were issued to successful retail offer applicants at R10 per share to raise 15% of the capital required to subscribe for Old Mutual Limited shares.
- The share-based payment reserve amount is based on the valuation of the issue of the Old Mutual Limited shares as an option that has been valued using the following assumptions: rates implied by the nominal swap curve, dividend yield of 6.3%, volatility of 30%, a spot price of R11.18 per share, and a term of 10 years. The fair value determined at the grant date of the equity-settled share-based payment less the consideration received vests immediately, resulting in the full amount being expensed at grant date. Participants in the retail transaction receive a 15% trickle dividend after settling operational expenses and servicing the vendor finance.
- The remaining 63 600 838 Old Mutual Limited shares were issued to the Old Mutual Bula Tsela Community Trust at a subscription price of R0.01 through an NVF arrangement. The trust, which is consolidated by Old Mutual, will use its trickle dividend to undertake permitted public benefit activities aimed at furthering, among others, financial and other education and digital skills.

(b) Forfeitable/restricted share grants

The following table summarises the fair value of restricted shares granted by the Group during the year:

Instruments granted and purchased during the year		Number granted	Weighted average fair value
Shares in Old Mutual Limited (Johannesburg Stock Exchange)	**2023**	**64 988 857**	**R11.44**
	2022	181 245 930	R6.74

These numbers exclude phantom and the Bula Tsela community grants.

	Number of shares	**Weighted average fair value grant date**	Number of shares	Weighted average fair value grant date
	2023	**R**	2022	R
Deferred Short-term Incentive Awards (ESOP)				
Movements in unvested shares				
1 January[1]	**52 160 269**	**10.46**	54 855 443	13.10
Granted	**35 892 534**	**11.90**	20 185 005	13.79
Settled	**(29 848 049)**	**11.67**	(18 964 387)	13.83
Lapsed	**(3 822 320)**	**13.06**	(3 915 792)	10.46
31 December[1]	**54 382 434**	**13.06**	52 160 269	10.46
Long-term Incentive Plan Awards (LTIP)				
Movements in unvested shares				
1 January[1]	**39 926 941**	**10.46**	33 430 462	13.10
Granted	**–**	**–**	9 920 654	13.77
Settled	**(66 943)**	**12.23**	(368 890)	12.63
Lapsed	**(2 687 783)**	**13.06**	(3 055 285)	10.46
31 December[1]	**37 172 215**	**13.06**	39 926 941	10.46
Buyout/sign-on awards (ESOP)				
Movements in unvested shares				
1 January[1]	**5 527 656**	**10.46**	2 353 694	13.10
Granted	**1 922 241**	**11.92**	3 452 305	12.13
Settled	**(212 837)**	**11.31**	(25 400)	11.07
Lapsed	**(255 543)**	**13.06**	(252 943)	10.46
31 December[1]	**6 981 517**	**13.06**	5 527 656	10.46

	Number of shares	Weighted average fair value grant date	Number of shares	Weighted average fair value grant date
	2023	**R**	2022	R
Retention awards (ESOP)				
Movements in unvested shares				
1 January[1]	**25 580 641**	**10.46**	27 310 791	13.10
Granted	**22 030 633**	**11.90**	6 968 144	13.66
Settled	**(6 114 506)**	**11.65**	(4 117 159)	12.19
Lapsed	**(3 261 890)**	**13.06**	(4 581 135)	10.46
31 December[1]	**38 234 878**	**13.06**	25 580 641	10.46
Broad-based incentive awards (BBI)				
Movements in unvested shares				
1 January[1]	**2 912**	**10.46**	6 160	13.10
Settled	**–**	**–**	(3 248)	10.13
Lapsed	**(128)**	**13.06**	–	–
31 December[1]	**2 784**	**13.06**	2 912	10.46
B-BBEE Bula Tsela Awards (BBI) (ESOP)				
Movements in unvested shares				
1 January[1] – Other employee shares	**15 244 026**	**10.46**	–	–
1 January[1] – NVF shares	**60 976 104**	**3.42**	–	–
Other employee shares granted	**1 028 278**	**11.93**	15 423 797	10.59
NVF shares granted[2]	**4 115 171**	**4.61**	61 695 187	3.50
Lapsed	**(15 196 638)**	**6.90**	(898 854)	4.83
31 December[1, 2] – Other employee shares	**13 232 996**	**13.06**	15 244 026	10.46
31 December[1, 2] – NVF shares	**52 933 945**	**5.36**	60 976 104	3.42
B-BBEE Bula Tsela Awards (BBI) (Retail)				
Movements in unvested shares				
1 January[1]	**63 600 838**	**4.02**	–	–
Granted[3]	**–**	**–**	63 600 838	4.55
31 December[1, 3]	**63 600 838**	**6.03**	63 600 838	4.02

1 Fair value at reporting date
2 The weighted average exercise price on grant date was R9.00 (2022: R8.72) and at 31 December 2023 was R8.88 (2022: R8.77)
3 The weighted average exercise price on grant date was Rnil (2022: R7.15) and at 31 December 2023 was R7.19 (2022: R7.21)

No adjustment was made in the above weighted average fair value for expected dividends where the holder of the restricted share is entitled to dividends throughout the vesting period, except as it relates to the NVF shares.

(c) Deferred short-term incentive awards – forecast

The annual bonus allocation (South Africa and Namibia) gives rise to deferred short-term incentive awards. The start of the vesting period of these awards has been determined as 1 January of the year prior to the date of issue, to take into account the element of the award linked to previous performance. The initial fair value is determined by estimating the level of awards to be made in the following year, taking into account expected Company and individual performance.

The Group anticipates awards under the South African scheme of 49 272 153 restricted shares (2022: 26 175 385). The restricted shares have been valued using a share price of R12.00 (2022: R15.00). The method used to calculate the forecast grant is based on a rand value determined at 1 January using the last reported share price, which is not adjusted for changes in the share price until the actual awards are made.

(d) Financial impact

Year ended 31 December **Rm**	Notes	**2023**	2022
Expense arising from equity-settled share and share option plans	D7	**629**	665
Expense arising from cash-share and share option plans	D7	**10**	2
		639	667
Closing balance of liability for cash-settled share awards	H8	**43**	31

J: Other notes continued
J3: Related parties
(a) Transactions with key management personnel, remuneration and other compensation

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

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

The Directors' Emolument disclosure required by the Companies Act is set out in note M. Disclosures required in terms of King IV will be disclosed in the Old Mutual Limited Remuneration Report which will be released in March 2024 and can be accessed at https://www.oldmutual.com/investor-relations/reporting-centre/reports. Compensation paid to the Board of directors is aggregated below, together with the aggregate compensation paid to the Executive committee members (Exco), as well as the number of share options and instruments held.

Year ended 31 December Rm	2023 Number of personnel	2023 Rm	2022 Number of personnel	2022 Rm
Directors' fees	**14**	**28**	14	26
Remuneration		**156**		136
Salaries and other benefits	**12**	**109**	13	108
Share-based payment expense	**12**	**47**	13	28
		184		162

Restricted shares	2023 Number of personnel	2023 Number of options/ shares '000s	2022 Number of personnel	2022 Number of options/ shares '000s
Outstanding at beginning of the year	**12**	**20 990**	13	16 813
Leavers	**1**	**(837)**	1	(728)
New appointments	**–**	**–**	–	–
Granted during the year	**–**	**2 195**	–	6 572
Lapsed during the year	**–**	**(857)**	–	(665)
Released during the year	**–**	**(2 162)**	–	(1 002)
Outstanding at end of the year	**11**	**19 329**	12	20 990

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence at and for the year ended 31 December 2023 were as follows.

Year ended 31 December	2023 Number of personnel	2023 Value Rm	2022 Number of personnel	2022 Value Rm
Current accounts	**4**	**–**	4	–
Credit cards	**–**	**–**	–	–
Mortgages	**–**	**–**	–	–
Investments	**10**	**178**	10	136
Property and casualty contracts				
Total premium paid during the year	**6**	**–**	5	–
Claims paid during the year	**–**	**–**	–	–
Life insurance products				
Total sum assured/value of investment at end of the year	**9**	**66**	9	84
Pensions				
Value of pension plans as at end of the year	**8**	**106**	9	80

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

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

(b) Transactions and balances with other related parties

Material subsidiaries of the Group are identified in note I1(a) and the Group's material investments in associated undertakings and joint ventures are identified in note I2.

No transactions between the Group and its related parties, other than key management personnel disclosed above, occurred during the current and previous reporting period.

(c) Investments in the Kutana Group of companies

Thoko Mokgosi-Mwantembe, a Non-executive Director of the Company, is also the Chief Executive Officer and sole equity holder of Kutana Capital Proprietary Limited (Kutana).

Old Mutual Specialised Finance provided preference share funding to Luxanio 220 (RF) Proprietary Limited, a wholly owned subsidiary of Kutana. In June 2023, all the preference shares funding provided to Luxanio 220 (c.R315 million as of December 2022) was repaid and refinanced by the Old Mutual Hybrid Equity Fund 1 (Fund 1). Fund 1 is a limited liability partnership, and the Group holds c.99% of the interest in Fund 1. In line with the nature of this structure, the Group has no influence over the investment decisions of this fund.

The Group continues to review relationships where Kutana has significant influence in the wider structure and has provided additional information with respect to these relationships.

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

The Group indirectly holds a 31% minority stake in Middle Road alongside Kutana's 35% interest, which was acquired by the Old Mutual Private Equity Fund IV (Fund IV) prior to Thoko Mokgosi-Mwantembe having been appointed as a Non-executive Director of the Company and OMLAC(SA). Fund IV is a limited liability partnership and the Group holds c.88% of the interest in Fund IV. In line with the nature of this structure, the Group has no influence over the investment decisions of this fund. These structures within the Group ensure that the independence of our asset management businesses is maintained.

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

Year ended 31 December **Rm**	**2023**	2022
Debt instruments held		
Preference shareholding – Luxanio 220 (RF) Proprietary Limited	**–**	315
Mezzanine debt – In2Food Group Proprietary Limited	**60**	60
Term loan A – In2Food Group Proprietary Limited	**182**	196
Term loan B – In2Food Group Proprietary Limited	**200**	200
Income earned		
Preference dividends accrued – Luxanio 220 (RF) Proprietary Limited	**16**	26
Mezzanine debt interest accrued – In2Food Group Proprietary Limited	**1**	1
Term loan A interest accrued – In2Food Group Proprietary Limited	**2**	2
Term loan B interest accrued – In2Food Group Proprietary Limited	**2**	2

J: Other notes continued

J4: 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, was 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 judgment ordering OMUT to pay R1.7 billion on 12 December 2022 to the Supreme Court of Appeal. The appeal hearing took place on 14 March 2024 and judgment has been reserved. 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 the 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. On 1 October 2023, the Insurance and Pensions Commission (IPEC) issued Statutory Instrument 162 of 2023. The Statutory Instrument is aimed at determining and providing compensation for loss of value of pre-2009 pension benefits.

The Statutory Instrument prescribed a method to be followed in calculating the compensation of pension fund members. Old Mutual Zimbabwe submitted a compensation scheme to the IPEC on the 29 of December 2023, as required by the Statutory Instrument, and are currently awaiting the approval on the compensation scheme, which also demonstrated the separation of assets between shareholders and policyholders.

The Group is therefore not able to determine if there will be any financial impact or the extent of any possible impact until feedback is provided by the IPEC.

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 (FandG), 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 US$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.

J5: 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**	**2023**	2022
Investment property	**685**	580
Intangible assets	**287**	167

Future potential commitments

Commitments under derivative instruments

The Group enters into options 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

OMLAC(SA) 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 521 million at 31 December 2023 (2022: R17 776 million).

J6: Cash flow information

Management considers it appropriate for all cash flows relating to investment portfolios backing policyholder liabilities and supporting regulatory and Group risk-adjusted minimum capital levels, to be reflected as cash flows from investing activities rather than as cash flows from operating activities.

Cash and cash equivalents

Cash and cash equivalents comprise:

- Coins and bank notes
- Money at call and short notice
- Balances with central banks (other than mandatory reserve deposits)

Cash and cash equivalents only include items held for the purpose of meeting short-term cash commitments rather than for investing or other purposes. Cash and cash equivalents have a maturity of less than three months from the date of acquisition.

Cash and cash equivalents included in the cash flow statement comprise coins and bank notes, money at call and short notice, balances with central banks, mandatory reserve deposits held with central banks and cash and cash equivalents subject to the consolidation of funds.

Cash and cash equivalents held within investment and securities

Cash and cash equivalents held within the policyholder portfolio and for risk management are disclosed under the sub-total 'Investments and securities'.

J: Other notes continued
J6: Cash flow information continued
J6.1: Cash flows from operating activities

Year ended 31 December Rm	Notes	2023	2022
Non-cash movements and adjustments to profit before tax			
Amortisation and impairments of cost to obtain contracts and contract liabilities		6	298
Amortisation and impairments of intangible assets	D7	928	824
Depreciation and impairments of property, plant and equipment	D7	683	1 292
Impairments of loans and advances		2 349	1 079
Impairments in associate undertakings		–	–
Interest on borrowed funds		1 158	780
Profit on disposal of subsidiaries, associates and strategic investments		–	17
Share of profit of associate undertakings and joint ventures		(111)	(118)
Fair value (losses)/gains on investments and securities	D2	(73 919)	31 082
Fair value gains and losses on investment property	D2	(8 078)	(6 814)
Net gain from fair value adjustment PPE		(191)	(122)
Treasury shares dividend		(86)	(78)
Share-based payment		639	624
Other non-cash movements[1]		12 753	1 846
Total non-cash movements and adjustments to profit before tax		**(63 869)**	**30 710**
Changes in working capital			
Costs to obtain contracts		(77)	(363)
Contract liabilities		246	146
Insurance and reinsurance contracts		56 696	(23 262)
Investment contracts		14 338	(12 987)
Trade, other receivables and other assets		(18 509)	(12 903)
Trade, other payables and other liabilities		10 810	27 777
Loans and advances		(3 680)	(2 909)
General provisions		269	–
Retirement obligations and assets		1	(18)
Amounts owed to depositors		2 928	1 201
Effect of exchange rates		39	405
Consolidation of funds		(2 959)	17 567
Total changes in working capital		**60 102**	**(5 346)**

1 Non-cash movements relates to consolidation of funds

J7: 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 100% of the share capital of Genric Insurance Company Limited (Genric), a diversified short-term insurer which focuses mainly on Accident and Health and other niche classes of insurance, with effect from 6 January 2023, and is a business combination within the scope of IFRS 3. Goodwill of R48 million has been recognised mainly due to intangible assets that do not qualify for separate recognition.

Old Mutual Funeral Services Proprietary Limited, a wholly owned subsidiary of Old Mutual Limited, acquired 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) with effect from 1 December 2023, and is a business combination within the scope of IFRS 3. Two Mountains is a licensed micro-insurer that distributes and underwrites funeral policies and provides undertaking services. Since the acquisition of Two Mountains, an insignificant amount was contributed to profit after tax and total revenue.

The non-controlling interest mentioned below was measured at their proportionate share of the acquiree's identifiable net assets. Goodwill of R168 million has been recognised mainly due to intangible assets that do not qualify for separate recognition.

The above acquisitions form part of the Group's growth strategy and will enable the Group to access a wider range of value-added products and innovative offerings while realising synergistic benefits from this acquisition.

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

Rm	Genric fair value recognised on acquisition date	Two Mountains fair value recognised on acquisition date	Total
Consideration at date of acquisition			
Cash and cash equivalents	300	260	560
Total consideration	**300**	**260**	**560**
Recognised amounts of identifiable assets acquired and liabilities assumed			
Goodwill and Intangible assets	118	108	226
Property, plant and equipment	6	81	87
Investments in associated undertakings and joint ventures	4	–	4
Trade, other receivables and other assets	95	233	328
Cash and cash equivalents	262	79	341
Investments and securities	10	–	10
Reinsurance contract assets	218	–	218
Current tax payable	(3)	(4)	(7)
Insurance contract liabilities	(290)	(22)	(312)
Trade, other payables and other liabilities	(139)	(322)	(461)
Deferred tax liabilities	(29)	(30)	(59)
Total identifiable net assets	**252**	**123**	**375**
Total non-controlling interest	–	(31)	(31)
Goodwill	48	168	216
Total	**300**	**260**	**560**

From the date of acquisition, Genric contributed R32 million profit after tax and R105 million 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	2023
Summary of net cash outflows due to acquisitions	219

(b) Acquisitions of businesses prior 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.

J: Other notes continued
J7: Acquisitions and disposals of businesses and other similar transactions continued
(b) Acquisitions of businesses prior the current reporting period continued
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 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 and other income 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

(c) Disposals of businesses and other similar transactions during the current reporting period
There have been no disposals in the current reporting period.

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

J8: Restatement of intercompany loan on the statement of financial position

Intercompany assets and liabilities are amounts owed by or to entities within the Group. IFRS 10 *Consolidated Financial Statements* requires the elimination, in full, of intercompany assets and liabilities when preparing consolidated financial statements to avoid the overstatement of asset and liability values. Old Mutual Holdings plc, incorporated in Kenya, has a loan from Old Mutual East Africa Holdings Limited, incorporated in Kenya. The intercompany loan originated in 2015. The loan was not eliminated on consolidation and, as a result, investments and securities and trade, other payables and other liabilities were overstated from origination of the loan. The loan balance as at 31 December 2021 and 31 December 2022 was R910 million and R1 049 million respectively. The presentation of the statement of financial position has been amended by restating each of the financial statement line items for the 2021 and 2022 financial years. There is no impact on the statement of comprehensive income, headline earnings, statement of changes in equity and statement of cash flows.

The extent to which this amendment has impacted the statement of financial position as at 31 December 2022 and 31 December 2021 is set out in the following tables:

Rm	As previously reported at 31 December 2022	IFRS 17 adjustments (refer to note L)	Intercompany restatement	Restated after 31 December 2022
Assets				
Investments and securities	892 091	1 362	(1 049)	892 404
Other investments and securities including term deposits	866 767	1 362	(1 049)	867 080
Total assets	1 066 956	(1 162)	(1 049)	1 064 745
Liabilities				
Trade, other payables and other liabilities	91 001	(5 736)	(1 049)	84 216
Total liabilities	1 000 410	5 184	(1 049)	1 004 545

Rm	As previously reported at 31 December 2021	IFRS 17 adjustments (refer to note L)	Intercompany restatement	Restated after 31 December 2021
Assets				
Investments and securities	899 388	5 193	(910)	903 671
Other investments and securities including term deposits	877 198	5 193	(910)	881 481
Total assets	1 053 854	(1 157)	(910)	1 051 787
Liabilities				
Trade, other payables and other liabilities	63 934	(5 459)	(910)	57 565
Total liabilities	988 553	3 306	(910)	990 949

J9: Events after the reporting date

In January 2024, the Group announced the sale of its full stake in UAP Insurance Tanzania, a short-term insurance business, to a group within its current minority shareholders, pending regulatory approval. This decision follows a strategic review that identified challenges in achieving desired returns on capital for the Tanzanian business. The Group remains committed to East Africa and will continue to strengthen our investment in corporate and retail propositions to position the business as a leading integrated financial service provider.

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 2023 until the date of authorisation of these audited consolidated financial statements.

K: Future standards, amendments to standards and interpretations not early adopted in the 2023 financial statements

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

Amendments to standards

The Group has adopted the following amendments for the first time in the annual reporting period commencing 1 January 2023:

- IFRS 17 (including amendments to IFRS 17) – Refer to note L for the impact of the adoption of IFRS 17 *Insurance Contracts*
- Amendment to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies
- IAS 8 amendment on changes in the definition of accounting estimates
- IAS 12 amendment on deferred tax related to assets and liabilities arising from a single transaction
- IAS 12 amendment relating to International Tax Reform – Pillar Two Model Rules

Except for IFRS 17, these standards have not materially impacted the financial statements.

New standards and amendments to standards issued but not effective

The following standards were issued but not effective for the period commencing 1 January 2023:

- IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*[1]
- Amendment to IAS 1 *Classification of Liabilities as Current or Non-current*[2]
- Amendment to IFRS 16 *Lease Liability in a Sale and Leaseback*[2]
- Amendments to IAS 7 and IFRS 7 *Supplier Finance Arrangements*[2]

These standards and amendments to standards are not expected to have a material impact on the financial statements.

1 The IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting
2 Effective on 1 January 2024

L: Standards adopted in the 2023 audited consolidated annual financial statements

The Group has initially applied IFRS 17 *Insurance Contracts*, including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Group has restated certain comparative amounts and presented a third statement of financial position as at 1 January 2022.

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in these consolidated annual financial statements.

The nature and effects of the key changes in the Group's accounting policies as a result of adopting IFRS 17 are summarised below.

L1: Implementation of IFRS 17 *Insurance Contracts* (IFRS 17)

1.1 Summary

IFRS 17 is a comprehensive new accounting standard for insurance contracts that governs recognition, measurement, presentation and disclosure.

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 affected 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 and 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 was Old Mutual Life Assurance Company (South Africa) Limited (OMLAC(SA)). However, all other Group entities with life and property and casualty insurance licences were also impacted.

South African local practice for the measurement of policyholder liabilities under IFRS 4 for long-term insurers followed 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 were valued using realistic expectations of future experience, with margins for prudence and deferral of profit emergence. Local practice for the measurement of property and casualty insurance policyholder liabilities followed Advisory Practice Note 401 issued by the Actuarial Society of South Africa. For territories outside of South Africa, local actuarial practices and methodologies were 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 were historically separated between IFRS 4 and IFRS 9 *Financial Instruments* (IFRS 9) based on investment fund choice are no longer 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 and 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 is based on the characteristics of the liability.

1.2 Impact of the adoption of IFRS 17

The impact of initial application of IFRS 17 on the consolidated annual financial statements was a decrease of R4 463 million to the Group's total equity at 1 January 2022, net of adjustments relating to consequential amendments to other IFRS standards amounting to R1 405 million. Total equity as at 31 December 2021 under IFRS 4 was R65 301 million.

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 OMLAC(SA), and within OMLAC(SA), 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, 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, results in an increase in liabilities that 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 OMLAC(SA) or the Group, from Old Mutual Corporate to Personal Finance and Wealth Management.

As noted above, the Group has provided the restated comparative information for 2022 in these consolidated annual financial statements.

L: Standards adopted in the 2023 audited consolidated annual financial statements continued

L1: Implementation of IFRS 17 *Insurance Contracts* (IFRS 17) continued

1.2 Impact of the adoption of IFRS 17 continued

Included below is the reconciliation of the consolidated statement of financial position from IFRS 4 to IFRS 17 at transition:

Rm	Notes	At 31 December 2021 as reported post-IAS 8 restatement[1]	IFRS 17 transitional adjustments	At 1 January 2022 Restated
Assets				
Goodwill and other intangible assets		6 234	–	6 234
Mandatory reserve deposits with central banks		195	–	195
Property, plant and equipment		9 155	–	9 155
Investment property		38 672	–	38 672
Deferred tax assets		2 455	2 327	4 782
Investments in associated undertakings and joint ventures		908	–	908
Deferred acquisition costs		405	(405)	–
Costs of obtaining contracts		1 496	(973)	523
Loans and advances		18 722	(1 105)	17 617
Investments and securities[1]		898 478	5 193	903 671
Other investments and securities including term deposits[1]		876 288	5 193	881 481
Cash and cash equivalents		22 190	–	22 190
Insurance contract assets		–	2 645	2 645
Reinsurance contract assets		–	9 463	9 463
Reinsurers' share of policyholder liabilities		13 372	(13 372)	–
Current tax receivable		459	3	462
Trade, other receivables and other assets		22 802	(4 933)	17 869
Derivative financial instruments		6 391	–	6 391
Cash and cash equivalents		32 931	–	32 931
Assets held for sale		269	–	269
Total assets		1 052 944	(1 157)	1 051 787
Liabilities				
Insurance contract liabilities		166 555	441 867	608 422
Reinsurance contract liabilities		–	1 671	1 671
Investment contract liabilities		639 270	(434 001)	205 269
Third-party interests in consolidated funds		77 308	–	77 308
Borrowed funds		17 506	–	17 506
Provisions		1 767	–	1 767
Contract liabilities		1 272	(837)	435
Deferred tax liabilities		6 453	67	6 520
Current tax payable		499	–	499
Trade, other payables and other liabilities[1]		63 024	(5 459)	57 565
Amounts owed to bank depositors		5 905	–	5 905
Derivative financial instruments		8 084	(2)	8 082
Total liabilities[1]		987 643	3 306	990 949
Net assets		65 301	(4 463)	60 838
Shareholders' equity				
Equity attributable to the equity holders of the parent		62 174	(4 450)	57 724
Non-controlling interests				
Ordinary shares		3 127	(13)	3 114
Total non-controlling interests		3 127	(13)	3 114
Total equity		65 301	(4 463)	60 838

1 *An error was identified. These numbers have been restated. Refer to note J8*

The changes brought about by IFRS 17 did 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 nor does not have any impact on our non-insurance, for example asset management businesses.

1.3 Transition to IFRS 17

Selection of transition approach

The Group has adopted IFRS 17 by applying the full retrospective approach wherever practicable to do so for groups of contracts in force as at 1 January 2022, as required by IFRS 17.

The Group considers a retrospective calculation to be impracticable if historical contract data (including data on past assumptions and actual cash flows) or calculation models do not exist, cannot be obtained or approximated without applying hindsight, or cannot be obtained, built or suitably modified by applying every reasonable effort to do so. The Group applied judgement in assessing these criteria.

The Group has determined that for certain groups of contracts, such information was not available. To the extent that it is impracticable to apply the full retrospective approach, the Group applied the modified retrospective approach or the fair value approach to groups of contracts in force as at 1 January 2022.

Where information required for the modified retrospective approach was not available without undue cost or effort, or cannot be reliably estimated, the Group applied the fair value approach. The Group applied judgement in assessing these criteria.

Application of IFRS 17 at 1 January 2022, required the Group to:

- De-recognise any existing balances that would not exist had IFRS 17 been applied and recognise the IFRS 17 balances that replace these
- Recognise a net deferred tax asset based on the net impact of derecognising such balances and the IFRS 17 balances that would replace these, in accordance with tax regulations concerning the implementation of IFRS 17 as issued for jurisdictions where the Group operates
- Recognised any resulting net difference in equity

Full retrospective approach

Under the full retrospective approach, the Group identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied. The full retrospective approach was used for all groups of contracts, other than where noted below.

Modified retrospective approach

The modified retrospective approach aims to achieve results that are as close as possible to the full retrospective approach using the information available for these groups of insurance contracts. These modifications and simplifications, as permitted by IFRS 17, are therefore only used to the extent that information required to apply the full retrospective approach is not available. This specifically applies to identification and classification of groups of insurance contracts, as well as determination of CSM or loss components to be recognised.

The Group has applied the modified retrospective approach for certain groups of contracts in portfolios in OMLAC(SA) and Old Mutual Life Assurance Company (Namibia) Limited (OMLAC Nam).

The Group applied judgement to determine which modifications to use for each group of contracts. The following modifications were used (noting that this is the full list of all modifications used and that not all modifications were used for all groups of contracts applying the modified retrospective approach):

- Modifications related to the classification and grouping of contracts:
  - Information available at the transition date was used to group contracts according to profitability and determine whether an insurance contract would qualify as an insurance contract eligible for the VFA
  - Contracts issued more than one year apart were aggregated into groups, whereas the full retrospective application would have required contracts to be aggregated into groups including only contracts issued within one year of each other
- Modifications related to measurement at date of initial recognition:
  - Future cash flows at the date of initial recognition were estimated as the amount of the future projected cash flows at the transition date (or earlier date where feasible), adjusted by the actual cash flows that are known to have occurred before that date
  - The risk adjustment for non-financial risk at the date of initial recognition was estimated by adjusting the risk adjustment at transition date by the expected release of risk before the transition date (determined by reference to the release of risk for similar insurance contracts)
  - The discount rates at the date of initial recognition were determined using the prevailing yield curve as at the transition date
- Modifications related to measurement at transition date:
  - The amount of CSM recognised in profit or loss before the transition date was estimated by comparing the remaining coverage units with the coverage units provided before the transition date
  - The CSM as at the transition date was estimated using actual cash flows for VFA groups

L: Standards adopted in the 2023 audited consolidated annual financial statements continued

L1: Implementation of IFRS 17 *Insurance Contracts* (IFRS 17) continued

1.3 Transition to IFRS 17 continued

Fair value approach

Under the fair value approach, the CSM at the transition date is calculated as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at that date. The Group has applied the requirements of IFRS 13 *Fair Value Measurement* to determine the fair value of groups of contracts, with the exception of the demand deposit floor requirement which IFRS 17 specifies should not be applied.

The fair value is effectively the consideration that would be paid or received for a group of insurance contracts to enable a market participant to earn their required rate of return in a notional transaction involving the group of contracts. The Group used the income approach (as defined by IFRS 13) to determine this amount.

The fair value was calculated by discounting the expected funds becoming available for distribution to a market participant (referred to as distributable income under the income approach) at the required rate of return. This calculation allows for a market participants' view of capital requirements and expectations of future real-world returns. The Group applied judgement to determine the method and assumptions used to calculate the fair value.

The Group has applied the fair value approach on transition for certain groups in portfolios in OMLAC(SA), OMAR and OMART.

The Group has aggregated contracts issued more than one year apart in determining groups of insurance contracts under the fair value approach at transition, as permitted by the standard. The Group has also used reasonable and supportable information available at the transition date in order to:

» Identify groups of insurance contracts
» Determine whether contracts are eligible for the VFA
» Identify any discretionary cash flows for insurance contracts measured under the GMM

The discount rates for the group of contracts applying the fair value approach were determined using the prevailing yield curve as at the transition date.

Reclassification of cell captive arrangements on the statement of financial position

With the adoption of IFRS 17 *Insurance Contracts*, items in the scope of IFRS 17 must be presented in the relevant IFRS 17 associated line items in the financial statements as per IAS 1 *Presentation of Financial Statements.* As the Group has continuously reviewed the implementation and impact of the adoption of IFRS 17 and, subsequent to the restated results reported at 30 June 2023, the Group identified that a portion of its cell captive arrangements included in Old Mutual Insure did not transfer correctly from Trade, other payables and other liabilities (where it was included as part of IFRS 4) to reinsurance contract liabilities (IFRS 17) on the statement of financial position on transition to IFRS 17. The cell captive balance as at 31 December 2021 and 31 December 2022 was R696 million and R520 million, respectively. The presentation of the statement of financial position has been amended by restating each of the financial statement line items for the 2021 and 2022 financial years. There is no impact on the statement of comprehensive income, headline earnings, statement of changes in equity and statement of cash flows.

The extent to which these amendments have impacted the statement of financial position as at 31 December 2022 and 31 December 2021 is set out in the following tables:

Rm	As previously reported at 31 December 2022	IFRS 17 adjustments[1]	IFRS 17 cell captive reclassification[2]	Intercompany restatement (refer to note J8)	Restated after 31 December 2022
Liabilities					
Reinsurance contract liabilities	–	383	520	–	903
Trade, other payables and other liabilities	91 001	(5 216)	(520)	(1 049)	84 216
Total liabilities	1 000 410	5 184	–	(1 049)	1 004 545

Rm	As previously reported at 31 December 2021	IFRS 17 adjustments[1]	IFRS 17 cell captive reclassification[2]	Intercompany restatement (refer to note J8)	Restated after 31 December 2021
Liabilities					
Reinsurance contract liabilities	–	975	696	–	1 671
Trade, other payables and other liabilities	63 934	(4 763)	(696)	(910)	57 565
Total liabilities	988 553	3 306	–	(910)	990 949

1 *As reported at 30 June 2023 (unaudited)*
2 *Results as per 30 June 2023 (reclassified)*

1.4 **Significant judgements, estimates and accounting policies**

The Group's significant judgements and estimates relating to IFRS 17 have been included in note G2.2. Detailed accounting policies are included in note G2.1.

1.5 **Consequential amendments to other IFRS standards and resulting accounting policy elections**

The International Accounting Standards Board made amendments to several other Standards when it issued IFRS 17. The Group elected to apply the following consequential amendments on transition to IFRS 17:

1.5.1 IAS 16 *Property, Plant and Equipment*

The Group holds owner-occupied property as the underlying item for groups of insurance contracts measured under the VFA. As permitted by paragraph 29A, the Group elected to measure such properties using the fair value model in accordance with IAS 40 *Investment Property*. As such, the Group now measures owner-occupied properties at fair value profit or loss to reduce accounting mismatches with the measurement of related contracts. In addition, the Group no longer applies shadow accounting to owner-occupied properties. Previously, revaluation gains and losses on owner-occupied property were recognised in the consolidated statement of comprehensive income. Losses that offset previous gains in respect of the same asset were charged against the property revaluation reserve, and all other losses are charged to the income statement as an impairment. In addition, on revaluation, any accumulated depreciation at the date of the revaluation was eliminated against the gross carrying amount of the property concerned and the net amount restated to the revalued amount.

There is no equity impact on transition as these properties were always held at fair value. R3 100 million of PPE, previously measured using the revaluation model is now measured at fair value through profit and loss as at 1 January 2022.

1.5.2 IAS 32 *Financial Instruments: Presentation*

The Group holds treasury shares as the underlying items for groups of insurance contracts measured under the VFA. As permitted by paragraph 33A, the Group elected, irrevocably and on an instrument-by-instrument basis, to continue to account for that instrument as equity and to account for the reacquired share as if the instrument was a financial asset measured at FVTPL in accordance with IFRS 9. Gains and losses and dividend income are no longer eliminated on consolidation and are presented in investment return (non-banking) in the consolidated income statement. On transition, treasury shares to the value of R1 405 million are no longer deducted from equity and are included in investments and securities on the consolidated statement of financial position.

Previously, the cost of the Group's own equity instruments that it has reacquired (treasury shares) was deducted from equity. Gains or losses were not recognised on the purchase, sale, issue, or cancellation of treasury shares and investment returns were eliminated within the consolidated income statement.

1.5.3 IFRS 3 *Business Combinations*

Paragraph 31A requires the Group to measure a group of contracts within the scope of IFRS 17 acquired in a business combination as a liability or asset based on the contractual terms and other factors at the date of acquisition. There has been no material impact on equity for acquisitions concluded.

M: Directors' and Prescribed Officers' emoluments

The directors' emoluments disclosures required by the Companies Act are set out below and includes disclosure in relation to Executive Directors and Prescribed Officers. Disclosures required in terms of King IV™ will be disclosed in the Old Mutual Limited Remuneration Report which will be released in March 2024 and can be accessed on https://www.oldmutual.com/investor-relations/reporting-centre/reports

	Iain Williamson		Casper Troskie	
Executive Directors	**2023**	2022	**2023**	2022
Salary	**9 817 524**	9 303 372	**5 773 113**	5 466 725
Other benefits	**187 061**	369 761	**–**	–
Retirement benefits	**356 076**	337 428	**209 388**	198 275
TGP	**10 360 661**	10 010 561	**5 982 501**	5 665 000
Bonus amounts	**7 923 928**	6 632 047	**4 656 618**	4 427 280
Total excluding share-based payments	**18 284 589**	16 642 608	**10 639 119**	10 092 280
IFRS 2 fair value of unvested shares at year-end owed to director	**13 057 502**	9 440 828	**6 993 774**	6 636 620
Number of shares vested	**287 164**	105 904	**267 241**	171 241
Class of share	**Ordinary**	Ordinary	**Ordinary**	Ordinary

M: Directors' and Prescribed Officers' emoluments continued

Prescribed Officers	Zureida Ebrahim 2023	Zureida Ebrahim 2022	Clarence Nethengwe 2023	Clarence Nethengwe 2022	Kerrin Land 2023	Kerrin Land 2022
Salary	**4 989 050**	4 472 775	**5 290 613**	4 858 775	**5 112 088**	4 757 450
Retirement benefits	**180 950**	162 225	**191 888**	176 225	**185 413**	172 550
TGP	**5 170 000**	4 635 000	**5 482 501**	5 035 000	**5 297 501**	4 930 000
Bonus amounts	**3 970 163**	3 154 788	**4 564 061**	3 461 211	**3 970 610**	3 366 753
Total excluding share-based payments	**9 140 163**	7 789 788	**10 046 562**	8 496 211	**9 268 111**	8 296 753
IFRS 2 fair value of unvested shares at year-end owed to director	**5 109 321**	2 357 294	**6 265 320**	5 302 497	**5 159 471**	4 147 247
Number of shares vested	**79 405**	–	**163 899**	119 813	**158 736**	52 654
Class of share	**Ordinary**	Ordinary	**Ordinary**	Ordinary	**Ordinary**	Ordinary

Prescribed Officers	Khaya Gobodo[1] 2023	Khaya Gobodo[1] 2022	Prabashini Moodley 2023	Prabashini Moodley 2022	Garth Napier 2023	Garth Napier 2022
Salary	**5 032 475**	4 757 450	**4 540 325**	4 224 288	**4 934 360**	4 664 697
Retirement benefits	**182 525**	172 550	**164 675**	153 213	**280 640**	265 303
TGP	**5 215 000**	4 930 000	**4 705 000**	4 377 501	**5 215 000**	4 930 000
Bonus amounts	**–**	4 412 083	**4 395 022**	2 982 174	**3 730 196**	3 535 315
Total excluding share-based payments	**5 215 000**	9 342 083	**9 100 022**	7 359 675	**8 945 196**	8 465 315
IFRS 2 fair value of unvested shares at year-end owed to director	**3 113 817**	3 338 603	**4 247 784**	2 906 613	**5 102 559**	3 998 814
Number of shares vested	**36 284**	36 285	**112 945**	69 368	**157 808**	127 371
Class of share	**Ordinary**	Ordinary	**Ordinary**	Ordinary	**Ordinary**	Ordinary

1 Khaya Gobodo elected to defer his cash STI disclosed under Bonus amounts

Prescribed Officers	Clement Chinaka 2023	Clement Chinaka 2022
Salary	**5 100 025**	4 721 263
Retirement benefits	**184 975**	171 237
TGP	**5 285 000**	4 892 500
Bonus amounts	**4 558 064**	3 776 136
Total excluding share-based payments	**9 843 064**	8 668 636
IFRS 2 fair value of unvested shares at year-end owed to director	**5 749 261**	4 905 353
Number of shares vested	**168 296**	112 260
Class of share	**Ordinary**	Ordinary

M: Directors' and Prescribed Officers' emoluments continued

Bonus share awards

Change in bonus share awards disclosure

Old Mutual unbundled our Nedbank holding in 2021. This impacted the unvested shares held by Directors and Prescribed Officers with them receiving Old Mutual shares instead of Nedbank shares. This resulted in an additional tranche of awards, subject to the same timeframes and conditions of the original grant. The detailed split (original tranche together with Old Mutual shares replacing Nedbank shares) was provided in the 2021 and 2022 Annual Financial Statements. From 2023 onwards, given the same vesting dates and rules, the presentation has been simplified to show these tranches as a combined tranche.

					Share units
	Award date	Vesting date	Issue price (ZAR)	2022 20-day year-end VWAP (ZAR)	**2023 20-day year-end VWAP (ZAR)**
Iain Williamson[2]					
Long-term Incentive Plan					
2020 Tranche 1	26-Mar-20	26-Mar-23	11.95	10.44	**11.92**
2020 Tranche 2	26-Mar-20	26-Mar-24	11.95	10.44	**11.92**
2020 Tranche 3	26-Mar-20	26-Mar-25	11.95	10.44	**11.92**
2021 Tranche 1[1]	09-Apr-21	09-Apr-24	13.09	10.44	**11.92**
2021 Tranche 2[1]	09-Apr-21	09-Apr-25	13.09	10.44	**11.92**
2021 Tranche 3[1]	09-Apr-21	09-Apr-26	13.09	10.44	**11.92**
2022 Tranche 1	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2022 Tranche 2	13-Apr-22	13-Apr-26	13.79	10.44	**11.92**
2022 Tranche 3	13-Apr-22	13-Apr-27	13.79	10.44	**11.92**
Deferred Short-term Incentive					
2020	26-Mar-20	26-Mar-23	11.95	10.44	**11.92**
2021 Tranche 2	09-Apr-21	09-Apr-23	13.09	10.44	**11.92**
2021 Tranche 3	09-Apr-21	09-Apr-24	13.09	10.44	**11.92**
2022 Tranche 1	13-Apr-22	13-Apr-23	13.79	10.44	**11.92**
2022 Tranche 2	13-Apr-22	13-Apr-24	13.79	10.44	**11.92**
2022 Tranche 3	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2023 Tranche 1	31-Mar-23	31-Mar-24	11.90	10.44	**11.92**
2023 Tranche 2	31-Mar-23	31-Mar-25	11.90	10.44	**11.92**
2023 Tranche 3	31-Mar-23	31-Mar-26	11.90	10.44	**11.92**
Total					

1 The once-off LTIP top-up award made in 2021 has been combined with the annual 2021 LTIP award values as the same performance and vesting conditions linked to the annual 2021 LTIP award apply

2 Long-term incentive plan estimated closing fair values on 31 December 2023 are shown based on estimated vesting values

Share units					Value (pre-tax)		
Opening balance on 1 Jan 2023 (Number)	Granted during 2023 (Number)	Lapsed during 2023 (Number)	Settled during 2023 (Number)	Closing balance on 31 Dec 2023 (Number)	Value of lapsed awards during 2023 (ZAR)	Value of settled awards during 2023 (ZAR)	Estimated closing fair value on 31 Dec 2023 (ZAR)
297 936	–	297 936	–	–	3 399 450	–	–
297 936	–	297 936	–	–	3 399 450	–	–
297 935	–	297 935	–	–	3 399 438	–	–
703 227	–	–	–	703 227	–	–	2 766 606
703 226	–	–	–	703 226	–	–	2 766 602
703 225	–	–	–	703 225	–	–	2 766 598
339 376	–	–	–	339 376	–	–	2 176 713
339 377	–	–	–	339 377	–	–	2 176 720
339 377		–	–	339 377	–	–	2 176 720
205 417	–	–	205 417	–	–	2 343 808	–
32 651	–	–	32 651	–	–	385 608	–
32 650	–	–	–	32 650	–	–	389 243
49 096	–	–	49 096	–		553 312	–
49 097	–	–	–	49 097	–	–	585 319
49 097	–	–	–	49 097	–	–	585 319
–	123 847	–	–	123 847	–	–	1 476 466
–	123 848	–	–	123 848	–	–	1 476 477
–	123 848	–	–	123 848	–	–	1 476 477
4 439 623	371 543	893 807	287 164	3 630 195	10 198 338	3 282 728	20 819 260

Notes to the consolidated financial statements

For the year ended 31 December 2023

M: Directors' and Prescribed Officers' emoluments continued

Bonus share awards continued

	Award date	Vesting date	Issue price (ZAR)	2022 20-day year-end VWAP (ZAR)	Share units 2023 20-day year-end VWAP (ZAR)
Casper Troskie[3]					
Long-term Incentive Plan					
2018 Tranche 3[2]	18-Sep-18	28-Sep-23	21.58	10.44	**11.92**
2018 Special Grant Tranche 3[2]	14-Dec-18	28-Sep-23	22.00	10.44	**11.92**
2020 Tranche 1	26-Mar-20	26-Mar-23	11.95	10.44	**11.92**
2020 Tranche 2	26-Mar-20	26-Mar-24	11.95	10.44	**11.92**
2020 Tranche 3	26-Mar-20	26-Mar-25	11.95	10.44	**11.92**
2021 Tranche 1[1]	09-Apr-21	09-Apr-24	13.09	10.44	**11.92**
2021 Tranche 2[1]	09-Apr-21	09-Apr-25	13.09	10.44	**11.92**
2021 Tranche 3[1]	09-Apr-21	09-Apr-26	13.09	10.44	**11.92**
2022 Tranche 1	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2022 Tranche 2	13-Apr-22	13-Apr-26	13.79	10.44	**11.92**
2022 Tranche 3	13-Apr-22	13-Apr-27	13.79	10.44	**11.92**
Deferred Short-term Incentive					
2020	26-Mar-20	26-Mar-23	11.95	10.44	**11.92**
2021 Tranche 2	09-Apr-21	09-Apr-23	13.09	10.44	**11.92**
2021 Tranche 3	09-Apr-21	09-Apr-24	13.09	10.44	**11.92**
2022 Tranche 1	13-Apr-22	13-Apr-23	13.79	10.44	**11.92**
2022 Tranche 2	13-Apr-22	13-Apr-24	13.79	10.44	**11.92**
2022 Tranche 3	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2023 Tranche 1	31-Mar-23	31-Mar-24	11.90	10.44	**11.92**
2023 Tranche 2	31-Mar-23	31-Mar-25	11.90	10.44	**11.92**
2023 Tranche 3	31-Mar-23	31-Mar-26	11.90	10.44	**11.92**
Total					

1 The once-off LTIP top-up award made in 2021 has been combined with the annual 2021 LTIP award values as the same performance and vesting conditions linked to the annual 2021 LTIP award apply
2 Vesting date changed to 28 September due to closed period that resulted in a delayed vesting
3 Long-term incentive plan estimated closing fair values on 31 December 2023 are shown based on estimated vesting values

Share units					Value (pre-tax)		
Opening balance on 1 Jan 2023 (Number)	Granted during 2023 (Number)	Lapsed during 2023 (Number)	Settled during 2023 (Number)	Closing balance on 31 Dec 2023 (Number)	Value of lapsed awards during 2023 (ZAR)	Value of settled awards during 2023 (ZAR)	Estimated closing fair value on 31 Dec 2023 (ZAR)
38 245	–	–	38 245	–	–	467 736	–
14 511	–	–	14 511	–	–	177 470	–
122 272	–	122 272	–	–	1 395 124	–	–
122 272	–	122 272	–	–	1 395 124	–	–
122 271	–	122 271	–	–	1 395 112	–	–
237 338	–	–	–	237 338	–	–	933 725
237 339	–	–	–	237 339	–	–	933 729
237 340	–	–	–	237 340	–	–	933 733
166 183	–	–	–	166 183	–	–	1 065 876
166 183	–	–	–	166 183	–	–	1 065 876
166 184	–	–	–	166 184	–	–	1 065 882
160 421	–	–	160 421	–	–	1 830 404	–
24 683	–	–	24 683	–	–	291 506	–
24 684	–	–	–	24 684	–	–	294 275
29 381	–	–	29 381	–	–	331 124	–
29 381	–	–	–	29 381	–	–	350 271
29 382	–	–	–	29 382	–	–	350 283
–	82 675	–	–	82 675	–	–	985 626
–	82 676	–	–	82 676	–	–	985 638
–	82 676	–	–	82 676	–	–	985 638
1 928 070	248 027	366 815	267 241	1 542 041	4 185 360	3 098 240	9 950 552

M: Directors' and Prescribed Officers' emoluments continued
Bonus share awards continued

	Award date	Vesting date	Issue price (ZAR)	2022 20-day year-end VWAP (ZAR)	Share units 2023 20-day year-end VWAP (ZAR)
Zureida Ebrahim[1]					
Long-term Incentive Plan					
2022 Tranche 1	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2022 Tranche 2	13-Apr-22	13-Apr-26	13.79	10.44	**11.92**
2022 Tranche 3	13-Apr-22	13-Apr-27	13.79	10.44	**11.92**
Deferred Short-term Incentive					
2022 Tranche 1	13-Apr-22	13-Apr-23	13.79	10.44	**11.92**
2022 Tranche 2	13-Apr-22	13-Apr-24	13.79	10.44	**11.92**
2022 Tranche 3	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2023 Tranche 1	31-Mar-23	31-Mar-24	11.90	10.44	**11.92**
2023 Tranche 2	31-Mar-23	31-Mar-25	11.90	10.44	**11.92**
2023 Tranche 3	31-Mar-23	31-Mar-26	11.90	10.44	**11.92**
Buy-out Award					
2022 Tranche 1a	13-Apr-22	13-Apr-23	13.79	10.44	**11.92**
2022 Tranche 2a	13-Apr-22	13-Apr-24	13.79	10.44	**11.92**
2022 Tranche 1b	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2022 Tranche 2b	13-Apr-22	13-Apr-26	13.79	10.44	**11.92**
2022 Tranche 3b	13-Apr-22	13-Apr-27	13.79	10.44	**11.92**
Total					

1 Long-term incentive plan estimated closing fair values on 31 December 2023 are shown based on estimated vesting values

Share units					Value (pre-tax)		
Opening balance on 1 Jan 2023 (Number)	Granted during 2023 (Number)	Lapsed during 2023 (Number)	Settled during 2023 (Number)	Closing balance on 31 Dec 2023 (Number)	Value of lapsed awards during 2023 (ZAR)	Value of settled awards during 2023 (ZAR)	Estimated closing fair value on 31 Dec 2023 (ZAR)
135 968	–	–	–	135 968	–	–	872 081
135 968	–	–	–	135 968	–	–	872 081
135 969	–	–	–	135 969	–	–	872 087
3 263	–	–	3 263	–	–	36 774	–
3 263	–	–	–	3 263	–	–	38 900
3 264	–	–	–	3 264	–	–	38 912
–	58 913	–	–	58 913	–	–	702 343
–	58 913	–	–	58 913	–	–	702 343
–	58 913	–	–	58 913	–	–	702 343
76 142	–	–	76 142	–	–	858 120	–
76 143	–	–	–	76 143	–	–	907 753
120 860	–	–	–	120 860	–	–	775 180
120 861	–	–	–	120 861	–	–	775 187
120 861	–	–	–	120 861	–	–	775 187
932 562	176 739	–	79 405	1 029 896	–	894 894	8 034 397

M: Directors' and Prescribed Officers' emoluments continued

Bonus share awards continued

	Award date	Vesting date	Issue price (ZAR)	2022 20-day year-end VWAP (ZAR)	Share units 2023 20-day year-end VWAP (ZAR)
Clarence Nethengwe[2]					
Long-term Incentive Plan					
2020 Tranche 1	26-Mar-20	26-Mar-23	11.95	10.44	**11.92**
2020 Tranche 2	26-Mar-20	26-Mar-24	11.95	10.44	**11.92**
2020 Tranche 3	26-Mar-20	26-Mar-25	11.95	10.44	**11.92**
2021 Tranche 1[1]	09-Apr-21	09-Apr-24	13.09	10.44	**11.92**
2021 Tranche 2[1]	09-Apr-21	09-Apr-25	13.09	10.44	**11.92**
2021 Tranche 3[1]	09-Apr-21	09-Apr-26	13.09	10.44	**11.92**
2022 Tranche 1	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2022 Tranche 2	13-Apr-22	13-Apr-26	13.79	10.44	**11.92**
2022 Tranche 3	13-Apr-22	13-Apr-27	13.79	10.44	**11.92**
Deferred Short-term Incentive					
2020	26-Mar-20	26-Mar-23	11.95	10.44	**11.92**
2021 Tranche 2	09-Apr-21	09-Apr-23	13.09	10.44	**11.92**
2021 Tranche 3	09-Apr-21	09-Apr-24	13.09	10.44	**11.92**
2022 Tranche 1	13-Apr-22	13-Apr-23	13.79	10.44	**11.92**
2022 Tranche 2	13-Apr-22	13-Apr-24	13.79	10.44	**11.92**
2022 Tranche 3	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2023 Tranche 1	31-Mar-23	31-Mar-24	11.90	10.44	**11.92**
2023 Tranche 2	31-Mar-23	31-Mar-25	11.90	10.44	**11.92**
2023 Tranche 3	31-Mar-23	31-Mar-26	11.90	10.44	**11.92**
Total					

1 The once-off LTIP top-up award made in 2021 has been combined with the annual 2021 LTIP award values as the same performance and vesting conditions linked to the annual 2021 LTIP award apply

2 Long-term incentive plan estimated closing fair values on 31 December 2023 are shown based on estimated vesting values

Share units					Value (pre-tax)		
Opening balance on 1 Jan 2023 (Number)	Granted during 2023 (Number)	Lapsed during 2023 (Number)	Settled during 2023 (Number)	Closing balance on 31 Dec 2023 (Number)	Value of lapsed awards during 2023 (ZAR)	Value of settled awards during 2023 (ZAR)	Estimated closing fair value on 31 Dec 2023 (ZAR)
110 044	110 044	–	110 044	–	1 255 602	–	–
110 044	110 044	–	110 044	–	1 255 602	–	–
110 046	110 046	–	110 046	–	1 255 625	–	–
237 312	237 312	–	–	–	–	–	933 623
237 312	237 312	–	–	–	–	–	933 623
237 312	237 312	–	–	–	–	–	933 623
143 522	143 522	–	–	–	–	–	920 531
143 522	143 522	–	–	–	–	–	920 531
143 522	143 522	–	–	–	–	–	920 531
113 469	113 469	–	–	113 469	–	1 294 681	–
18 511	18 511	–	–	18 511	–	218 615	–
18 510	18 510	–	–	–	–	–	220 670
31 919	31 919	–	–	31 919	–	359 727	–
31 919	31 919	–	–	–	–	–	380 528
31 920	31 920	–	–	–	–	–	380 540
–	–	64 635	–	–	–	–	770 558
–	–	64 635	–	–	–	–	770 558
–	–	64 635	–	–	–	–	770 558
1 718 884	193 905	330 134	163 899	1 418 756	3 766 829	1 873 023	8 855 874

M: Directors' and Prescribed Officers' emoluments continued

Bonus share awards continued

	Award date	Vesting date	Issue price (ZAR)	2022 20-day year-end VWAP (ZAR)	Share units 2023 20-day year-end VWAP (ZAR)
Kerrin Land[2]					
Long-term Incentive Plan					
2020 Tranche 1	26-Mar-20	26-Mar-23	11.95	10.44	**11.92**
2020 Tranche 2	26-Mar-20	26-Mar-24	11.95	10.44	**11.92**
2020 Tranche 3	26-Mar-20	26-Mar-25	11.95	10.44	**11.92**
2021 Tranche 1[1]	09-Apr-21	09-Apr-24	13.09	10.44	**11.92**
2021 Tranche 2[1]	09-Apr-21	09-Apr-25	13.09	10.44	**11.92**
2021 Tranche 3[1]	09-Apr-21	09-Apr-26	13.09	10.44	**11.92**
2022 Tranche 1	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2022 Tranche 2	13-Apr-22	13-Apr-26	13.79	10.44	**11.92**
2022 Tranche 3	13-Apr-22	13-Apr-27	13.79	10.44	**11.92**
Deferred Short-term Incentive					
2020	26-Mar-20	26-Mar-23	11.95	10.44	**11.92**
2021 Tranche 2	09-Apr-21	09-Apr-23	13.09	10.44	**11.92**
2021 Tranche 3	09-Apr-21	09-Apr-24	13.09	10.44	**11.92**
2022 Tranche 1	13-Apr-22	13-Apr-23	13.79	10.44	**11.92**
2022 Tranche 2	13-Apr-22	13-Apr-24	13.79	10.44	**11.92**
2022 Tranche 3	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2023 Tranche 1	31-Mar-23	31-Mar-24	11.90	10.44	**11.92**
2023 Tranche 2	31-Mar-23	31-Mar-25	11.90	10.44	**11.92**
2023 Tranche 3	31-Mar-23	31-Mar-26	11.90	10.44	**11.92**
Total					

1 The once-off LTIP top-up award made in 2021 has been combined with the annual 2021 LTIP award values as the same performance and vesting conditions linked to the annual 2021 LTIP award apply

2 Long-term incentive plan estimated closing fair values on 31 December 2023 are shown based on estimated vesting values

Share units					Value (pre-tax)		
Opening balance on 1 Jan 2023 (Number)	Granted during 2023 (Number)	Lapsed during 2023 (Number)	Settled during 2023 (Number)	Closing balance on 31 Dec 2023 (Number)	Value of lapsed awards during 2023 (ZAR)	Value of settled awards during 2023 (ZAR)	Estimated closing fair value on 31 Dec 2023 (ZAR)
110 044	–	110 044	–	–	1 255 602	–	–
110 044	–	110 044	–	–	1 255 602	–	–
110 046	–	110 046	–	–	1 255 625	–	–
142 388	–	–	–	142 388	–	–	560 177
142 388	–	–	–	142 388	–	–	560 177
142 389	–	–	–	142 389	–	–	560 181
143 522	–	–	–	143 522	–	–	920 531
143 522	–	–	–	143 522	–	–	920 531
143 522	–	–	–	143 522	–	–	920 531
107 847	–	–	107 847	–	–	1 230 534	–
18 511	–	–	18 511	–	–	218 615	–
18 510	–	–	–	18 510	–	–	220 670
32 378	–	–	32 378	–	–	364 900	–
32 379	–	–	–	32 379	–	–	386 012
32 379	–	–	–	32 379	–	–	386 012
–	62 871	–	–	62 871	–	–	749 529
–	62 871	–	–	62 871	–	–	749 529
–	62 872	–	–	62 872	–	–	749 540
1 429 869	188 614	330 134	158 736	1 129 613	3 766 829	1 814 049	7 683 420

M: Directors' and Prescribed Officers' emoluments continued

Bonus share awards continued

	Award date	Vesting date	Issue price (ZAR)	2022 20-day year-end VWAP (ZAR)	Share units 2023 20-day year-end VWAP (ZAR)
Khaya Gobodo[2,5]					
Long-term Incentive Plan					
2020 Tranche 1	26-Mar-20	26-Mar-23	11.95	10.44	**11.92**
2020 Tranche 2	26-Mar-20	26-Mar-24	11.95	10.44	**11.92**
2020 Tranche 3	26-Mar-20	26-Mar-25	11.95	10.44	**11.92**
2021 Tranche 1[1]	09-Apr-21	09-Apr-24	13.09	10.44	**11.92**
2021 Tranche 2[1]	09-Apr-21	09-Apr-25	13.09	10.44	**11.92**
2021 Tranche 3[1]	09-Apr-21	09-Apr-26	13.09	10.44	**11.92**
2022 Tranche 1	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2022 Tranche 2	13-Apr-22	13-Apr-26	13.79	10.44	**11.92**
2022 Tranche 3	13-Apr-22	13-Apr-27	13.79	10.44	**11.92**
Deferred Short-term Incentive[3]					
2020 MTI: Futuregrowth OMES	27-Mar-20	22-Mar-23	54.43		**57.38**
2020 MTI: Marriott OMES	27-Mar-20	22-Mar-23	18.00		**19.16**
2020 MTI: Old Mutual Alternative Investments OMES	27-Mar-20	22-Mar-23	36.85		**33.44**
2020 MTI: Old Mutual Alternative Investments OMES (B Class)	27-Mar-20	22-Mar-23	1.00		**1.00**
2020 MTI: Old Mutual Investment Group OMES	27-Mar-20	22-Mar-23	103.49		**133.55**
2021 MTI: Futuregrowth OMES	23-Mar-21	22-Mar-24	54.43		**57.38**
2021 MTI: Marriott OMES	23-Mar-21	22-Mar-24	18.00		**19.16**
2021 MTI: Old Mutual Alternative Investments OMES	23-Mar-21	22-Mar-24	36.85		**33.44**
2021 MTI: Old Mutual Alternative Investments OMES (B Class)	23-Mar-21	22-Mar-24	1.00		**1.00**
2021 MTI: Old Mutual Investment Group OMES	23-Mar-21	22-Mar-24	103.49		**133.55**
2022 MTI: Futuregrowth OMES[4]	23-Mar-22	22-Mar-25	59.02		**57.38**
2022 MTI: Marriott OMES[4]	23-Mar-22	22-Mar-25	20.20		**19.16**
2022 MTI: Old Mutual Alternative Investments OMES[4]	23-Mar-22	22-Mar-25	20.08		**33.44**
2022 MTI: Old Mutual Alternative Investments OMES (B Class)	23-Mar-22	22-Mar-25	1.00		**1.00**
2022 MTI: Old Mutual Investment Group OMES	23-Mar-22	22-Mar-25	138.45		**133.55**
2023 MTI: Futuregrowth OMES	23-Mar-23	22-Mar-26	57.38		**57.38**
2023 MTI: Marriott OMES	23-Mar-23	22-Mar-26	19.16		**19.16**
2023 MTI: Old Mutual Alternative Investments OMES	23-Mar-23	22-Mar-26	33.44		**33.44**
2023 MTI: Old Mutual Alternative Investments OMES (B Class)	23-Mar-23	22-Mar-26	1.00		**1.00**
2023 MTI: Old Mutual Investment Group OMES	23-Mar-23	22-Mar-26	133.55		**133.55**
Buy-out Award					
2018 Tranche 3	19-Apr-18	19-Apr-23	23.11	10.44	**11.92**
Total					

1 The once-off LTIP top-up award made in 2021 has been combined with the annual 2021 LTIP award values as the same performance and vesting conditions linked to the annual 2021 LTIP award apply
2 Khaya Gobodo's deferred short-term incentive is invested in unit trusts and not Old Mutual Limited shares
3 A total number of shares is not provided as his unvested awards are a combination of Old Mutual Limited shares and unit trusts
4 There were changes noted on the following awards:
- The issue price for 2022 MTI: Old Mutual Alternative Investments OMES changed from R20.37 to R20.08
- The number of shares for 2022 MTI: Futuregrowth OMES changed from 12 170 to 12 171
- The number of shares for 2022 MTI: Marriott OMES changed from 12 170 to 12 171
- The number of shares for 2022 MTI: Old Mutual Alternative Investments OMES changed from 43 351 to 43 962
5 Long-term incentive plan estimated closing fair values on 31 December 2023 are shown based on estimated vesting values

Share units					Value (pre-tax)		
Opening balance on 1 Jan 2023 (Number)	Granted during 2023 (Number)	Lapsed during 2023 (Number)	Settled during 2023 (Number)	Closing balance on 31 Dec 2023 (Number)	Value of lapsed awards during 2023 (ZAR)	Value of settled awards during 2023 (ZAR)	Estimated closing fair value on 31 Dec 2023 (ZAR)
105 154	–	105 154	–	–	1 199 807	–	–
105 154	–	105 154	–	–	1 199 807	–	–
105 155	–	105 155	–	–	1 199 819	–	–
204 137	–	–	–	204 137	–	–	803 107
204 137	–	–	–	204 137	–	–	803 107
204 138	–	–	–	204 138	–	–	803 111
86 113	–	–	–	86 113	–	–	552 318
86 113	–	–	–	86 113	–	–	552 318
86 114	–	–	–	86 114	–	–	552 324
11 166	–	–	11 166	–	–	640 705	–
11 166	–	–	11 166	–	–	213 941	–
18 301	–	–	18 301	–	–	611 985	–
119	–	–	119	–	–	119	–
11 166	–	–	11 166	–	–	1 491 219	–
3 391	–	–	–	3 391	–	–	194 576
3 391	–	–	–	3 391	–	–	64 972
5 524	–	–	–	5 524	–	–	184 723
34	–	–	–	34	–	–	34
3 391	–	–	–	3 391	–	–	452 868
12 170	–	–	–	12 170	–	–	698 315
12 170	–	–	–	12 170	–	–	233 177
43 962	–	–	–	43 962	–	–	1 470 089
306	–	–	–	306	–	–	306
12 170	–	–	–	12 170	–	–	1 625 304
–	28 166	–	–	28 166	–	–	1 616 165
–	28 167	–	–	28 167	–	–	539 680
–	20 950	–	–	20 950	–	–	700 568
–	136	–	–	136	–	–	136
–	28 166	–	–	28 166	–	–	3 761 569
36 284	–	–	36 284	–	–	417 266	–
					3 599 433	3 375 235	15 608 767

Notes to the consolidated financial statements

For the year ended 31 December 2023

M: Directors' and Prescribed Officers' emoluments continued

Bonus share awards continued

	Award date	Vesting date	Issue price (ZAR)	2022 20-day year-end VWAP (ZAR)	Share units 2023 20-day year-end VWAP (ZAR)
Prabashini Moodley[2]					
Long-term Incentive Plan					
2020 Tranche 1	26-Mar-20	26-Mar-23	11.95	10.44	**11.92**
2020 Tranche 2	26-Mar-20	26-Mar-24	11.95	10.44	**11.92**
2020 Tranche 3	26-Mar-20	26-Mar-25	11.95	10.44	**11.92**
2021 Tranche 1[1]	09-Apr-21	09-Apr-24	13.09	10.44	**11.92**
2021 Tranche 2[1]	09-Apr-21	09-Apr-25	13.09	10.44	**11.92**
2021 Tranche 3[1]	09-Apr-21	09-Apr-26	13.09	10.44	**11.92**
2022 Tranche 1	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2022 Tranche 2	13-Apr-22	13-Apr-26	13.79	10.44	**11.92**
2022 Tranche 3	13-Apr-22	13-Apr-27	13.79	10.44	**11.92**
Deferred Short-term Incentive					
2020	26-Mar-20	26-Mar-23	11.95	10.44	**11.92**
2021 Tranche 2	09-Apr-21	09-Apr-23	13.09	10.44	**11.92**
2021 Tranche 3	09-Apr-21	09-Apr-24	13.09	10.44	**11.92**
2022 Tranche 1	13-Apr-22	13-Apr-23	13.79	10.44	**11.92**
2022 Tranche 2	13-Apr-22	13-Apr-24	13.79	10.44	**11.92**
2022 Tranche 3	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2023 Tranche 1	31-Mar-23	31-Mar-24	11.90	10.44	**11.92**
2023 Tranche 2	31-Mar-23	31-Mar-25	11.90	10.44	**11.92**
2023 Tranche 3	31-Mar-23	31-Mar-26	11.90	10.44	**11.92**
Total					

1 The once-off LTIP top-up award made in 2021 has been combined with the annual 2021 LTIP award values as the same performance and vesting conditions linked to the annual 2021 LTIP award apply

2 Long-term incentive plan estimated closing fair values on 31 December 2023 are shown based on estimated vesting values

Share units					Value (pre-tax)		
Opening balance on 1 Jan 2023 (Number)	Granted during 2023 (Number)	Lapsed during 2023 (Number)	Settled during 2023 (Number)	Closing balance on 31 Dec 2023 (Number)	Value of lapsed awards during 2023 (ZAR)	Value of settled awards during 2023 (ZAR)	Estimated closing fair value on 31 Dec 2023 (ZAR)
97 818	–	97 818	–	–	1 116 103	–	–
97 818	–	97 818	–	–	1 116 103	–	–
97 819	–	97 819	–	–	1 116 115	–	–
156 273	–	–	–	156 273	–	–	614 803
156 273	–	–	–	156 273	–	–	614 803
156 275	–	–	–	156 275	–	–	614 810
128 414	–	–	–	128 414	–	–	823 631
128 414	–	–	–	128 414	–	–	823 631
128 415	–	–	–	128 415	–	–	823 637
85 102	–	–	85 102	–	–	971 014	–
16 543	–	–	16 543	–	–	195 373	–
16 544	–	–	–	16 544	–	–	197 232
11 300	–	–	11 300	–	–	127 351	–
11 301	–	–	–	11 301	–	–	134 727
11 301	–	–	–	11 301	–	–	134 727
–	55 689	–	–	55 689	–	–	663 907
–	55 690	–	–	55 690	–	–	663 919
–	55 690	–	–	55 690	–	–	663 919
1 299 610	167 069	293 455	112 945	1 060 279	3 348 321	1 293 738	6 773 746

M: Directors' and Prescribed Officers' emoluments continued
Bonus share awards continued

	Award date	Vesting date	Issue price (ZAR)	2022 20-day year-end VWAP (ZAR)	Share units: 2023 20-day year-end VWAP (ZAR)
Garth Napier[3]					
Long-term Incentive Plan					
2020 Tranche 1	26-Mar-20	26-Mar-23	11.95	10.44	**11.92**
2020 Tranche 2	26-Mar-20	26-Mar-24	11.95	10.44	**11.92**
2020 Tranche 3	26-Mar-20	26-Mar-25	11.95	10.44	**11.92**
2021 Tranche 1[1, 2]	09-Apr-21	09-Apr-24	13.09	10.44	**11.92**
2021 Tranche 2[1, 2]	09-Apr-21	09-Apr-25	13.09	10.44	**11.92**
2021 Tranche 3[1, 2]	09-Apr-21	09-Apr-26	13.09	10.44	**11.92**
2022 Tranche 1	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2022 Tranche 2	13-Apr-22	13-Apr-26	13.79	10.44	**11.92**
2022 Tranche 3	13-Apr-22	13-Apr-27	13.79	10.44	**11.92**
Deferred Short-term Incentive					
2020	26-Mar-20	26-Mar-23	11.95	10.44	**11.92**
2021 Tranche 2	09-Apr-21	09-Apr-23	13.09	10.44	**11.92**
2021 Tranche 3	09-Apr-21	09-Apr-24	13.09	10.44	**11.92**
2022 Tranche 1	13-Apr-22	13-Apr-23	13.79	10.44	**11.92**
2022 Tranche 2	13-Apr-22	13-Apr-24	13.79	10.44	**11.92**
2022 Tranche 3	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2023 Tranche 1	31-Mar-23	31-Mar-24	11.90	10.44	**11.92**
2023 Tranche 2	31-Mar-23	31-Mar-25	11.90	10.44	**11.92**
2023 Tranche 3	31-Mar-23	31-Mar-26	11.90	10.44	**11.92**
Total					

1 The once-off LTIP top-up award made in 2021 has been combined with the annual 2021 LTIP award values as the same performance and vesting conditions linked to the annual 2021 LTIP award apply
2 Garth's 2021 and 2022 LTIP awards are linked to Old Mutual Insure specific targets approved by the Remuneration committee in alignment with the delivery of the Old Mutual Insure 2025 strategy. The estimated fair value is based on assumed vesting outcome of 140% and 45% for 2021 and 2022, respectively
3 Long-term incentive plan estimated closing fair values on 31 December 2023 are shown based on estimated vesting values

Share units					Value (pre-tax)		
Opening balance on 1 Jan 2023 (Number)	Granted during 2023 (Number)	Lapsed during 2023 (Number)	Settled during 2023 (Number)	Closing balance on 31 Dec 2023 (Number)	Value of lapsed awards during 2023 (ZAR)	Value of settled awards during 2023 (ZAR)	Estimated closing fair value on 31 Dec 2023 (ZAR)
110 525	–	110 525	–	–	1 261 090	–	–
110 525	–	110 525	–	–	1 261 090	–	–
110 525	–	110 525	–	–	1 261 090	–	–
227 025	–	–	–	227 025	–	–	3 383 152
227 023	–	–	–	227 023	–	–	3 383 122
227 023	–	–	–	227 023	–	–	3 383 122
86 113	–	–	–	86 113	–	–	195 056
86 113	–	–	–	86 113	–	–	195 056
86 114	–	–	–	86 114	–	–	195 059
103 687	–	–	103 687	–	–	1 183 069	–
19 676	–	–	19 676	–	–	232 374	–
19 676	–	–	–	19 676	–	–	234 571
34 445	–	–	34 445	–	–	388 195	–
34 445	–	–	–	34 445	–	–	410 643
34 446	–	–	–	34 446	–	–	410 655
–	66 019	–	–	66 019	–	–	787 058
–	66 019	–	–	66 019	–	–	787 058
–	66 019	–	–	66 019	–	–	787 058
1 517 361	198 057	331 575	157 808	1 226 035	3 783 270	1 803 638	14 151 610

M: Directors' and Prescribed Officers' emoluments continued
Bonus share awards continued

	Award date	Vesting date	Issue price (ZAR)	2022 20-day year-end VWAP (ZAR)	Share units 2023 20-day year-end VWAP (ZAR)
Clement Chinaka[2]					
Long-term Incentive Plan					
2020 Tranche 1	26-Mar-20	26-Mar-23	11.95	10.44	**11.92**
2020 Tranche 2	26-Mar-20	26-Mar-24	11.95	10.44	**11.92**
2020 Tranche 3	26-Mar-20	26-Mar-25	11.95	10.44	**11.92**
2021 Tranche 1[1]	09-Apr-21	09-Apr-24	13.09	10.44	**11.92**
2021 Tranche 2[1]	09-Apr-21	09-Apr-25	13.09	10.44	**11.92**
2021 Tranche 3[1]	09-Apr-21	09-Apr-26	13.09	10.44	**11.92**
2022 Tranche 1	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2022 Tranche 2	13-Apr-22	13-Apr-26	13.79	10.44	**11.92**
2022 Tranche 3	13-Apr-22	13-Apr-27	13.79	10.44	**11.92**
Deferred Short-term Incentive					
2020 Tranche 1	26-Mar-20	26-Mar-23	11.95	10.44	**11.92**
2021 Tranche 2	09-Apr-21	09-Apr-23	13.09	10.44	**11.92**
2021 Tranche 3	09-Apr-21	09-Apr-24	13.09	10.44	**11.92**
2022 Tranche 1	13-Apr-22	13-Apr-23	13.79	10.44	**11.92**
2022 Tranche 2	13-Apr-22	13-Apr-24	13.79	10.44	**11.92**
2022 Tranche 3	13-Apr-22	13-Apr-25	13.79	10.44	**11.92**
2023 Tranche 1	31-Mar-23	31-Mar-24	11.90	10.44	**11.92**
2023 Tranche 2	31-Mar-23	31-Mar-25	11.90	10.44	**11.92**
2023 Tranche 3	31-Mar-23	31-Mar-26	11.90	10.44	**11.92**
Total					

1 *The once-off LTIP top-up award made in 2021 has been combined with the annual 2021 LTIP award values as the same performance and vesting conditions linked to the annual 2021 LTIP award apply*
2 *Long-term incentive plan estimated closing fair values on 31 December 2023 are shown based on estimated vesting values*

Share units					Value (pre-tax)		
Opening balance on 1 Jan 2023 (Number)	Granted during 2023 (Number)	Lapsed during 2023 (Number)	Settled during 2023 (Number)	Closing balance on 31 Dec 2023 (Number)	Value of lapsed awards during 2023 (ZAR)	Value of settled awards during 2023 (ZAR)	Estimated closing fair value on 31 Dec 2023 (ZAR)
110 044	–	110 044	–	–	1 255 602	–	–
110 044	–	110 044	–	–	1 255 602	–	–
110 046	–	110 046	–	–	1 255 625	–	–
213 581	–	–	–	213 581	–	–	840 261
213 581	–	–	–	213 581	–	–	840 261
213 583	–	–	–	213 583	–	–	840 269
143 522	–	–	–	143 522	–	–	920 531
143 522	–	–	–	143 522	–	–	920 531
143 522	–	–	–	143 522	–	–	920 531
140 858	–	–	140 858	–	–	1 607 190	–
14 808	–	–	14 808	–	–	174 882	–
14 809	–	–	–	14 809	–	–	176 548
12 630	–	–	12 630	–	–	142 340	–
12 630	–	–	–	12 630	–	–	150 571
12 630	–	–	–	12 630	–	–	150 571
–	70 516	–	–	70 516	–	–	840 670
–	70 516	–	–	70 516	–	–	840 670
–	70 516	–	–	70 516	–	–	840 670
1 609 810	211 548	330 134	168 296	1 322 928	3 766 829	1 924 412	8 282 084

M: Directors' and Prescribed Officers' emoluments continued

Bonus share awards continued

	Award date	Vesting date	Issue price (ZAR)	Share units 2021 20-day year-end VWAP (ZAR)	2022 20-day year-end VWAP (ZAR)
Iain Williamson[2]					
Long-term Incentive Plan					
2019 Tranche 1	20-Mar-19	20-Mar-22	21.75	12.27	10.44
2019 Tranche 2	20-Mar-19	20-Mar-23	21.75	12.27	10.44
2019 Tranche 3	20-Mar-19	20-Mar-24	21.75	12.27	10.44
2020 Tranche 1	26-Mar-20	26-Mar-23	11.95	12.27	10.44
2020 Tranche 2	26-Mar-20	26-Mar-24	11.95	12.27	10.44
2020 Tranche 3	26-Mar-20	26-Mar-25	11.95	12.27	10.44
2021 Tranche 1[1]	09-Apr-21	09-Apr-24	13.09	12.27	10.44
2021 Tranche 2[1]	09-Apr-21	09-Apr-25	13.09	12.27	10.44
2021 Tranche 3[1]	09-Apr-21	09-Apr-26	13.09	12.27	10.44
2022 Tranche 1	13-Apr-22	13-Apr-25	13.79	12.27	10.44
2022 Tranche 2	13-Apr-22	13-Apr-26	13.79	12.27	10.44
2022 Tranche 3	13-Apr-22	13-Apr-27	13.79	12.27	10.44
Deferred Short-term Incentive					
2019	20-Mar-19	20-Mar-22	21.75	12.27	10.44
2020	26-Mar-20	26-Mar-23	11.95	12.27	10.44
2021 Tranche 1	09-Apr-21	09-Apr-22	13.09	12.27	10.44
2021 Tranche 2	09-Apr-21	09-Apr-23	13.09	12.27	10.44
2021 Tranche 3	09-Apr-21	09-Apr-24	13.09	12.27	10.44
2022 Tranche 1	13-Apr-22	13-Apr-23	13.79	12.27	10.44
2022 Tranche 2	13-Apr-22	13-Apr-24	13.79	12.27	10.44
2022 Tranche 3	13-Apr-22	13-Apr-25	13.79	12.27	10.44
Total					

1 The once-off LTIP top-up award made in 2021 has been combined with the annual 2021 LTIP award values as the same performance and vesting conditions linked to the annual 2021 LTIP award apply

2 Long-term incentive plan estimated closing fair values on 31 December 2022 are shown based on estimated vesting values

	Share units				Value (pre-tax)		
Opening balance on 1 Jan 2022 (Number)	Granted during 2022 (Number)	Lapsed during 2022 (Number)	Settled during 2022 (Number)	Closing balance on 31 Dec 2022 (Number)	Value of lapsed awards during 2022 (ZAR)	Value of settled awards during 2022 (ZAR)	Estimated closing fair value on 31 Dec 2022 (ZAR)
84 646	–	84 646	–	–	1 142 721	–	–
84 646	–	84 646	–	–	1 142 721	–	–
84 646	–	84 646	–	–	1 142 721	–	–
297 936	–	–	–	297 936	–	–	–
297 936	–	–	–	297 936	–	–	–
297 935	–	–	–	297 935	–	–	–
703 227	–	–	–	703 227	–	–	–
703 226	–	–	–	703 226	–	–	–
703 225	–	–	–	703 225	–	–	–
–	339 376	–	–	339 376	–	–	1 091 753
–	339 377	–	–	339 377	–	–	1 091 757
–	339 377	–	–	339 377	–	–	1 091 757
73 253	–	–	73 253	–	–	988 916	–
205 417	–	–	–	205 417	–	–	2 145 503
32 651	–	–	32 651	–	–	441 768	–
32 651	–	–	–	32 651	–	–	341 027
32 650	–	–	–	32 650	–	–	341 017
–	49 096	–	–	49 096	–	–	512 789
–	49 097	–	–	49 097	–	–	512 800
–	49 097	–	–	49 097	–	–	512 800
3 634 045	1 165 420	253 938	105 904	4 439 623	3 428 163	1 430 684	7 641 203

M: Directors' and Prescribed Officers' emoluments continued

Bonus share awards continued

	Award date	Vesting date	Issue price (ZAR)	2021 20-day year-end VWAP (ZAR)	2022 20-day year-end VWAP (ZAR)
				Share units	
Casper Troskie[2]					
Long-term Incentive Plan					
2018 Tranche 2	18-Sep-18	18-Sep-22	21.58	12.27	10.44
2018 Tranche 3	18-Sep-18	18-Sep-23	21.58	12.27	10.44
2018 Special Grant Tranche 2	14-Dec-18	18-Sep-22	22.00	12.27	10.44
2018 Special Grant Tranche 3	14-Dec-18	18-Sep-23	22.00	12.27	10.44
2019 Tranche 1	20-Mar-19	20-Mar-22	21.75	12.27	10.44
2019 Tranche 2	20-Mar-19	20-Mar-23	21.75	12.27	10.44
2019 Tranche 3	20-Mar-19	20-Mar-24	21.75	12.27	10.44
2020 Tranche 1	26-Mar-20	26-Mar-23	11.95	12.27	10.44
2020 Tranche 2	26-Mar-20	26-Mar-24	11.95	12.27	10.44
2020 Tranche 3	26-Mar-20	26-Mar-25	11.95	12.27	10.44
2021 Tranche 1[1]	09-Apr-21	09-Apr-24	13.09	12.27	10.44
2021 Tranche 2[1]	09-Apr-21	09-Apr-25	13.09	12.27	10.44
2021 Tranche 3[1]	09-Apr-21	09-Apr-26	13.09	12.27	10.44
2022 Tranche 1	13-Apr-22	13-Apr-25	13.79	12.27	10.44
2022 Tranche 2	13-Apr-22	13-Apr-26	13.79	12.27	10.44
2022 Tranche 3	13-Apr-22	13-Apr-27	13.79	12.27	10.44
Deferred Short-term Incentive					
2019	20-Mar-19	20-Mar-22	21.75	12.27	10.44
2020	26-Mar-20	26-Mar-23	11.95	12.27	10.44
2021 Tranche 1	09-Apr-21	09-Apr-22	13.09	12.27	10.44
2021 Tranche 2	09-Apr-21	09-Apr-23	13.09	12.27	10.44
2021 Tranche 3	09-Apr-21	09-Apr-24	13.09	12.27	10.44
2022 Tranche 1	13-Apr-22	13-Apr-23	13.79	12.27	10.44
2022 Tranche 2	13-Apr-22	13-Apr-24	13.79	12.27	10.44
2022 Tranche 3	13-Apr-22	13-Apr-25	13.79	12.27	10.44
Total					

1 The once-off LTIP top-up award made in 2021 has been combined with the annual 2021 LTIP award values as the same performance and vesting conditions linked to the annual 2021 LTIP award apply

2 Long-term incentive plan estimated closing fair values on 31 December 2022 are shown based on estimated vesting values

Share units					Value (pre-tax)		
Opening balance on 1 Jan 2022 (Number)	Granted during 2022 (Number)	Lapsed during 2022 (Number)	Settled during 2022 (Number)	Closing balance on 31 Dec 2022 (Number)	Value of lapsed awards during 2022 (ZAR)	Value of settled awards during 2022 (ZAR)	Estimated closing fair value on 31 Dec 2022 (ZAR)
38 245	–	–	38 245	–	–	405 015	–
38 245	–	–	–	38 245	–	–	–
14 511	–	–	14 511	–	–	153 671	–
14 511	–	–	–	14 511	–	–	–
93 110	–	93 110	–	–	1 256 985	–	–
93 110	–	93 110	–	–	1 256 985	–	–
93 112	–	93 112	–	–	1 257 012	–	–
122 272	–	–	–	122 272	–	–	–
122 272	–	–	–	122 272	–	–	–
122 271	–	–	–	122 271	–	–	–
237 338	–	–	–	237 338	–	–	–
237 339	–	–	–	237 339	–	–	–
237 340	–	–	–	237 340	–	–	–
–	166 183	–	–	166 183	–	–	534 601
–	166 183	–	–	166 183	–	–	534 601
–	166 184	–	–	166 184	–	–	534 605
93 802	–	–	93 802	–	–	1 266 327	–
160 421	–	–	–	160 421	–	–	1 675 537
24 683	–	–	24 683	–	–	333 961	–
24 683	–	–	–	24 683	–	–	257 805
24 684	–	–	–	24 684	–	–	257 815
–	29 381	–	–	29 381	–	–	306 873
–	29 381	–	–	29 381	–	–	306 873
–	29 382	–	–	29 382	–	–	306 884
1 791 949	586 694	279 332	171 241	1 928 070	3 770 982	2 158 974	4 715 594

M: Directors' and Prescribed Officers' emoluments continued

Bonus share awards continued

	Award date	Vesting date	Issue price (ZAR)	2021 20-day year-end VWAP (ZAR)	2022 20-day year-end VWAP (ZAR)
				Share units	
Zureida Ebrahim[1]					
Long-term Incentive Plan					
2022 Tranche 1	13-Apr-22	13-Apr-25	13.79	12.27	10.44
2022 Tranche 2	13-Apr-22	13-Apr-26	13.79	12.27	10.44
2022 Tranche 3	13-Apr-22	13-Apr-27	13.79	12.27	10.44
Deferred Short-term Incentive					
2022 Tranche 1	13-Apr-22	13-Apr-23	13.79	12.27	10.44
2022 Tranche 2	13-Apr-22	13-Apr-24	13.79	12.27	10.44
2022 Tranche 3	13-Apr-22	13-Apr-25	13.79	12.27	10.44
Buy-out Award					
2022 Tranche 1a	13-Apr-22	13-Apr-23	13.79	12.27	10.44
2022 Tranche 2a	13-Apr-22	13-Apr-24	13.79	12.27	10.44
2022 Tranche 1b	13-Apr-22	13-Apr-25	13.79	12.27	10.44
2022 Tranche 2b	13-Apr-22	13-Apr-26	13.79	12.27	10.44
2022 Tranche 3b	13-Apr-22	13-Apr-27	13.79	12.27	10.44
Total					

1 Long-term incentive plan estimated closing fair values on 31 December 2022 are shown based on estimated vesting values

Share units					Value (pre-tax)		
Opening balance on 1 Jan 2022 (Number)	Granted during 2022 (Number)	Lapsed during 2022 (Number)	Settled during 2022 (Number)	Closing balance on 31 Dec 2022 (Number)	Value of lapsed awards during 2022 (ZAR)	Value of settled awards during 2022 (ZAR)	Estimated closing fair value on 31 Dec 2022 (ZAR)
–	135 968	–	–	135 968	–	–	437 401
–	135 968	–	–	135 968	–	–	437 401
–	135 969	–	–	135 969	–	–	437 405
–	–	–	–				
–	3 263	–	–	3 263	–	–	34 081
–	3 263	–	–	3 263	–	–	34 081
–	3 264	–	–	3 264	–	–	34 091
–	76 142	–	–	76 142	–	–	795 274
–	76 143	–	–	76 143	–	–	795 285
–	120 860	–	–	120 860	–	–	388 800
–	120 861	–	–	120 861	–	–	388 803
–	120 861	–	–	120 861	–	–	388 803
–	932 562	–	–	932 562	–	–	4 171 425

M: Directors' and Prescribed Officers' emoluments continued
Bonus share awards continued

	Award date	Vesting date	Issue price (ZAR)	2021 20-day year-end VWAP (ZAR)	2022 20-day year-end VWAP (ZAR)
				Share units	
Clarence Nethengwe[2]					
Long-term Incentive Plan					
2018 Tranche 2	20-Mar-19	20-Mar-22	21.75	12.27	10.44
2018 Tranche 3	20-Mar-19	20-Mar-23	21.75	12.27	10.44
2018 Special Grant Tranche 2	20-Mar-19	20-Mar-24	21.75	12.27	10.44
2018 Special Grant Tranche 3	26-Mar-20	26-Mar-23	11.95	12.27	10.44
2019 Tranche 1	26-Mar-20	26-Mar-24	11.95	12.27	10.44
2019 Tranche 2	26-Mar-20	26-Mar-25	11.95	12.27	10.44
2019 Tranche 3	09-Apr-21	09-Apr-24	13.09	12.27	10.44
2020 Tranche 1	09-Apr-21	09-Apr-25	13.09	12.27	10.44
2020 Tranche 2	09-Apr-21	09-Apr-26	13.09	12.27	10.44
2020 Tranche 3	13-Apr-22	13-Apr-25	13.79	12.27	10.44
2021 Tranche 1[1]	13-Apr-22	13-Apr-26	13.79	12.27	10.44
2021 Tranche 2[1]	13-Apr-22	13-Apr-27	13.79	12.27	10.44
2021 Tranche 3[1]					
2022 Tranche 1					
2022 Tranche 2					
2022 Tranche 3					
Deferred Short-term Incentive					
2019	20-Mar-19	20-Mar-22	21.75	12.27	10.44
2020	26-Mar-20	26-Mar-23	11.95	12.27	10.44
2021 Tranche 1	09-Apr-21	09-Apr-22	13.09	12.27	10.44
2021 Tranche 2	09-Apr-21	09-Apr-23	13.09	12.27	10.44
2021 Tranche 3	09-Apr-21	09-Apr-24	13.09	12.27	10.44
2022 Tranche 1	13-Apr-22	13-Apr-23	13.79	12.27	10.44
2022 Tranche 2	13-Apr-22	13-Apr-24	13.79	12.27	10.44
2022 Tranche 3	13-Apr-22	13-Apr-25	13.79	12.27	10.44
Total					

1 The once-off LTIP top-up award made in 2021 has been combined with the annual 2021 LTIP award values as the same performance and vesting conditions linked to the annual 2021 LTIP award apply

2 Long-term incentive plan estimated closing fair values on 31 December 2022 are shown based on estimated vesting values

Share units					Value (pre-tax)		
Opening balance on 1 Jan 2022 (Number)	Granted during 2022 (Number)	Lapsed during 2022 (Number)	Settled during 2022 (Number)	Closing balance on 31 Dec 2022 (Number)	Value of lapsed awards during 2022 (ZAR)	Value of settled awards during 2022 (ZAR)	Estimated closing fair value on 31 Dec 2022 (ZAR)
82 765	–	82 765	–	–	1 117 314	–	–
82 765	–	82 765	–	–	1 117 328	–	–
82 764	–	82 764	–	–	1 117 328	–	–
110 044	–	–	–	110 044	–	–	–
110 044	–	–	–	110 044	–	–	–
110 046	–	–	–	110 046	–	–	–
237 312	–	–	–	237 312	–	–	–
237 312	–	–	–	237 312	–	–	–
237 312	–	–	–	237 312	–	–	–
–	143 522	–	–	143 522	–	–	461 702
–	143 522	–	–	143 522	–	–	461 702
–	143 522	–	–	143 522	–	–	461 702
101 302	–	–	101 302	–	–	1 367 577	–
113 469	–	–	–	113 469	–	–	1 185 141
18 511	–	–	18 511	–	–	250 454	–
18 511	–	–	–	18 511	–	–	193 340
18 510	–	–	–	18 510	–	–	193 330
–	31 919	–	–	31 919	–	–	333 382
–	31 919	–	–	31 919	–	–	333 382
–	31 920	–	–	31 920	–	–	333 392
1 560 667	526 324	248 294	119 813	1 718 884	3 351 970	1 618 031	3 957 073

M: Directors' and Prescribed Officers' emoluments continued

Bonus share awards continued

	Award date	Vesting date	Issue price (ZAR)	2021 20-day year-end VWAP (ZAR)	2022 20-day year-end VWAP (ZAR)
				Share units	
Kerrin Land[4]					
Long-term Incentive Plan					
2019 Tranche 1	20-Mar-19	20-Mar-22	21.75	12.27	10.44
2019 Tranche 2	20-Mar-19	20-Mar-23	21.75	12.27	10.44
2019 Tranche 3	20-Mar-19	20-Mar-24	21.75	12.27	10.44
2020 Tranche 1	26-Mar-20	26-Mar-23	11.95	12.27	10.44
2020 Tranche 2	26-Mar-20	26-Mar-24	11.95	12.27	10.44
2020 Tranche 3	26-Mar-20	26-Mar-25	11.95	12.27	10.44
2021 Tranche 1[1]	09-Apr-21	09-Apr-24	13.09	12.27	10.44
2021 Tranche 2[1]	09-Apr-21	09-Apr-25	13.09	12.27	10.44
2021 Tranche 3[1]	09-Apr-21	09-Apr-26	13.09	12.27	10.44
2022 Tranche 1	13-Apr-22	13-Apr-25	13.79	12.27	10.44
2022 Tranche 2	13-Apr-22	13-Apr-26	13.79	12.27	10.44
2022 Tranche 3	13-Apr-22	13-Apr-27	13.79	12.27	10.44
Deferred Short-term Incentive[2,3]					
2019 MTI: Multi-managers Defensive Fund of Funds	13-Jun-19	23-Mar-21	6.94	8.30	7.97
2019	20-Mar-19	20-Mar-22	21.75	12.27	10.44
2020	26-Mar-20	26-Mar-23	11.95	12.27	10.44
2021 Tranche 1	09-Apr-21	09-Apr-22	13.09	12.27	10.44
2021 Tranche 2	09-Apr-21	09-Apr-23	13.09	12.27	10.44
2021 Tranche 3	09-Apr-21	09-Apr-24	13.09	12.27	10.44
2022 Tranche 1	13-Apr-22	13-Apr-23	13.79	12.27	10.44
2022 Tranche 2	13-Apr-22	13-Apr-24	13.79	12.27	10.44
2022 Tranche 3	13-Apr-22	13-Apr-25	13.79	12.27	10.44
Total					

1 The once-off LTIP top-up award made in 2021 has been combined with the annual 2021 LTIP award values as the same performance and vesting conditions linked to the annual 2021 LTIP award apply
2 A portion of Kerrin Land's deferred short-term incentive is invested in unit trusts and not Old Mutual Limited shares
3 A total number of shares is not provided as her unvested awards are a combination of Old Mutual Limited shares and unit trusts
4 Long-term incentive plan estimated closing fair values on 31 December 2022 are shown based on estimated vesting values

Share units					Value (pre-tax)		
Opening balance on 1 Jan 2022 (Number)	Granted during 2022 (Number)	Lapsed during 2022 (Number)	Settled during 2022 (Number)	Closing balance on 31 Dec 2022 (Number)	Value of lapsed awards during 2022 (ZAR)	Value of settled awards during 2022 (ZAR)	Estimated closing fair value on 31 Dec 2022 (ZAR)
43 442	–	43 442	–	–	586 454	–	–
43 442	–	43 442	–	–	586 467	–	–
43 441	–	43 441	–	–	586 467	–	–
110 044	–	–	–	110 044	–	–	–
110 044	–	–	–	110 044	–	–	–
110 046	–	–	–	110 046	–	–	–
142 388	–	–	–	142 388	–	–	–
142 388	–	–	–	142 388	–	–	–
142 389	–	–	–	142 389	–	–	–
–	143 522	–	–	143 522	–	–	461 702
–	143 522	–	–	143 522	–	–	461 702
–	143 522	–	–	143 522	–	–	461 702
91 494	–	–	91 494	–	–	729 207	–
34 143	–	–	34 143	–	–	460 931	–
107 847	–	–	–	107 847	–	–	1 126 421
18 511	–	–	18 511	–	–	250 454	–
18 511	–	–	–	18 511	–	–	193 340
18 510	–	–	–	18 510	–	–	193 330
–	32 378	–	–	32 378	–	–	338 176
–	32 379	–	–	32 379	–	–	338 186
–	32 379	–	–	32 379	–	–	338 186
					1 759 388	1 440 592	3 912 745

M: Directors' and Prescribed Officers' emoluments continued

Bonus share awards continued

Share units

	Award date	Vesting date	Issue price (ZAR)	2021 20-day year-end VWAP (ZAR)	2022 20-day year-end VWAP (ZAR)
Khaya Gobodo[4]					
Long-term Incentive Plan					
2019 Tranche 1	20-Mar-19	20-Mar-22	21.75	12.27	10.44
2019 Tranche 2	20-Mar-19	20-Mar-23	21.75	12.27	10.44
2019 Tranche 3	20-Mar-19	20-Mar-24	21.75	12.27	10.44
2020 Tranche 1	26-Mar-20	26-Mar-23	11.95	12.27	10.44
2020 Tranche 2	26-Mar-20	26-Mar-24	11.95	12.27	10.44
2020 Tranche 3	26-Mar-20	26-Mar-25	11.95	12.27	10.44
2021 Tranche 1[1]	09-Apr-21	09-Apr-24	13.09	12.27	10.44
2021 Tranche 2[1]	09-Apr-21	09-Apr-25	13.09	12.27	10.44
2021 Tranche 3[1]	09-Apr-21	09-Apr-26	13.09	12.27	10.44
2022 Tranche 1	13-Apr-22	13-Apr-25	13.79	12.27	10.44
2022 Tranche 2	13-Apr-22	13-Apr-26	13.79	12.27	10.44
2022 Tranche 3	13-Apr-22	13-Apr-27	13.79	12.27	10.44
Deferred Short-term Incentive[2, 3]					
2019 MTI: Futuregrowth OMES	23-Mar-19	22-Mar-22	54.43		59.02
2019 MTI: Marriott OMES	23-Mar-19	22-Mar-22	18.00		20.20
2019 MTI: Old Mutual Alternative Investments OMES	23-Mar-19	22-Mar-22	36.85		20.37
2019 MTI: Old Mutual Investment Group OMES	23-Mar-19	22-Mar-22	103.49		138.45
2020 MTI: Futuregrowth OMES	27-Mar-20	22-Mar-23	54.43		59.02
2020 MTI: Marriott OMES	27-Mar-20	22-Mar-23	18.00		20.20
2020 MTI: Old Mutual Alternative Investments OMES	27-Mar-20	22-Mar-23	36.85		20.37
2020 MTI: Old Mutual Investment Group OMES	27-Mar-20	22-Mar-23	103.49		138.45
2021 MTI: Futuregrowth OMES	23-Mar-21	22-Mar-24	54.43		59.02
2021 MTI: Marriott OMES	23-Mar-21	22-Mar-24	18.00		20.20
2021 MTI: Old Mutual Alternative Investments OMES	23-Mar-21	22-Mar-24	36.85		20.37
2021 MTI: Old Mutual Investment Group OMES	23-Mar-21	22-Mar-24	103.49		138.45
2022 MTI: Futuregrowth OMES	23-Mar-22	22-Mar-25	59.02		59.02
2022 MTI: Marriott OMES	23-Mar-22	22-Mar-25	20.20		20.20
2022 MTI: Old Mutual Alternative Investments OMES	23-Mar-22	22-Mar-25	20.37		20.37
2022 MTI: Old Mutual Investment Group OMES	23-Mar-22	22-Mar-25	138.45		138.45
Buy-out Award					
2018 Tranche 2	19-Apr-18	19-Apr-22	23.11	12.27	10.44
2018 Tranche 3	19-Apr-18	19-Apr-23	23.11	12.27	10.44
Total					

1 The once-off LTIP top-up award made in 2021 has been combined with the annual 2021 LTIP award values as the same performance and vesting conditions linked to the annual 2021 LTIP award apply
2 Khaya Gobodo's deferred short-term incentive is invested in unit trusts and not Old Mutual Limited shares
3 A total number of shares is not provided as his unvested awards are a combination of Old Mutual Limited shares and unit trusts
4 Long-term incentive plan estimated closing fair values on 31 December 2022 are shown based on estimated vesting values

Share units					Value (pre-tax)		
Opening balance on 1 Jan 2022 (Number)	Granted during 2022 (Number)	Lapsed during 2022 (Number)	Settled during 2022 (Number)	Closing balance on 31 Dec 2022 (Number)	Value of lapsed awards during 2022 (ZAR)	Value of settled awards during 2022 (ZAR)	Estimated closing fair value on 31 Dec 2022 (ZAR)
71 658	–	71 658	–	–	967 383	–	–
71 658	–	71 658	–	–	967 383	–	–
71 658	–	71 658	–	–	967 383	–	–
105 154	–	–	–	105 154	–	–	–
105 154	–	–	–	105 154	–	–	–
105 155	–	–	–	105 155	–	–	–
204 137	–	–	–	204 137	–	–	–
204 137	–	–	–	204 137	–	–	–
204 138	–	–	–	204 138	–	–	–
–	86 113	–	–	86 113	–	–	277 021
–	86 113	–	–	86 113	–	–	277 021
–	86 114	–	–	86 114	–	–	277 024
19 163	–	–	19 163	–	–	1 131 000	–
19 163	–	–	19 163	–	–	387 093	–
31 263	–	–	31 263	–	–	636 827	–
19 163	–	–	19 163	–	–	2 653 117	–
11 166	–	–	–	11 166	–	–	659 017
11 166	–	–	–	11 166	–	–	225 553
18 301	–	–	–	18 301	–	–	372 791
11 166	–	–	–	11 166	–	–	1 545 933
3 391	–	–	–	3 391	–	–	200 137
3 391	–	–	–	3 391	–	–	68 498
5 524	–	–	–	5 524	–	–	112 524
3 391	–	–	–	3 391	–	–	469 484
–	12 170	–	–	12 170	–	–	718 273
–	12 170	–	–	12 170	–	–	245 834
–	43 351	–	–	43 351	–	–	883 060
–	12 171	–	–	12 171	–	–	1 685 075
36 285	–	–	36 285	–	–	447 394	–
36 284	–	–	–	36 284	–	–	378 973
					2 902 149	5 255 432	8 396 219

M: Directors' and Prescribed Officers' emoluments continued

Bonus share awards continued

	Award date	Vesting date	Issue price (ZAR)	2021 20-day year-end VWAP (ZAR)	2022 20-day year-end VWAP (ZAR)
				Share units	
Prabashini Moodley[2]					
Long-term Incentive Plan					
2019 Tranche 1	20-Mar-19	20-Mar-22	21.75	12.27	10.44
2019 Tranche 2	20-Mar-19	20-Mar-23	21.75	12.27	10.44
2019 Tranche 3	20-Mar-19	20-Mar-24	21.75	12.27	10.44
2020 Tranche 1	26-Mar-20	26-Mar-23	11.95	12.27	10.44
2020 Tranche 2	26-Mar-20	26-Mar-24	11.95	12.27	10.44
2020 Tranche 3	26-Mar-20	26-Mar-25	11.95	12.27	10.44
2021 Tranche 1[1]	09-Apr-21	09-Apr-24	13.09	12.27	10.44
2021 Tranche 2[1]	09-Apr-21	09-Apr-25	13.09	12.27	10.44
2021 Tranche 3[1]	09-Apr-21	09-Apr-26	13.09	12.27	10.44
2022 Tranche 1	13-Apr-22	13-Apr-25	13.79	12.27	10.44
2022 Tranche 2	13-Apr-22	13-Apr-26	13.79	12.27	10.44
2022 Tranche 3	13-Apr-22	13-Apr-27	13.79	12.27	10.44
Deferred Short-term Incentive					
2019	20-Mar-19	20-Mar-22	21.75	12.27	10.44
2020	26-Mar-20	26-Mar-23	11.95	12.27	10.44
2021 Tranche 1	09-Apr-21	09-Apr-22	13.09	12.27	10.44
2021 Tranche 2	09-Apr-21	09-Apr-23	13.09	12.27	10.44
2021 Tranche 3	09-Apr-21	09-Apr-24	13.09	12.27	10.44
2022 Tranche 1	13-Apr-22	13-Apr-23	13.79	12.27	10.44
2022 Tranche 2	13-Apr-22	13-Apr-24	13.79	12.27	10.44
2022 Tranche 3	13-Apr-22	13-Apr-25	13.79	12.27	10.44
Total					

1 The once-off' LTIP top-up award made in 2021 has been combined with the annual 2021 LTIP award values as the same performance and vesting conditions linked to the annual 2021 LTIP award apply

2 Long-term incentive plan estimated closing fair values on 31 December 2022 are shown based on estimated vesting values

Opening balance on 1 Jan 2022 (Number)	Granted during 2022 (Number)	Lapsed during 2022 (Number)	Settled during 2022 (Number)	Closing balance on 31 Dec 2022 (Number)	Value of lapsed awards during 2022 (ZAR)	Value of settled awards during 2022 (ZAR)	Estimated closing fair value on 31 Dec 2022 (ZAR)
Share units					Value (pre-tax)		
18 811	–	18 811	–	–	253 949	–	–
18 811	–	18 811	–	–	253 949	–	–
18 811	–	18 811	–	–	253 949	–	–
97 818	–	–	–	97 818	–	–	–
97 818	–	–	–	97 818	–	–	–
97 819	–	–	–	97 819	–	–	–
156 273	–	–	–	156 273	–	–	–
156 273	–	–	–	156 273	–	–	–
156 275	-	–	–	156 275	–	–	–
–	128 414	–	–	128 414	–	–	413 101
–	128 414	–	–	128 414	–	–	413 101
–	128 415	–	–	128 415	–	–	413 104
52 825	–	–	52 825	–	–	713 138	–
85 102	–	–	–	85 102	–	–	888 858
16 543	–	–	16 543	–	–	223 827	–
16 543	–	–	–	16 543	–	–	172 785
16 544	–	–	–	16 544	–	–	172 796
–	11 300	–	–	11 300	–	–	118 024
–	11 301	–	–	11 301	–	–	118 035
-	11 301	–	–	11 301	–	–	118 035
1 006 266	419 145	56 433	69 368	1 299 610	761 847	936 965	2 827 839

M: Directors' and Prescribed Officers' emoluments continued

Bonus share awards continued

	Award date	Vesting date	Issue price (ZAR)	2021 20-day year-end VWAP (ZAR)	2022 20-day year-end VWAP (ZAR)
				Share units	
Garth Napier[3]					
Long-term Incentive Plan					
2019 Tranche 1	20-Mar-19	20-Mar-22	21.75	12.27	10.44
2019 Tranche 2	20-Mar-19	20-Mar-23	21.75	12.27	10.44
2019 Tranche 3	20-Mar-19	20-Mar-24	21.75	12.27	10.44
2020 Tranche 1	26-Mar-20	26-Mar-23	11.95	12.27	10.44
2020 Tranche 2	26-Mar-20	26-Mar-24	11.95	12.27	10.44
2020 Tranche 3	26-Mar-20	26-Mar-25	11.95	12.27	10.44
2021 Tranche 1[1, 2]	09-Apr-21	09-Apr-24	13.09	12.27	10.44
2021 Tranche 2[1, 2]	09-Apr-21	09-Apr-25	13.09	12.27	10.44
2021 Tranche 3[1, 2]	09-Apr-21	09-Apr-26	13.09	12.27	10.44
2022 Tranche 1[2]	13-Apr-22	13-Apr-25	13.79	12.27	10.44
2022 Tranche 2[2]	13-Apr-22	13-Apr-26	13.79	12.27	10.44
2022 Tranche 3[2]	13-Apr-22	13-Apr-27	13.79	12.27	10.44
Deferred Short-term Incentive					
2019	20-Mar-19	20-Mar-22	21.75	12.27	10.44
2020	26-Mar-20	26-Mar-23	11.95	12.27	10.44
2021 Tranche 1	09-Apr-21	09-Apr-22	13.09	12.27	10.44
2021 Tranche 2	09-Apr-21	09-Apr-23	13.09	12.27	10.44
2021 Tranche 3	09-Apr-21	09-Apr-24	13.09	12.27	10.44
2022 Tranche 1	13-Apr-22	13-Apr-23	13.79	12.27	10.44
2022 Tranche 2	13-Apr-22	13-Apr-24	13.79	12.27	10.44
2022 Tranche 3	13-Apr-22	13-Apr-25	13.79	12.27	10.44
Sign-on Award					
2019 Tranche 3	20-Mar-19	20-Mar-22	21.75	12.27	10.44
Total					

1 The once-off LTIP top-up award made in 2021 has been combined with the annual 2021 LTIP award values as the same performance and vesting conditions linked to the annual 2021 LTIP award apply

2 Garth's 2021 and 2022 LTIP awards are linked to Old Mutual Insure specific targets approved by the Remuneration committee in alignment with the delivery of the Old Mutual Insure 2025 strategy. The estimated fair value is based on assumed vesting outcome of 140% and 45% for 2021 and 2022 respectively

3 Long-term incentive plan estimated closing fair values on 31 December 2022 are shown based on estimated vesting values

Share units					Value (pre-tax)		
Opening balance on 1 Jan 2022 (Number)	Granted during 2022 (Number)	Lapsed during 2022 (Number)	Settled during 2022 (Number)	Closing balance on 31 Dec 2022 (Number)	Value of lapsed awards during 2022 (ZAR)	Value of settled awards during 2022 (ZAR)	Estimated closing fair value on 31 Dec 2022 (ZAR)
85 230	–	85 230	–	–	1 150 578	–	–
85 230	–	85 230	–	–	1 150 592	–	–
85 227	–	85 227	–	–	1 150 605	–	–
110 525	–	–	–	110 525	–	–	–
110 525	–	–	–	110 525	–	–	–
110 525	–	–	–	110 525	–	–	–
227 025	–	–	–	227 025	–	–	3 309 470
227 023	–	–	–	227 023	–	–	3 309 441
227 023	–	–	–	227 023	–	–	3 309 441
–	86 113	–	–	86 113	–	–	400 781
–	86 113	–	–	86 113	–	–	400 781
–	86 114	–	–	86 114	–	–	400 785
15 628	–	–	15 628	–	–	210 978	–
103 687	–	–	–	103 687	–	–	1 082 971
19 677	–	–	19 677	–	–	266 216	–
19 676	–	–	–	19 676	–	–	205 508
19 676	–	–	–	19 676	–	–	205 508
–	34 445	–	–	34 445	–	–	359 765
–	34 445	–	–	34 445	–	–	359 765
–	34 446	–	–	34 446	–	–	359 775
127 371	–	–	127 371	–	–	1 719 509	–
1 574 048	361 676	255 687	162 676	1 517 361	3 451 775	2 196 703	13 703 991

M: Directors' and Prescribed Officers' emoluments continued

Bonus share awards continued

	Award date	Vesting date	Issue price (ZAR)	2021 20-day year-end VWAP (ZAR)	2022 20-day year-end VWAP (ZAR)
				Share units	
Clement Chinaka[2]					
Long-term Incentive Plan					
2019 Tranche 1	20-Mar-19	20-Mar-22	21.75	12.27	10.44
2019 Tranche 2	20-Mar-19	20-Mar-23	21.75	12.27	10.44
2019 Tranche 3	20-Mar-19	20-Mar-24	21.75	12.27	10.44
2020 Tranche 1	26-Mar-20	26-Mar-23	11.95	12.27	10.44
2020 Tranche 2	26-Mar-20	26-Mar-24	11.95	12.27	10.44
2020 Tranche 3	26-Mar-20	26-Mar-25	11.95	12.27	10.44
2021 Tranche 1[1]	09-Apr-21	09-Apr-24	13.09	12.27	10.44
2021 Tranche 2[1]	09-Apr-21	09-Apr-25	13.09	12.27	10.44
2021 Tranche 3[1]	09-Apr-21	09-Apr-26	13.09	12.27	10.44
2022 Tranche 1	13-Apr-22	13-Apr-25	13.79	12.27	10.44
2022 Tranche 2	13-Apr-22	13-Apr-26	13.79	12.27	10.44
2022 Tranche 3	13-Apr-22	13-Apr-27	13.79	12.27	10.44
Deferred Short-term Incentive					
2019 Tranche 1	23-Mar-19	20-Mar-22	21.75	12.27	10.44
2020 Tranche 1	26-Mar-20	26-Mar-23	11.95	12.27	10.44
2021 Tranche 1	09-Apr-21	09-Apr-22	13.09	12.27	10.44
2021 Tranche 2	09-Apr-21	09-Apr-23	13.09	12.27	10.44
2021 Tranche 3	09-Apr-21	09-Apr-24	13.09	12.27	10.44
2022 Tranche 1	13-Apr-22	13-Apr-23	13.79	12.27	10.44
2022 Tranche 2	13-Apr-22	13-Apr-24	13.79	12.27	10.44
2022 Tranche 3	13-Apr-22	13-Apr-25	13.79	12.27	10.44
Total					

1 The once-off LTIP top-up award made in 2021 has been combined with the annual 2021 LTIP award values as the same performance and vesting conditions linked to the annual 2021 LTIP award apply

2 Long-term incentive plan estimated closing fair values on 31 December 2022 are shown based on estimated vesting values

Share units					Value (pre-tax)		
Opening balance on 1 Jan 2022 (Number)	Granted during 2022 (Number)	Lapsed during 2022 (Number)	Settled during 2022 (Number)	Closing balance on 31 Dec 2022 (Number)	Value of lapsed awards during 2022 (ZAR)	Value of settled awards during 2022 (ZAR)	Estimated closing fair value on 31 Dec 2022 (ZAR)
78 824	–	78 824	–	–	–	–	–
78 824	–	78 824	–	–	1 064 124	–	–
78 824	–	78 824	–	–	1 064 124	–	–
110 044	–	–	–	110 044	1 064 124	–	–
110 044	–	–	–	110 044	–	–	–
110 046	–	–	–	110 046	–	–	–
213 581	–	–	–	213 581	–	–	–
213 581	–	–	–	213 581	–	–	–
213 583	–	–	–	213 583	–	–	–
–	143 522	–	–	143 522	–	–	–
–	143 522	–	–	143 522	–	–	461 702
–	143 522	–	–	143 522	–	–	461 702
					–	–	461 702
97 452	–	–	97 452	–	–	1 315 602	–
140 858	–	–	–	140 858	–	–	1 471 208
14 808	–	–	14 808	–	–	200 352	–
14 808	–	–	–	14 808	–	–	154 664
14 809	–	–	–	14 809	–	–	154 674
–	12 630	–	–	12 630	–	–	131 916
–	12 630	–	–	12 630	–	–	131 916
–	12 630	–	–	12 630	–	–	131 916
1 490 086	468 456	236 472	112 260	1 609 810	3 192 372	1 515 954	3 561 400

Notes to the consolidated financial statements

For the year ended 31 December 2023

M: Directors' and Prescribed Officers' emoluments continued

Non-executive Directors	2023	2022
Trevor Manuel (Chairman)	**5 406 475**	5 148 062
Prof Brian Armstrong	**1 233 763**	1 061 079
Albert Essien	**1 992 948**	1 608 018
Olufunke Ighodaro	**2 208 363**	2 034 536
Itumeleng Kgaboesele	**1 928 933**	1 792 423
Jaco Langner	**1 571 271**	1 470 584
John Lister	**5 685 633**	4 369 401
Dr Sizeka Magwentshu-Rensburg	**1 920 451**	1 738 244
Thoko Mokgosi-Mwantembe	**1 131 963**	1 089 615
Nosipho Molope (Resigned 27 May 2022)	**–**	607 603
James Mwangi	**2 035 962**	1 726 421
Nomkhita Nqweni	**1 584 410**	1 324 210
Marshall Rapiya (Retired 31 July 2022)	**–**	864 336
Stewart van Graan	**1 541 550**	1 370 950
Busisiwe Silwanyana (Appointed 4 December 2023)	**86 245**	–
Johann Jurie Strydom (Appointed 4 December 2023)	**86 245**	–
	28 414 212	26 205 482

The above amounts are exclusive of VAT.

N: Biographical information on the directors (unaudited)

Trevor Manuel (South African) (67*)

Trevor is the Independent Chairman of the Board. He served in the South African government for more than 20 years, including as Minister of Finance and as Minister in the Presidency, responsible for the National Planning Commission.

During his ministerial career, he assumed a number of *ex officio* positions at international bodies, including the United Nations Commission for Trade and Development, the World Bank, the International Monetary Fund, the G20, the African Development Bank Group and SADC.

Iain Williamson (South African) (53*)

Iain was appointed Chief Executive Officer of the Company in July 2020 after serving as the Interim Chief Executive Officer from May 2019. He joined the Group in 1993 and, following various roles across employee benefits and personal finance, he relocated to London in a Corporate Development role at Old Mutual plc. Iain returned to South Africa in 2003, serving in a number of roles across distribution, technology and finance before being promoted to Chief Financial Officer of Retail Affluent and then Managing Director of the Retail Affluent segment. He was appointed as Old Mutual Emerging Markets' Finance Director in 2015, as Chief Operating Officer in 2017, and has also previously been the Interim Chief Executive Officer in 2017.

Casper Troskie (South African) (60*)

Casper was appointed as Chief Financial Officer of the Group in March 2018. Before joining the Old Mutual, he spent seven years as the Financial Director of the Liberty Group, serving on the Boards of Liberty Holdings, Liberty Group and STANLIB.

Prior to that, he held the position of Chief Financial Officer at the Standard Bank Group, as well as holding leadership positions at Deloitte.

Brian Armstrong (South African) (62*)

Brian is an Independent Non-executive Director. He is currently a professor and the Chair of Digital Business at Wits Business School, where he lectures a Master's Degree in Digital Transformation. He is regarded as one of the ICT industry leaders in South Africa.

Before joining Wits, he spent seven years at Telkom in the roles of Group Chief Operating Officer and Group Chief Commercial Officer, among others. His prior experience also includes being Vice President for the Middle East and Africa at British Telecom and Managing Director of AST Networks.

Albert Essien (Ghanaian) (68*)

Albert is an Independent Non-executive Director. He started his banking career with the National Investment Bank Limited in Accra and subsequently joined the corporate banking department of Ecobank Ghana. He previously served as the Group Chief Executive Officer of Ecobank and led Ecobank's expansion into Burundi, Kenya, Malawi, Rwanda, South Africa, Tanzania, Uganda and Zambia. Albert also led Ecobank's negotiations in the formation of the Ecobank-Nedbank alliance.

Olufunke Ighodaro (Nigerian and British) (60*)

Olufunke is an Independent Non-executive Director. She is a Non-executive Director of Telkom SOC Limited and Sabvest Capital Limited.

Olufunke has over 22 years' experience operating at executive Board level, having previously served as Chief Financial Officer of JSE-listed companies namely Tiger Brands Limited, Primedia Limited, and as Executive Director and Chief Financial Officer designate of Barloworld Limited. She was an Executive Director of EMTS Limited (trading as 9mobile), Nigeria's fourth-largest telco, and founded and led the private equity business of the Kagiso Trust Investment Group.

Itumeleng Kgaboesele (South African) (52*)

Itumeleng is an Independent Non-executive Director. He has over 20 years of financial services experience, having held executive positions with Hambros Bank Limited, Deutsche Bank AG London and Merrill Lynch.

Jaco Langner (South African) (50*)

Jaco is an Independent Non-executive Director. He is an actuary with more than 25 years' financial services, management and insurance expertise and former Managing Director of Alexander Forbes Life. Jaco has extensive experience in establishing new business lines and turnaround strategies, and co-funded the insurtech company, Surion Proprietary Limited, in 2018.

John Lister (British) (65*)

John is an Independent Non-executive Director. He has over three decades of experience in the insurance sector and is a finance and risk specialist. He is the former Chief Risk Officer of AVIVA plc and Chief Financial Officer and Chief Actuary of its UK life and savings business. He was the former Chairman of the Risk committee of Delta Lloyd Limited, Netherlands, prior to its sale to the NN Group. He has significant experience and knowledge across a number of areas, including capital management, risk management and regulatory engagement.

Sizeka Magwentshu-Rensburg (South African) (64*)

Sizeka is an Independent Non-executive Director. She has extensive experience spanning over 25 years in the small, medium and micro-enterprise (SMME) development space in South Africa and Southern Africa. She currently serves on the Board of the Industrial Development Corporation. She served on various Boards of state-owned enterprises and was a member of the South African Ministerial Advisory committee on SMME Development (Ministry of Economic Development).

Thoko Mokgosi-Mwantembe (South African) (62*)

Thoko is a Non-executive Director. Her career spans numerous sectors, including pharmaceuticals companies such as Logos Pharmaceutical and Glaxo Wellcome. She is the former Chief Executive Officer of Alcatel South Africa Proprietary Limited, Hewlett Packard South Africa Proprietary Limited and former Non-executive Director of Vodacom Group Limited.

James Mwangi (Kenyan) (46*)

James is an Independent Non-executive Director. He helped found the Dalberg Group in New York in 2002 and set up its African operations in Johannesburg in 2007 before taking on the role of Global Managing Partner and Chief Executive of Dalberg's consulting business from 2010 to 2014. Prior to Dalberg, he worked at McKinsey & Company in New York.

He is a 2009 Archbishop Tutu Leadership Fellow of the African Leadership Institute and a 2013 Young Global Leader of the World Economic Forum.

Notes to the consolidated financial statements

For the year ended 31 December 2023

N: Biographical information on the directors (unaudited) continued

Nomkhita Nqweni (South African) (49*)

Nomkhita is an Independent Non-executive Director. She has more than 25 years' financial services, asset management and insurance expertise and is the former Chief Executive of Wealth, Investment Management and Insurance (Africa) at Absa Group Limited. During her time at Absa, she also served on the Barclays Wealth EMEA Exco responsible for teams in London and Geneva. Prior to joining Absa, she was Managing Director of Alexander Forbes Financial Services Holdings Limited (Africa).

She has served on numerous Absa Group Limited and Alexander Forbes Limited Boards and was recognised as the CNBC All Africa Business Woman of the Year in 2018.

Busisiwe Silwanyana (South African) (50*)

Busisiwe is an Independent Non-executive Director. She is also an Independent Non-executive Director at Stefanutti Stocks Limited and is the Chairperson of the Social and Ethics committee and the Audit and Risk committees. She is also an Independent Non-executive Director of YeboYethu (RF) Limited and YeboYethu Investment (RF) Limited, and is the Chairperson of the Audit and Risk committees.

Jurie Strydom (South African) (48*)

Jurie is an Independent Non-executive Director. He is a fintech entrepreneur and investor and is the Chairman and majority shareholder of FSPHub. He is also the Chairman of the Common Good Foundation.

After graduating, Jurie spent a few years at Sanlam, working initially as an Investment Actuary before becoming a General Manager. After a brief stint as Chief Executive at Alexander Forbes Life, Jurie took up the positions of Chief Executive of Regent Insurance Group and Executive Director of Imperial Holdings. In 2016, he returned to Sanlam where he served as Chief Executive: Life and Savings (previously Sanlam Personal Finance) until June 2022.

Stewart van Graan (South African) (68*)

Stewart is an Independent Non-executive Director. He has extensive experience in information technology and was the former Managing Director of Dell Computer Proprietary Limited (Dell) in South Africa, as well as the former Vice President for Dell's Enterprise Solutions business in the EMEA emerging markets. Stewart also served as the Chairperson of Dell in South Africa and the Dell Khulisa Academy. Prior to joining Dell, he spent 23 years at IBM in various positions, both locally and internationally. He also served on the advisory Board of the University of Stellenbosch Business School.

* *Age as at 31 December 2023*

O: Share ownership (unaudited)

At 31 December 2023	Number of shareholders	% of shareholders	Number of shares	% of ordinary shares
Public and non-public shareholding of ordinary shares				
Public	**386 796**	**100.00**	**4 559 559 653**	**95.17**
Non-public	**16**	**0.00**	**231 346 775**	**4.83**
Directors and associates	**9**	**0.00**	**2 360 162**	**0.05**
Employee Share Trusts	**1**	**0.00**	**72 680 728**	**1.52**
Black Economic Empowerment Trusts	**6**	**0.00**	**156 305 885**	**3.26**
	386 812	**100**	**4 790 906 428**	**100**

Major shareholders

Pursuant to section 56(7) of the Companies Act, the following beneficial shareholdings equal to or exceeding 5% as at 31 December 2023 are disclosed:

	Number of shares	% of ordinary shares
Public Investment Corporation	**823 572 586**	**16.75**

Major categories of shareholders	Number of holders	% holding	Number of shares	% of total
1 – 100	**3 528**	**9.36**	**169 043**	**0.00**
101 – 500	**27 668**	**73.38**	**7 473 482**	**0.16**
501 – 5000	**5 846**	**15.50**	**7 917 329**	**0.16**
5001 – 100 000	**626**	**1.66**	**8 906 494**	**0.19**
100 001 – 500 000	**26**	**0.07**	**5 175 975**	**0.11**
500 001+	**12**	**0.03**	**4 761 264 105**	**99.38**
Total	**37 706**	**100**	**4 790 906 428**	**100**

OLDMUTUAL

COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2023

DO GREAT THINGS EVERY DAY

Statement of comprehensive income

For the year ended 31 December 2023

Rm	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Revenue			
Investment income	3	**6 233**	3 402
Interest income		**276**	153
Cash and cash equivalents		**53**	28
Investment and securities		**223**	125
Other income		**48**	40
Fair value gain[1]	7	**20**	10
Total revenue and other income		**6 577**	3 605
Expenses			
(Impairment)/reversal of impairment of investments in subsidiaries	4	**(3 306)**	418
Operating and administration expenses	5	**(749)**	(343)
IFRS 2 expense	6	**–**	(367)
Loss on sale of Old Mutual International Guernsey		**–**	(108)
Profit before tax		**2 522**	3 205
Income tax expense	8	**(89)**	(42)
Profit after tax for the financial year		**2 433**	3 163
Total comprehensive profit for the year		**2 433**	3 163

1 *In the prior year, the R10 million fair value gain was disclosed under Expenses due to the 2021 comparative being a fair value loss*

Statement of financial position

At 31 December 2023

Rm	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Assets			
Investments in subsidiaries	9	**87 501**	89 307
Investments and securities	10	**2 063**	2 320
Deferred tax asset		**4**	6
Amounts due from Group Companies	14	**159**	–
Other assets	11	**9**	3
Interest receivable on unit trust		**45**	40
Property, plant and equipment	12	**2**	–
Cash and cash equivalents	13	**458**	1 151
Current tax receivable		**19**	–
Total assets		**90 260**	92 827
Liabilities			
Amounts due to Group Companies	14	**275**	99
Payables	15	**909**	780
Current tax payable		**–**	3
Total liabilities		**1 184**	882
Net assets		**89 076**	91 945
Equity			
Share capital	17	**238**	244
Accumulated loss		**(7 412)**	(5 990)
Reorganisation reserve		**95 530**	97 014
Share-based payment reserve		**43**	–
Share option premium	17	**677**	677
Total equity		**89 076**	91 945

Statement of changes in equity

For the year ended 31 December 2023

31 December 2023 Rm	Notes	Share capital	Reorganisation reserve[1]	Accumulated loss	Share-based payment reserve	Share option premium	Total equity
Shareholders' equity at beginning of the year		**244**	**97 014**	**(5 990)**	**–**	**677**	**91 945**
Profit after tax for the financial year		–	–	**2 433**	–	–	**2 433**
Total comprehensive profit for the financial year		–	–	**2 433**	–	–	**2 433**
Transactions with the owners of the Company							
Dividends paid	16.4	–	–	**(3 851)**	–	–	**(3 851)**
Share buyback[2]	17	**(6)**	**(1 484)**	**(4)**	–	–	**(1 494)**
Equity-settled share-based payments		–	–	–	**43**	–	**43**
Transactions with shareholders		**(6)**	**(1 484)**	**(3 855)**	**43**	–	**(5 302)**
Shareholders' equity at end of year	17	**238**	**95 530**	**(7 412)**	**43**	**677**	**89 076**

1 The reorganisation reserve arose on 26 June 2018, in terms of a UK court scheme of arrangement having the effect of inserting the Company as a new holding company above the Old Mutual plc Group. As Old Mutual plc remains within the Old Mutual Limited Group and in terms of predecessor accounting, R89 million has been allocated to share capital. This represents the share capital of Old Mutual plc before the reorganisation. The remainder of the investment in Old Mutual plc has been allocated to the reorganisation reserve within equity and represents the reserves of the previous Old Mutual plc Group. When Old Mutual Limited's financial statements are prepared, this reserve is eliminated and replaced by the Group's reserve

2 During the current year, the Company repurchased 122 million shares for a consideration of R1.49 billion. The consideration relating to the share buyback proportionately reduced share capital by R6 million and the reorganisation reserve by R1.4 billion. The transaction costs amounting to R4 million reduced retained earnings

31 December 2022 Rm	Notes	Share capital	Reorganisation reserve[1]	Accumulated loss	Share option premium	Total equity
Shareholders' equity at beginning of the year		85	97 014	(5 649)	–	91 450
Profit after tax for the financial year		–	–	3 163	–	3 163
Total comprehensive profit for the financial year		–	–	3 163	–	3 163
Transactions with the owners of the Company						
Dividends paid	16.4	–	–	(3 504)	–	(3 504)
Equity-settled share-based payments	16.4	–	–	–	677[3]	677
Share issue		159[2]				159
Transactions with shareholders		159	–	(3 504)	677	(2 668)
Shareholders' equity at end of year	17	244	97 014	(5 990)	677	91 945

1 The reorganisation reserve arose on 26 June 2018, in terms of a UK court scheme of arrangement having the effect of inserting the Company as a new holding company above the Old Mutual plc Group. As Old Mutual plc remains within the Old Mutual Limited Group and in terms of predecessor accounting, R89 million has been allocated to share capital. This represents the share capital of Old Mutual plc before the reorganisation. The remainder of the investment in Old Mutual plc has been allocated to the reorganisation reserve within equity and represents the reserves of the previous Old Mutual plc Group. When Old Mutual Limited's financial statements are prepared, this reserve is eliminated and replaced by the Group's reserve

2 Under the Bula Tsela transaction, the Employee Share Trust subscribed for 78.1 million shares at a fair value of R159 million, which represents 20% of the 78.1 million shares that were legally issued

3 The share option premium includes the IFRS 2 charge of R367 million to account for in-substance share options under the Retail and Community Schemes, and a premium received of R98 million and R212 million for the purchase of the in-substance option under the Retail Scheme and Employee Share Scheme, respectively. The purchase of the in-substance option in the Employee Share Scheme represents 80% of the 78.1 million shares

Statement of cash flows

For the year ended 31 December 2023

Rm	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Cash flows from operating activities			
Profit before tax		**2 522**	3 205
Non-cash movements and adjustments to profit before tax	16.1	**(3 151)**	(3 505)
Changes in working capital	16.2	**109**	13
Interest received		**112**	59
Dividends received	3	**6 233**	3 399
Tax paid	16.3	**(109)**	(45)
Net cash generated from operating activities		**5 716**	3 126
Cash flows from investing activities			
Investment in unit trust		**(2 116)**	(2 263)
Disinvestment in unit trust		**2 555**	2 423
Capitalisation of Main Street		**(1 500)**	–
Purchase of property, plant and equipment		**(3)**	–
Net cash (utilised)/generated in investing activities		**(1 064)**	160
Cash flows from financing activities			
Dividends paid to Company's shareholders	16.4	**(3 851)**	(3 504)
Share buyback		**(1 494)**	–
Cash received from share issue		**–**	159
Option premium received from Share Trust		**–**	212
Option premium received from RetailCo participants		**–**	98
Net cash utilised in financing activities		**(5 345)**	(3 035)
Net (decrease)/increase in cash and cash equivalents		**(693)**	251
Cash and cash equivalents at the beginning of the year		**1 151**	900
Cash and cash equivalents at end the of the year		**458**	1 151

Notes to the Company financial statements

For the year ended 31 December 2023

1. Accounting policies

1.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), including interpretations of IFRS as issued by the International Financial Reporting Interpretations Committee (IFRIC), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements and the requirements of the Companies Act, 71 of 2008 (Companies Act).

Basis of preparation

The financial statements provide information about the financial position of the Company and have been prepared under the historical cost convention. The accounting policies applied have been consistently applied to all periods presented.

The Company's presentation currency is South African rand and all amounts are presented in millions of rands.

The Company is a company incorporated in South Africa. On 25 June 2018, the Company became the parent of Old Mutual plc through a share-for-share exchange, with the Company receiving the entire net asset value of Old Mutual plc, the original parent company of Old Mutual Limited, and its subsidiaries in exchange for the issue of ordinary shares of the Company to the original shareholders of Old Mutual plc. The previous existing Group went through a reorganisation, which was called managed separation and, although there was a change in legal ownership, there was no change in the economic substance of the reporting entity.

1.2 Share capital

Ordinary share capital is classified as equity if it is non-redeemable by the shareholder and any dividends are discretionary.

Share capital is reduced by cost per share relating to the share buyback.

1.3 Investments in subsidiaries

The Company's interest in its subsidiaries and associates is accounted for at cost less impairment in accordance with IAS 27 *Separate Financial Statements*. The Company's interest in subsidiaries was acquired as a consequence of managed separation, with the exception of Main Street, which was capitalised in the current year.

1.4 Impairment of investment in subsidiaries

The Company's subsidiaries are within the scope of IAS 36 *Impairment of Assets*. The carrying value of the subsidiaries is compared to its recoverable amounts being the higher of the fair value less costs to sell and value in use.

1.5 Revenue

Revenue includes investment income, which comprises dividend and interest income.

Dividend income

Dividend income is recognised when the right to receive payment is established on the ex dividend date as investment income.

Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method, taking into account the expected timing and amount of cash flows. Interest income includes the amortisation of any discount or premium or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest basis.

1.6 Foreign currency translation

Transactions in foreign currencies are converted into the functional currency at the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at rates of exchange ruling at the balance sheet date. Exchange gains and losses on the translation and settlement during the period of foreign currency monetary assets and liabilities are recognised in profit or loss.

1.7 Taxation

The income tax charge for the year comprises current tax and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is recognised with respect to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date. Deferred taxation is charged to profit or loss except to the extent that it relates to a transaction that is recognised directly in other comprehensive income. The effect on deferred tax of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to other comprehensive income or equity.

1.8 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation.

1. Accounting policies continued

1.9 Share-based payments

Equity-settled share-based payment transactions

The Company incentivises employees through a number of share incentive schemes. These include an employee share ownership plan (ESOP), long-term incentive plan (LTIP) and broad-based incentive (BBI) schemes. The ESOP, LTIP and BBI schemes are equity-settled. The equity-settled transaction relates to employee share awards as well as share options to participate in OML shares under the Bula Tsela transaction. The share-based payments relating to the share awards are measured at the grant date fair value and share options are measured with reference to the fair value of the share options granted. The fair value of the in-substance options is determined using an option pricing model. The value of the shares and options, and resulting equity-settled share-based payment, are determined at grant date and are not revalued/remeasured. Subsequently, at the end of the scheme, the in-substance option is derecognised and an investment in OML shares is recognised. Refer to J2 in consolidated financial statements for more information on different share awards.

1.10 Financial instruments

Financial instruments comprise investment and securities, other assets, cash and cash equivalents, amounts due to Group Companies and payables.

1.10.1 Classification and measurement of financial assets and financial liabilities

Under IFRS 9 *Financial Instruments*, on initial recognition, a financial asset is classified as measured at:
- Amortised cost
- Fair value through profit or loss (FVTPL)

Transaction costs that are directly attributable to the acquisition of financial assets are expensed in profit or loss for financial assets initially classified at FVTPL. For financial assets not classified at FVTPL, transaction costs are added to the fair value at initial recognition.

Initial recognition of financial liabilities

On initial recognition, financial liabilities are measured at fair value minus – in the case of financial liabilities not classified at FVTPL – transaction costs that are incremental and directly attributable to the issue of the financial liability. Transaction costs of financial liabilities carried at FVTPL are expensed in profit or loss.

Subsequent measurement of financial assets

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Fair value hierarchy

Fair values are determined according to the following hierarchy:
- Level 1 – quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets
- Level 2 – valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable
- Level 3 – valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable

The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, a valuation technique is used.

The judgement as to whether a market is active may include, for example, consideration of factors such as the magnitude and frequency of trading activity, the availability of prices and the size of bid/offer spreads.

In inactive markets, obtaining assurance that the transaction price provides evidence of fair value or determining the adjustments to transaction prices that are necessary to measure the fair value of the asset or liability requires additional work during the valuation process.

Subsequent measurement of financial liabilities

These liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign currency exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

For more detailed disclosure, please refer to note E in the consolidated financial statements.

1.11 Investment and securities

Investments and securities include units purchased in money market funds. Investment and securities are measured at fair value through profit and loss. The fair value equals their carrying value.

Interest income is presented separately from the rest of the fair value changes.

1.12 Reorganisation reserve and retained earnings

IAS 32 paragraph AG 36 states that if an entity reacquires its own equity instruments (treasury shares), these will be deducted from equity, and that no gain or loss will be recognised in profit or loss. The consideration of the share buyback will be recognised in equity – it will first proportionately reduce share capital and the balance will thereafter reduce the reorganisation reserve. The transaction costs relating to the share buyback such as brokerage, securities transfer tax, Strate fees, levies and VAT will be debited against retained earnings.

1. Accounting policies continued

1.13 Significant judgements and estimates

Accounting estimates involve the use of judgements and assumptions based on the latest available information. In accordance with IAS 36 *Impairment of Assets*, an assessment of the carrying value of Old Mutual Group Holdings (South Africa) Proprietary Limited (OMGH) for the year ended 31 December 2023 is performed.

The assessment includes determining whether there is any indication that impairment losses recognised in prior periods no longer exist or may have decreased. The impairment test compares the value in use with the carrying value to determine the recoverable amount.

The value in use for OMGH was determined using a sum of the parts valuation model. The value in use decreased from R88.7 billion to R85.4 billion. This resulted in the recognition of an impairment loss to the value of R3.3 billion for the year ended 31 December 2023. The sum of the parts valuation included OMLACSA, adjusted for the present value of unearned profits, and a multiple for the value of new business (VNB), as well as other components using a discounted cash flow model or an adjusted net asset value model. The key assumptions include a VNB multiple of five, discount rates of 17.3% to 23.2% and a growth rate of 6.8% to 8.2%.

The main reasons for the recognition of an impairment loss is due to variations in the free cash flow and dividend projections of businesses in Africa, as well as capital deployed to Old Mutual Limited to fund the share buyback and further capital injections in the development of the bank.

Value-in-use model and key assumptions used

In the performance of impairment testing, the Group mostly used discounted cash flow models for a period of three to five years, with a terminal value thereafter. This incorporates planned business performance, long-term growth rates and a risk-adjusted discounted rate reflecting cost of equity as appropriate for the component.

The rate is derived using the overall Old Mutual Limited Group cost of equity. The Old Mutual Limited Group cost of equity (CoE) is calibrated using a derivation of the conventional capital asset pricing model (CAPM). The rationale for choosing this methodology is to ensure objectivity in deriving the CoE. This entails calibrating the risk-free rate and risk premium:
- The risk-free rate is calculated based on historic government bond yields
- The risk premium is calculated as the beta on the Old Mutual Limited share (Old Mutual Limited return relative to the equity market) multiplied by the historic market risk premium

To calculate the discount rate applicable to the component parts, the Old Mutual Limited risk premium is risk and term-adjusted using an internal risk measure to reflect the risk inherent in the component parts relative to the overall Group and the expected term of the asset.

Note, if the component is based outside of South Africa, the risk-free rate is calibrated using the historic government bond yield applicable in the relevant country.

Below is a summary of key assumptions used in the value-in-use calculation:

	Key assumptions
Discount rates	17.3% – 23.2%
P/E multiples	9.8x – 11.7x
P/B multiples	0.7x – 1.4x
VNB multiple	5x

Management has further performed stress testing, the results of which have been considered when determining the final impairment losses/reversals to be processed.

Sensitivities and headroom analysis

Sensitivity tests were performed on inputs in the underlying impairment tests, for example by applying a 1% increase in the discount rate and a 10% decrease in the cash flows. The outcomes of these sensitivity tests support the recognition of an impairment loss.

1.14 New standards and interpretations

The Company has adopted the following standards for the first time in the annual reporting period commencing 1 January 2023:
- Amendments to IAS 1 and IFRS Practice Statement 2, effective date 1 January 2023
- Definition of accounting estimates – amendments to IAS 8, effective date 1 January 2023
- Deferred tax related to assets and liabilities arising from a single transaction – amendments to IAS 12, effective date 1 January 2023
- IFRS 17 *Insurance contracts,* effective date 1 January 2023, is not applicable to the OML separate financial statements as there are no contracts that meet the definition of an IFRS 17 insurance contract

These standards had no material impact on the financial statements.

1.15 New standards issued but not effective

The following standards and amendments were issued but not effective for the period commencing 1 January 2023:
- Classification of liabilities as current or non-current and non-current liabilities with covenants – amendments to IAS 1 effective date 1 January 2024 and will have no impact on the company separate AFS
- Lease liability in a sale and leaseback – amendments to IFRS 16, effective date 1 January 2024
- Disclosures: supplier finance arrangements – amendments to IAS 7 and IFRS 7, effective date 1 January 2024

These standards and amendments will not have a material impact on the financial statements.

2. Statement of financial position – assets and liabilities

Categories of financial instruments

The analysis of assets and liabilities into their categories as defined in IFRS 9 *Financial Instruments* is set out in the table below. Assets and liabilities of a non-financial nature, or financial assets and liabilities that are specifically excluded from the scope of IFRS 9, are reflected in the non-financial assets and liabilities category.

31 December 2023 Rm	Mandatorily at fair value through profit or loss	Amortised cost	Non-financial assets and liabilities	Total
Assets				
Investment and securities	2 063	–	–	2 063
Investments in subsidiaries	–	–	87 501	87 501
Amounts due from Group Companies	–	159	–	159
Other assets	–	4	5	9
Interest receivable on unit trust	–	45	–	45
Cash and cash equivalents	–	458	–	458
Deferred tax asset	–	–	4	4
Current tax receivable	–	–	19	19
Property, plant and equipment	–	–	2	2
Total assets	2 063	666	87 531	90 260
Liabilities				
Amounts due to Group Companies[1]	67	208	–	275
Payables	–	884	25	909
Total liabilities	67	1 092	25	1 184

31 December 2022 Rm	Mandatorily at fair value through profit or loss	Amortised cost	Non-financial assets and liabilities	Total
Assets				
Investment and securities	2 320	–	–	2 320
Investments in subsidiaries	–	–	89 307	89 307
Other assets	–	2	1	3
Interest receivable on unit trust	–	40	–	40
Cash and cash equivalents	–	1 151	–	1 151
Deferred tax asset	–	–	6	6
Total assets	2 320	1 193	89 314	92 827
Liabilities				
Amount due to Group Companies	–	99	–	99
Payables	–	775	5	780
Current tax payable	–	–	3	3
Total liabilities	–	874	8	882

1 *The financial guarantee contract is measured in terms of the accounting policy in note 22*

Fair value of financial assets and liabilities

(a) Determination of fair value

The fair values of financial assets and liabilities at amortised cost (comprising cash and cash equivalents, other assets, amount due to Group Companies and payables) reasonably approximate their carrying amounts as included in the statement of financial position as they are short-term in nature or re-priced to current market rates frequently.

(b) Fair value hierarchy for financial assets

At 31 December 2023 Rm	Total	Level 1	Level 2	Level 3
Financial assets mandatorily through profit or loss	2 063	2 063	–	–

At 31 December 2022 Rm	Total	Level 1	Level 2	Level 3
Financial assets mandatorily through profit or loss	2 320	2 320	–	–

3. Investment income

Rm	31 December 2023	31 December 2022
Dividend income – cash		
Dividend income from subsidiaries – local	**6 150**	2 522
Dividend income from subsidiaries – foreign	**83**	877
Foreign exchange gains	**–**	3
	6 233	3 402

4. Impairment and reversal of impairment of investments in subsidiaries

Rm	31 December 2023	31 December 2022
Old Mutual Group (UK) Limited[1]	**(54)**	(491)
Old Mutual Group Holdings (SA) Proprietary Limited[2]	**(3 252)**	740
Old Mutual Residual UK Limited	**–**	169
	(3 306)	418

1 The plc entity, Old Mutual Group (UK) Limited, which is a 100% held subsidiary of the Company, will be liquidated and was subsequently impaired. The investment was impaired to its recoverable amounts, which is the fair value less costs to sell, which amounted to R146 million (2022: R200 million). The net asset value was used to determine the recoverable amount. This net asset value approximates fair value less cost to sell. The net asset value would be considered Level 3 under the fair value hierarchy. Assets and liabilities measured using inputs that are not based on observable market data are categorised as Level 3. The significant input is the net asset value of the respective subsidiaries. The fair value of Old Mutual Limited's subsidiaries is not listed on an active market and made publically available, therefore they are considered an unobservable input

2 The 2023 value-in-use (VIU) calculation yielded a recoverable amount of R85.4 billion. Consequently, there is an impairment of R3.3 billion in the current year. The VIU calculation was based on the valuation (which included a valuation for OMLAC(SA)) based on its existing client contracts, a multiple of five for the value of new business (VNB) for its Life Assurance business, and discounted cash flows or net asset value methodology. The key assumptions include a VNB multiple of 5, discount rates of 17.3% to 23.2%, and a growth rate of 6.8% to 8.2%

5. Operating and administration expenses

Rm	31 December 2023	31 December 2022
Operating and administration expenses include:		
Statutory audit services	**35**	49
Administration costs	**93**	89
Directors' emoluments	**28**	32
Professional fees	**117**	173
Staff costs[1]	**476**	–
	749	343

Rm	31 December 2023	31 December 2022
Salary and wages	**282**	–
Group life admin	**4**	–
Performance bonus	**104**	–
Equity-settled share-based payments	**77**	–
Statutory training levy	**3**	–
Paybridge	**3**	–
Pension	**3**	–
Total staff costs	**476**	–

5. Operating and administration expenses continued

Equity-settled share-based payments

(a) Share incentive schemes

The Company incentivises employees through a number of share incentive schemes. These include an employee share ownership plan (ESOP), long-term incentive plan (LTIP) and broad-based incentive (BBI) schemes. The ESOP, LTIP and BBI schemes are equity-settled. More information on the Group's share incentive schemes is available in the Old Mutual Limited Remuneration Report, which will be released in March 2024 and can be accessed at https://www.oldmutual.com/investor-relations/reporting-centre/reports/.

Employee share ownership plan (ESOP)

These awards are granted under the employee share ownership plan (ESOP) rules. The ESOP consists of the deferred short-term incentive, buyout/sign-on, retention and broad-based black economic empowerment (B-BBEE) Bula Tsela awards.

Deferred short-term incentive awards

A portion of the annual short-term incentive award, for middle management and above, is mandatorily deferred for a maximum period of three years. This deferral is converted to forfeitable Old Mutual Limited shares for participants in South Africa. Awards granted from 2021 vest in three equal tranches on the first, second and third anniversaries of the award, and have no further financial performance conditions. The awards are subject to malus and clawback conditions.

Buyout/sign-on awards

These awards support the recruitment of key and/or critical talent into the organisation subject to stringent policy guidelines. Buyout awards replace potential loss of income/unvested awards for new joiners, and/or address any financial obligations that the new joiner may have with their previous employer. Sign-on awards increase the overall competitiveness and attractiveness of an offer, specifically for the recruitment of scarce skills or high-potential individuals. These awards are preferably granted in forfeitable Old Mutual Limited shares for participants in South Africa.

Retention awards

These awards are granted in special circumstances to retain key talent based on the outcomes of the Group's Talent Management Strategy or scarce and/or critical skills identified as a potential flight risk. The awards typically vest after three years.

Long-term incentive plan (LTIP)

LTI awards are granted under the long-term Incentive plan (LTIP) rules. These awards are granted to executives and select senior managers, on a discretionary basis, subject to a minimum individual performance condition. These awards aim to align senior management and shareholder interests. Awards granted in 2022 are conditional Old Mutual Limited shares for participants in South Africa. Vesting is subject to the achievement of Company and individual performance targets and vest in equal tranches on the third, fourth and fifth anniversaries of the award. These LTI awards were then replaced by the forfeitable deferred performance award (DPA) still issued under the LTIP rules. The first DPA grant is expected in the April 2024 cycle. The DPA share awards will vest subject to acceptable individual performance outcomes as well as continued employment. The awards are subject to malus and clawback conditions.

(b) Forfeitable/restricted share grants

The following table summarises the fair value of restricted shares granted by the Group during the year:

		Separate	
Instruments granted and purchased during the year		**Number granted**	**Weighted average fair value**
Shares in Old Mutual Limited (Johannesburg Stock Exchange)	**2023**	**3 980 897**	**R11.85**
	2022	63 600 838	R4.55

These numbers exclude phantom and Bula Tsela community grants.

5. Operating and administration expenses continued

	Number of shares 2023	Weighted average fair value R	Number of shares 2022	Weighted average fair value R
Deferred Short-term Incentive awards (ESOP)				
Movements in non-vested shares				
1 January[1]	–	–	–	–
Transferred employees[3]	651 874	12.00	–	–
Granted	2 200 212	11.90	–	–
Settled	(76 475)	12.73	–	–
Lapsed	(82 525)	13.06	–	–
31 December[1]	2 693 086	13.06	–	–
Long-term Incentive Plan awards (LTIP)				
1 January[1]	–	–	–	–
Transferred employees[3]	4 818 043	12.00	–	–
Granted	–	–	–	–
Settled	(6 986)	12.23	–	–
Lapsed	(4 283)	13.06	–	–
31 December[1]	4 806 774	13.06	–	–
Buyout/Sign-on awards (ESOP)				
1 January[1]	–	–	–	–
Transferred employees[3]	465 004	12.00	–	–
Granted	178 079	11.92	–	–
Settled	–	–	–	–
Lapsed	(59 633)	13.06	–	–
31 December[1]	583 450	13.06	–	–
Retention awards (ESOP)				
1 January[1]	–	–	–	–
Transferred employees[3]	998 908	12.00	–	–
Granted	1 569 738	11.90	–	–
Settled	(20 043)	11.69	–	–
Lapsed	(175 507)	13.06	–	–
31 December[1]	2 373 096	13.06	–	–
B-BBEE Bula Tsela awards (BBI) (ESOP)				
1 January[1]	–	–	–	–
Transferred employees[3]	589 317	4.63	–	–
Other employee shares granted[4]	6 572	–	–	–
NVF shares granted[5]	26 296	–	–	–
Lapsed	(123 246)	6.90	–	–
31 December[1, 2] – Other employee shares	99 786	11.93	–	–
31 December[1, 2] – NVF shares	399 152	4.61	–	–

[1] *Fair value at reporting date*
[2] *The weighted average exercise price on grant date was R9.00 (2022: R8.72) and at 31 December 2023 was R8.88 (2022: R8.77)*
[3] *During the year, the employment of certain employees moved to the Company, which included a pro rata of the awards previously made to them*
[4] *Other shares represent 20% of the 78 million shares issued in terms of the Bula Tsela award employees were granted*
[5] *The NVF is the notional vendor-funded shares that represent 80% of the 78 million shares issued in terms of the Bula Tsela award. The NVF shares are debt-financed and 85% of the dividend earned on these shares will be used to service the NVF balance over the 10-year period*

No adjustment was made in the above weighted average fair value for expected dividends where the holder of the restricted share is entitled to dividends throughout the vesting period, except as it relates to the NVF shares.

(c) Deferred short-term incentive awards – forecast

The annual bonus allocation gives rise to deferred short-term incentive awards. The start of the vesting period of these awards has been determined as 1 January of the year prior to the date of issue to take into account the element of the award linked to previous performance. The initial fair value is determined by estimating the level of awards to be made in the following year, taking into account expected Company and individual performance.

The Company anticipates DPA awards under the scheme of 3 407 742 restricted shares.

The restricted shares have been valued using a share price of R13.00.

The method used to calculate the forecast grant is based on a rand value determined at 1 January using the last reported share price, which is not adjusted for changes in the share price until the actual awards are made.

5. Operating and administration expenses continued

(d) Financial impact

Year ended 31 December Rm	2023	2022
Expense arising from equity-settled share plans	**77**	–
Closing balance of reserve for equity-settled share awards	**43**	–

6. IFRS 2 expense relating to Bula Tsela

31 December 2022 Rm	2023	2022
IFRS 2 expense	**–**	367

A one-off broad-based share incentive scheme awarded 205.3 million new Old Mutual Limited ordinary shares during the prior year to the following groups:

- Qualifying Old Mutual employees, as part of the Old Mutual Bula Tsela Employee Transaction granted under the ESOP rules (grant date: 6 December 2022)
- A Community Trust for the support of eligible black South African individuals and groups as part of the Old Mutual Bula Tsela Community Transaction (grant date: 12 August 2022
- Qualifying black South African individuals and groups whose applications pursuant to the public offer were successful, as part of the Old Mutual Bula Tsela Retail Transaction (grant date: 21 November 2022)

The IFRS 2 expense in OML relates to the Retail and Community Schemes, each that are equity-settled. R191 million relates to the Retail Scheme and R176 million relates to the Community Scheme. The IFRS 2 expense represents the free component of the option RetailCo and the Community Trust have to participate in Old Mutual Limited shares. For detailed information, refer to note J2 in the consolidated financial statements.

Movement relating to share awards during the year is as follows:

	31 December 2023			31 December 2022		
	Number of share options	Fair value at grant date R	Weighted average exercise price R	Number of share options	Fair value at grant date R	Weighted average exercise price R
Retail scheme						
Outstanding, at beginning of year	**63 600 838**	**4.02**	**7.21**	–	–	–
Exercised during year	**–**	**–**	**–**	–	–	–
Granted during the year	**–**	**–**	**–**	63 600 838	4.55	7.15
Outstanding, at end of year	**63 600 838**	**6.03**	**7.19**	63 600 838	4.02	7.21
Exercisable, at end of 10 years	**63 600 838**			63 600 838		
Community scheme						
Outstanding, at beginning of year	**63 600 838**	**1.99**	**8.75**	–	–	–
Exercised during year	**–**	**–**	**–**	–	–	–
Granted during the year	**–**	**–**	**–**	63 600 838	2.76	8.69
Outstanding, at end of year	**63 600 838**	**3.42**	**8.81**	63 600 838	1.99	8.75
Exercisable, at end of 10 years	**63 600 838**			63 600 838		

The fair value of the Old Mutual share at 31 December 2023 is R13.06 (2022: R10.46).

The model uses a Monte Carlo simulation using a geometric Brownian motion stock price process. The following assumptions were used in calculating the fair value of the in-substance options: the share price used for the Retail scheme and Community Trust was R13.06. The implied volatility used was 30% over an option life of 10 years. The expected dividend yield was 6.3%, and the risk-free interest rate was based on the nominal swap curve.

7. Fair value gain

	31 December 2023	31 December 2022
Fair value gain on investment in unit trust	**20**	10
	20	10

Notes to the Company financial statements

For the year ended 31 December 2023

8. Income tax expense

		31 December 2023	31 December 2022
South African taxation			
Normal tax	– current year	**83**	53
	– prior year expense/(credit)	**4**	(3)
Deferred tax – current year expense/(credit)		**2**	(8)
		89	42

Reconciliation of taxation on profit/(loss) before tax Rm	31 December 2023	31 December 2022
Profit before tax	**2 522**	3 205
Tax at South African tax rate CY 27%, PY 28%	**681**	897
Exempt income – dividends	**(1 683)**	(952)
Impairment/(reversal) of impairment of subsidiaries	**893**	(116)
Non-deductible expenses	**195**	225
Non-deductible fair value losses	**–**	5
Effect on deferred tax on changes in tax rates*	**–**	–
Prior year under provision/(over provision)	**4**	(3)
Income received in advance	**–**	(9)
Non-taxable fair value gains	**(3)**	(5)
CFC income*	**2**	–
Tax expense	**89**	42

* *In the prior year, the effect on deferred tax on changes in tax rate is R227 000 and the CFC income is R122 000*

The majority of the Company's income relates to dividends received that are exempt for tax purposes. Expenses that are deductible are apportioned accordingly. Non-deductible expenses are made up of operating costs and audit fees.

9. Investments in subsidiaries

	Recoverable amount	31 December 2023	31 December 2022
Unlisted – subsidiaries (all held at 100%)			
Balance at beginning of the year		**89 307**	88 997
Impairment loss		**(3 306)**	(491)
Additions		**1 500**	909
Disposal[3]		**–**	(108)
Balance at end of the year		**87 501**	89 307
Closing balance consists of:			
Marriott Isle of Man Limited[2]		**48**	48
Old Mutual Group Holdings (SA) Proprietary Limited		**85 404**	88 656
Old Mutual Group (UK) Limited[1]		**146**	200
OM Residual UK Limited		**403**	403
Main Street 1843 Proprietary Limited[4]		**1 500**	–
		87 501	89 307

[1] *Incorporated in the United Kingdom*
[2] *Incorporated in the Isle of Man. Refer to note 1.11 on how value in use was calculated*
[3] *On 1 March 2023, the Company disposed of its entire shareholding in Old Mutual Finance USD Limited to Old Mutual (Africa) Holdings Proprietary Limited for a consideration of US$1 001, with a rand equivalent of R18 000*
[4] *During the current year, the Company capitalised Main Street with R1.5 billion. Main Street is the development of the bank of Old Mutual and is a 100% held a subsidiary of the Company*

10. Investment and securities

	31 December 2023	31 December 2022
Investment in unit trust	**2 063**	2 320

The investment and securities balance represents units in the Old Mutual Institutional Interest-bearing Fund, a unit trust managed by Futuregrowth and administered by Old Mutual Unit Trust Managers (RF) Proprietary Limited. The split of the underlying assets in the unit trust is as follows: floating rate notes – 64.66%, bonds – 2.4%, corporate call account – 0.24%, treasury bill – 5.56%, cash – 5.89%, negotiable certificate of deposit – 8.15%, and unlisted portfolio – 13.1%.

11. Other assets

	31 December 2023	31 December 2022
Accrued interest on cash and cash equivalents	**4**	2
Prepayments	**4**	1
VAT	**1**	–
	9	3

The fair value of other assets approximates their carrying amount, as the impact of discounting is not significant.

12. Property, plant and equipment

	31 December 2023	
	Plant and equipment	**Total**
Carrying value		
Opening balance	**–**	**–**
Additions	**3**	**3**
Depreciation	**(1)**	**(1)**
Disposals	**–**	**–**
Closing balance	**2**	**2**

Property, plant and equipment consist of laptops of staff. All laptops are measured at cost, are depreciated on the straight-line method and have a useful life of four years.

13. Cash and cash equivalents

	31 December 2023	31 December 2022
Cash at bank	**4**	886
Short-term deposits	**454**	265
	458	1 151

The fair value of cash and cash equivalents approximates their carrying amount.

14. Amounts due (to)/from Group Companies

	31 December 2023	31 December 2022
Old Mutual Life Assurance Company (South Africa) Limited	**(121)**	(60)
Financial guarantee liability with Old Mutual Life Assurance Company (South Africa) Limited	**(67)**	(39)
Other Group subsidiaries and trusts	**(87)**	–
Total	**(275)**	(99)

The amounts due are unsecured, interest-free and was not subject to fixed terms of repayment. The fair value of amount due to Group Companies approximates their carrying amount, as the impact of discounting is not significant.

	31 December 2023	31 December 2022
Reconciliation of amounts due (to)/from Group Companies		
Opening balance	**(99)**	(71)
Advances during the year	**(652)**	(331)
Repayments	**476**	303
Closing balance	**(275)**	(99)

14. Amounts due (to)/from Group Companies continued

	31 December 2023	31 December 2022
Old Mutual Life Assurance Company (South Africa) Limited	**25**	–
Other Group subsidiaries and trusts	**134**	–
	159	–

The amounts due are unsecured, interest-free and was not subject to fixed terms of repayment. The fair value of amount due to Group Companies approximates their carrying amount, as the impact of discounting is not significant.

	31 December 2023	31 December 2022
Reconciliation of amounts due (to)/from Group Companies		
Opening balance	**–**	–
Advances during the year	**239**	–
Repayments	**(80)**	–
Closing balance	**159**	–

15. Payables

	31 December 2023	31 December 2022
Audit fees	**31**	41
Shareholders' unclaimed dividends	**738**	713
Leave accrual[1]	**17**	–
Bonus accrual[1]	**98**	–
Other payables	**25**	26
	909	780

1 The leave and bonus accrual is due to the Company restructuring its resourcing arrangements in the current year, resulting in certain employees of the Group being directly employed by the Company

The fair value of other payables approximates their carrying amount, as the impact of discounting is not significant.

16. Notes to the statement of cash flows

	31 December 2023	31 December 2022
16.1 Non-cash movements and adjustments to profit before tax		
Dividend income	**6 233**	3 399
Depreciation	**(1)**	–
Interest income	**276**	153
Foreign exchange gains	**–**	3
Fair value gain	**20**	10
IFRS 2 expense	**(44)**	(367)
Loss on disposal of Old Mutual International Guernsey	**–**	(108)
ECL impairment on financial guarantee	**(27)**	(3)
(Impairment)/impairment reversal of investments in Group subsidiaries	**(3 306)**	418
	3 151	3 505
16.2 Changes in working capital		
(Increase) in other assets	**(11)**	(7)
Increase/(decrease) in payables	**129**	(8)
Amounts due to Group Companies increase	**149**	28
Amounts due from Group Companies (increase)	**(120)**	–
Payments to Share Trusts for share grant funding	**(38)**	–
	109	13
16.3 Tax paid		
Opening balance (payable)/receivable	**(3)**	2
Total current tax expense	**(87)**	(50)
Closing balance (receivable)/payable	**(19)**	3
Paid	**(109)**	(45)
16.4 Dividends paid		
Cash dividend	**(3 851)**	(3 504)
	(3 851)	(3 504)

17. Share capital

	31 December 2023	31 December 2022
Authorised share capital		
10 000 000 000 no par value ordinary shares	–	–
10 000 000 no par value preference shares	–	–
Accounting issued share capital		
4 790 906 428 (2022: 4 913 880 491) no par value ordinary shares	**238**	244

Share buybacks

On 30 May 2023, the Company announced the commencement of its share repurchase programme, pursuant to a Board and Prudential Authority approval of purchases of up to R1.5 billion of the Company's issued shares on the Johannesburg Stock Exchange and limited to 3.5% of the Company's issued shares. The Company concluded the share repurchase programme on 16 October 2023, during which time 122 974 063 of its issued ordinary shares on the Johannesburg Stock Exchange (JSE) were purchased with an aggregate cost of R1.5 billion. The average price of the shares repurchased is 1 214 cents per share. As at 31 December 2023, the full 122 974 063 of the repurchased shares have been cancelled as issued shares and have reverted back to authorised but unissued share capital status. The 122 974 063 repurchased shares were 2.5% of issued shares of the Company at the beginning of the programme. The transaction costs relating to the share buyback amounted to R4 million.

Under the Bula Tsela transaction, 205.2 million shares were issued for legal purposes, but for accounting purposes 189.6 million of these shares are treated as in-substance options and are not reflected as issued in the financial statements.

Share option premium

The share option premium includes the IFRS 2 charge relating to the Bula Tsela transaction, R191 million relating to the Retail Scheme and R176 million to the Community Scheme. It also includes a premium received from the Retail Scheme of R98 million and R212 million from the Employee Share Scheme for the purchase of the in-substance option.

18. Financial risk management

The Company is exposed to financial risk through its financial assets and financial liabilities. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its financial liabilities. The most important components of financial risk that are relevant to the Company are market risk, liquidity risk and credit risk.

Capital adequacy

Capital is actively managed to ensure that the Group is properly capitalised and funded at all times, having regard to its regulatory needs, prudent management and the needs of all stakeholders. The Group has a business planning process that runs on an annual cycle with regular updates to projections. It is through this process, which includes risk and sensitivity analyses of forecasts, and the operations of the Capital Management committee (CMC), that the Group's capital is managed.

The CMC is a sub-committee of the Balance Sheet committee, which is a sub-committee of the Executive committee, established to set an appropriate framework and guidelines to ensure the appropriate management of capital, to allocate capital to the various businesses, and to monitor return on allocated capital for each business relative to the agreed hurdle. The CMC comprises the Executive Directors together with certain executives and senior managers. Meetings are held as regularly as circumstances require and in any event not less than half-yearly and to approve requests for capital that are outside the business plans.

For more detailed disclosure, please refer to note F in the consolidated financial statements.

Sensitivities

The Company has both qualitative and quantitative risk management procedures to monitor the key risks and sensitivities of the business. This is achieved through stress tests, scenario analyses and risk assessments. From an understanding of the principal risks, appropriate risk limits and controls are defined.

For further details on the management of specific financial risks, refer to the relevant sections of this note.

Credit and counterparty risk

Credit and counterparty risk refers to the risk of loss, or of adverse change in the financial situation resulting from fluctuations in the credit standing of issuers of securities, counterparties and any other debtors to which the Company is exposed, in the form of counterparty default risk, or spread risk, or credit risk concentrations.

The Old Mutual Group has adopted a consistent, Groupwide approach to enterprise risk management that conforms to good practice and compliance with Solvency II requirements. The approach includes the articulation of minimum principles and standards as set out in Group Risk Policies.

Credit risk management is primarily managed by the relevant business unit, as line one of defence, with balance sheet management playing a strategic line-one role at Group level. Group risk plays a line-two oversight role.

Credit risk governance

Credit risk is monitored through the Old Mutual Limited Management Credit Risk committee (MCRC), a sub-committee of the Old Mutual Limited Balance Sheet committee (BSC), to enable the Group Executive committee (Exco) to discharge their obligations in terms of the Group's aggregated credit risk appetites, exposures and risk management.

The scope and authority of the committee extend to all activities of the Group in which credit or counterparty credit risks are present. This includes credit risk arising through banking and insurance activities, encompassing both institutional and retail credit. The committee relies on the work and reporting of the Credit committees in the various credit-related businesses across the Group and assists the Exco to set and monitor credit policy and credit risk in the Group.

18. Financial risk management continued

Capital adequacy continued

Maximum exposure to credit risk

	Credit rating	31 December 2023	31 December 2022
Prepayments	Unrated	4	1
Interest receivable on unit trust[1]	AA+	45	40
Investment and securities[1]	AA+	2 063	2 320
Nedbank[2]	AA	4	2
Financial guarantee liability[2]	AA- A+	8 610	7 110
Cash and cash equivalents		458	1 151
		11 184	10 624
Credit ratings for cash and cash equivalents			
Nedbank Limited[2]	AA	365	1 138
Rand Merchant Bank[2]	AA	–	1
STANLIB[3]	AA+	93	12
		458	1 151

1 Rating as per Standard and Poor's, Moods and Global credit ratings
2 Ratings as per Standard and Poor's
3 Ratings as per Global credit ratings

Credit risk

The Company is exposed to credit risk in the event that OMLACSA defaults on its debt obligations in respect of the subordinated debt.

	ECL	1% increase Probability of default	5% increase Loss given default
Sensitivities			
31 December 2023			
Expected credit loss on the financial guarantee	27	1.64%	45%
Impact on financial guarantee contract liability	66	2.64%	50%
Impact on profit before tax	(66)	2.64%	50%
31 December 2022			
Expected credit loss on the financial guarantee	2.5	0.50%	45%
Impact on financial guarantee contract liability	18	1.50%	50%
Impact on profit before tax	(18)	1.50%	50%

Market risk

Market risk is the potential impact on earnings of unfavourable changes in foreign exchange rates and interest rates on its financial position, financial performance and cash flows.

Sensitivity analysis table

The below sensitivity shows the impact of the foreign exchange rates on the cash balance and market value changes in the unit trust.

	31 December 2023	10% strengthening of ZAR	10% weakening of ZAR
Cash and cash equivalents	2	(0.20)	0.20
Profit before tax	2 522	0.20	(0.20)
Profit after tax	2 433	0.20	(0.20)

	31 December 2023	10% increase in market value	10% decrease in market value
Investment in securities	2 063	206	(206)
Profit before tax	2 522	206	(206)
Profit after tax	2 433	206	(206)

18. Financial risk management continued

Capital adequacy continued

Market risk continued

	31 December 2022	10% strengthening of ZAR	10% weakening of ZAR
Cash and cash equivalents	881	(88)	88
Profit before tax	3 205	88	(88)
Profit after tax	3 163	88	(88)

	31 December 2022	10% increase in market value	10% decrease in market value
Investment in securities	2 320	232	232
Profit before tax	3 205	232	232
Profit after tax	3 163	232	232

Currency risk

The Company's exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its cash flows is immaterial at the reporting date.

The Company has investments in subsidiaries whose functional currency is GBP, whereas the functional currency of the Company is rand. These investments are held at cost.

The Company is also exposed to foreign exchange risk through its foreign dividend payments in GBP. The Company's treasury Risk Management Policy is to take out forward exchange contracts to cover exposures.

The Company's exposure to currency risk is analysed below:

	31 December 2023 pound sterling	31 December 2022 pound sterling
31 December 2023		
Cash and cash equivalents (GBP'000)	**102**	43
Exchange rate (rand)		
Closing rate	**23.38**	20.59
Average rate	**22.94**	20.17

Interest rate risk

Interest rate risk is the risk that fluctuating interest rates will unfavourably affect the Company's earnings and the value of its assets and liabilities.

The Company is exposed to interest rate risk through its cash balances held. The effective interest rate on the cash is 7.6% and cash on call is 8.05% (2022 6.35% and 6.8%, respectively). The Company is also exposed to interest rate risk through its investment in the unit trust, which is an interest-bearing unit trust, any changes to the interest rate impact the return on investment. Distributions are made quarterly and the weighted average interest rate is 7.39%.

Should the interest rate on cash increase or decrease by 1%, the profit before tax will increase by R4.5 million or decrease by R4.5 million respectively and the profit before tax by R10 million in the prior year.

Should the interest rate on the unit trust increase or decrease by 1%, the profit before tax will increase by R29 million or decrease by R29 million respectively and the loss before tax by R21 million in the prior year.

Liquidity risk

IFRS 7 defines liquidity risk as the risk that the entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group's Executive committee is responsible for the effective management of liquidity risk by putting the appropriate structure and processes in place as it relates to the Company. The Risk committee of the Board is responsible for reviewing the adequacy and effectiveness thereof.

18. Financial risk management continued

Capital adequacy continued

Liquidity risk continued

The following table analyses the Company's maturity profile of financial assets and liabilities:

31 December 2023 Rm	**Less than one year**	**Between one year and five years**	**More than five years**	**Total**
Investment and securities	**–**	**523**	**1 540**	**2 063**
Other assets	**9**	**–**	**–**	**9**
Interest receivable on unit trust	**45**	**–**	**–**	**45**
Cash and cash equivalents	**458**	**–**	**–**	**458**
Financial guarantee contract liability	**(8 610)**	**–**	**–**	**(8 610)**
Amounts due to Group Companies	**(275)**	**–**	**–**	**(275)**
Payables	**(878)**	**–**	**–**	**(878)**
	(9 251)	**523**	**1 540**	**(7 188)**

31 December 2022 Rm	Less than one year	Between one year and five years	More than five years	Total
Investment and securities	–	–	2 320	2 320
Other assets	3	–	–	3
Interest receivable on unit trust	40	–	–	40
Cash and cash equivalents	1 151	–	–	1 151
Financial guarantee contract liability	(385)	(6 725)	–	(7 110)
Amounts due to Group Companies	(99)	–	–	(99)
Payables	(780)	–	–	(780)
	(70)	(6 725)	2 320	(4 475)

1 *An amendment was made to the prior year disclosure: the liquidity periods were expanded and non-financial assets and liabilities were removed*

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Company's reputation.

19. Related parties

Key management personnel and their close members of family and entities which they control, jointly control or over which they exercise significant influence, are considered related parties to the Company. The Company's directors, as listed in the directors' report, are considered to be key management personnel of the Company.

The Company's principal interest in subsidiaries and the amounts due to another Group Company are disclosed in notes 9 and 14. Transactions with directors are disclosed in note 23.

Transactions and balances with related parties

The following transactions were entered into with related parties:

31 December 2023 Rm	**Key personnel**	**OMLACSA and subsidiaries**	**Direct subsidiaries**
Statement of comprehensive income			
Interest income on investment in unit trust	**–**	**223**	**–**
Fair value gain	**–**	**20**	**–**
Dividend income	**–**	**–**	**6 233**
Administration costs	**–**	**(41)**	**–**
Impairment of investment in Group subsidiaries	**–**	**–**	**(54)**
Guarantee fee income	**–**	**(48)**	**–**
Employment costs of key personnel	**(476)**	**–**	**–**
Statement of financial position			
Investment in Group subsidiaries	**–**	**–**	**87 501**
Amounts due to Group Companies	**–**	**(275)**	**–**
Amounts due from Group Companies	**–**	**159**	**–**
Investment and securities	**–**	**2 063**	**–**

19. Related parties continued

Transactions and balances with related parties continued

31 December 2022 Rm	OMLACSA and subsidiaries	Direct subsidiaries
Statement of comprehensive income		
Interest income on investment in unit trust	125	–
Fair value gain	10	–
Dividend income	–	3 399
Administration costs	(20)	–
Guarantee fee income	40	–
Statement of financial position		
Investment in Group subsidiaries	–	89 307
Amounts due from Group Companies	(99)	–
Investment and securities	2 320	–

For more detailed disclosure on associates, please refer to note J3 in the consolidated financial statements.

20. Events subsequent to reporting date

The Board approved a total capitalisation of R2 billion during the current year, R1.5 billion was transferred during the year and R500 million was transferred to Main Street on 7 March 2024.

There are no other subsequent events.

21. Going concern basis

The Board has satisfied itself that the Company has adequate resources to continue in operation for the foreseeable future, taking into account the most recent business plan and the capital and liquidity position. The annual financial statements have accordingly been prepared on a going concern basis.

22. Financial guarantees

The company entered into a subordinated noteholder guarantee in terms of which it irrevocably and unconditionally agrees to bind itself as a guarantor for due and punctual performance of all obligations that OMLACSA may incur under its amended and restated domestic medium-term note programme.

The financial guarantee is initially measured at fair value and subsequently measured at the higher of:
- The loss allowance determined as expected credit loss under IFRS 9
- The amount initially recognised (fair value) less any cumulative amount of income/amortisation recognised in line with IFRS 15

The initial issuance occurred in June 2019, where OML11 notes began trading on the JSE Interest Rate Market. The subscribed notes were at a value of R2 billion and the Company receives a guaranteed fee amounting to R12 million excluding VAT each year of assessment.

The second issuance occurred in November 2020, where OML12 notes began trading on the JSE Interest Rate Market. The subscribed notes were at a value of R2 billion and the Company receives a guaranteed fee amounting to R20.4 million excluding VAT each year of assessment.

The third issuance occurred in September 2021, where OML13 notes began trading on the JSE Interest Rate Market. The subscribed notes were at a value of R1.5 billion and the Company receives a guaranteed fee amounting to R5.4 million excluding VAT each year of assessment.

The fourth issuance occurred in June 2022, where OML14 notes began trading on the JSE Interest Rate Market. The subscribed notes were at a value of R1.11 billion and the Company receives a guaranteed fee amounting to R2.9 million excluding VAT each year of assessment.

The fifth issuance occurred in October 2022, where OML15 notes began trading on the JSE Interest Rate Market. The subscribed notes were at a value of R500 million and the Company receives a guaranteed fee amounting to R1.5 million excluding VAT each year of assessment.

The sixth issuance occurred in May 2023, where OML16 notes began trading on the JSE Interest Rate Market. The subscribed notes were at a value of R859 million and the Company receives a guaranteed fee amounting to R2.2 million excluding VAT each year of assessment.

The seventh issuance occurred in November 2023, where OML17 notes began trading on the JSE Interest Rate Market. The subscribed notes were at a value of R641 million and the Company receives a guaranteed fee amounting to R1.4 million excluding VAT each year of assessment.

The Company applies the net approach – financial guarantee contracts are initially recognised at fair value being the net of the credit risk exposure for the term of the instrument and the future payments to be received. The issuer recognises a single net amount that is measured in accordance with the above. The premiums received from OMLACSA are recognised in accordance with IFRS 15 over the period of the guarantee contract.

23. Directors' emoluments

	31 December 2023	31 December 2022
Total expense for the period	**28**	32

For detailed analysis of directors' emoluments, refer to note M in the consolidated financial statements.

Administration

Registered name:	Old Mutual Limited
Country of incorporation:	South Africa
Registration number:	2017/235138/06
Income tax reference number:	9267358233
Share code (JSE, LSE, MSE and ZSE):	OMU
Share code (NSX):	OMM
ISIN:	ZAE000255360
LEI:	213800MON84ZWWPQCN47

Registered office

Mutualpark
Jan Smuts Drive
Pinelands
Cape Town
7405
South Africa
Telephone: +27 (0)21 509 9111

Postal address
PO Box 66
Cape Town
8000
South Africa

Sponsor

JSE:	Tamela Holding Proprietary Limited
ZSE:	Imara Capital Zimbabwe plc
NSX:	PSG Wealth Management (Namibia) Proprietary Limited
MSE:	Stockbrokers Malawi Limited

Transfer secretaries

JSE Investor Services Proprietary Limited
Registration number: 2000/007239/07
One Exchange Square
2 Gwen Lane
Sandown, 2196
South Africa

Postal address
PO Box 4844
Johannesburg, 2000
Telephone: Local: 086 140 0110
International: +27 (0)11 029 0253

Group Company Secretary

Elsabé Kirsten

Directors

Independent Non-executive
Trevor Manuel (Chairman)
Prof Brian Armstrong
Albert Essien
Olufunke Ighodaro
Itumeleng Kgaboesele
Jaco Langner
John Lister
Dr Sizeka Magwentshu-Rensburg (Lead Independent Director)
James Mwangi
Nomkhita Nqweni
Busisiwe Silwanyana
Jurie Strydom
Stewart van Graan

Non-executive
Thoko Mokgosi-Mwantembe

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

Public Officer
Nazrien Kader

Debt Officer
Martin van der Walt

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