NEWS **RELEASE**

Old Mutual plc

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ANNUAL FINANCIAL REPORT 2016 AND ANNUAL GENERAL MEETING 2017

Old Mutual plc (the "Company") has today published its Annual Financial Report for 2016. Copies of the Annual Financial Report, the Strategic Report for 2016, the shareholder circular containing Notice of the 2017 Annual General Meeting (AGM) and the Form of Proxy for the AGM have been submitted to the National Storage Mechanism and will shortly be available for inspection at www.hemscott.com/nsm.do**.** These documents will also be available later today on the Company's own website at www.oldmutualplc.com**.** Copies of the Annual Financial Report may also be obtained from Investor Relations, Old Mutual plc, 5th Floor, Millennium Bridge House, 2 Lambeth Hill, London EC4V 4GG or Old Mutual Square, Isibaya Building, 2nd Floor, 93 Grayston Drive, Sandton 2196, South Africa.

The Company's Annual General Meeting will be held in the Presentation Suite, 2nd Floor, Millennium Bridge House, 2 Lambeth Hill, London EC4V 4GG on Thursday, 25 May 2017 at 11.00 a.m. (UK time). As in prior years, the AGM will be webcast via the Company's website www.oldmutualplc.com.

The Company notes a correction to the stated 2014 LTIP outcome on page 123 of the Annual Financial Report. In the disclosure of the strategic objective of "Effective risk management and run-off of the Old Mutual Bermuda business" the liabilities at the end of 2016 are incorrectly stated as c. $1.0bn. The liabilities should be presented as c. $0.1bn.

Today Old Mutual plc also publishes its Positive Futures Plan. This year the Plan focuses on how our businesses will continue to deliver on the Plan post managed separation. For more information on how we will continue our support for socio-economic transformation in societies please read the report www.oldmutualplc.com/annual-report-2016.

In compliance with the Company's obligations under DTR 6.3.5, additional information is set out below which has been extracted in full unedited text from the Annual Financial Report. Accordingly, page references and section numbers in the text below refer to page numbers and section numbers in the Annual Financial Report. This extracted information should be read in conjunction with the Company's preliminary results announcement, which was released on 9 March 2017 and is available on our website.

"**Risks**

The managed separation strategy represents an inflection point in the Group's history. Its objective is to unlock value for Old Mutual shareholders by placing four strong and well-capitalised businesses into the hands of shareholders most suited to owning it and who are able to support their individual growth agenda. The plc's responsibility is to execute this strategy and to wind itself down in an orderly fashion. The plc intends to carry this out with limited market dependencies, while maintaining strong management controls over the underlying operations and mitigating risks as they crystallise.

Since the managed separation announcement in March 2016, the governance model has been revamped: the Group's 'strategic controller' model has evolved to an 'active portfolio manager' model where the plc evaluates each of the Group's businesses as an asset, with a view to realising maximum value through the managed separation. The primary principle is that the businesses will be assessed individually: we will no longer seek diversification benefits or synergies. The active portfolio manager model means a significant amount of responsibility for meeting local capital and liquidity requirements has been delegated to the respective business Boards as part of their move towards separation. However, as long as we remain a

Group, the plc Board retains overall responsibility as well as specific responsibility for plc-level risks and liability management.

For as long as we remain a group the principal risks we face remain broadly consistent with those described in the 2015 Annual Report, albeit with different emphasis on some risks and new risks for the plc. In our UK and American businesses, the risks to capital are small but the risks to earnings are very much dependent upon market conditions, given their reliance on asset-based fees. This contrasts with our African businesses, where macro conditions, particularly in South Africa, create risks to earnings, liquidity and local capital within the lending and insurance operations.

Global macroeconomic risk in all our markets continues to be a key focus for the Group and for financial services firms in general. The downside risk to the market buoyancy following the shift in risk sentiment after the US presidential election is that global equity markets may be overpriced and may correct in the near future. This exposes markets to the risk of overestimating the extent of stimulus measures expected from the Trump administration. Developing markets will continue to be sensitive to the US interest rate cycle and the possibility of a US protectionist agenda towards China, which may result in a souring of sentiment and a sell-off of emerging market assets.

Intertwined with this is the growing focus on political risk and the impact of political risk on markets. In South Africa, a sovereign credit downgrade to below investment grade status was averted in 2016 but remains a significant risk. In the UK markets are likely to remain volatile, as the long-term economic impacts of Brexit come to light; uncertainty and lower growth prospects could impact investor confidence.

Both macroeconomic and political risks are regularly assessed in group-wide stress and scenario testing. Given the guaranteed products and annuity business within OMEM, as well as the accompanying hedging programmes that could result in collateral calls and liquidity requirements, this will continue to be a focus over 2017. We have significantly reduced market risk in Old Mutual Bermuda (OMB) through new hedging programmes, although some residual risk remains, until the policies mature in 2018.

While the clear aims of managed separation have reduced 'strategic vision' risk, strategic execution risk has increased. The strategy will address the prevailing risks presented by the our structure – namely currency translation risk (translation of predominantly rand earnings to sterling), hard currency requirements (availability of sterling flows to service sterling-denominated debt and plc Head Office costs) and fungibility restrictions (the inability to recognise significant rand surplus in the Group's regulatory Solvency II resources).

Plc Head Office is responsible for the execution of the managed separation; this has substantially changed its focus to evaluating the different separation routes and potential corporate finance activities balancing value, cost, time and risk. The businesses are strengthening their standalone governance and risk management capabilities. The plc will need to manage legacy risks over a shorter timeframe than would otherwise have been the case and ensure the plc is wound down in an orderly manner – projects are in place to address both areas.

We perceive regulatory risk to be higher, given the level of 'thematic' review activity in the UK and the delays in implementing key regulations such as the Twin Peaks regime in South Africa.

Growth objectives in OMEM imply increasing credit risk, in particular within retail lending credit risk. Significant initiatives in 2016 have improved credit and liquidity governance frameworks. These improvements give us comfort that appropriate oversight capability is in place and will continue to develop as we move towards separation.

The operating businesses still require ongoing investment to achieve the desired maturity of capabilities and positioning within their chosen markets.

Finally, the scale of organisational change we are undergoing means we are particularly cognisant of culture and people risk in the businesses and the plc. We will continue to manage our people and culture carefully as we all work towards the common goals set out for managed separation.

Sue Kean
Group Chief Risk Officer

Principal risks and uncertainties

In 2016 our key principal risks have been updated to reflect the risks and opportunities of the managed separation strategy. They have been determined by assessing the possible effects and challenges of unlocking the value in each of the four individual businesses, and the impacts this could have on our reputation, stakeholders, earnings, and capital and liquidity positions. These risks are summarised in the table below and are closely monitored and overseen by plc management and regularly reported to the plc Board.

As long as we remain a Group, the key principal risks facing our businesses will remain in line with those reported in 2015, with the managed separation placing a different emphasis on each risk. However, the managed separation has substantially changed the plc's risks (see page 78).

Our businesses are affected by a number of risks inherent to the products they offer and the industries they operate in, such as exposure to market levels, interest rates, credit and liquidity as a consequence of insurance liability risk. These drive a significant proportion of our capital requirements and earnings volatility exposure as well as requirements for cash and liquidity buffers. Given the nature of our product offering, market and environment risks are material: market movement impacts on asset-based fees generated from client-selected investments and credit risk within Nedbank and OMEM is correlated to market conditions.

Our principal risks are detailed below. Additional risk information per business is in their business review sections.

Current impact and risk outlook	Risk mitigation and management actions
1. Global macroeconomic conditions	
The current persistently volatile, uncertain, complex and ambiguous macroeconomic environments could impact consolidated Group profitability, as with all financial services firms. OMAM, OMW and OMEM's asset management businesses explicitly seek market risk as part of their business strategies and are exposed to asset-based fee risk. Market risk also arises through guaranteed business in OMEM and residual guarantees in OMB. In our insurance and investment businesses, and especially in OMEM, our earnings are at risk if our customers exit our products at a different time to our expectations or where business volumes are lower. In our lending businesses, earnings are at risk if counterparties fail to meet their interest and principal obligations, impacted by global economic conditions. Our exposure to South African sovereign debt lies only within the local businesses. From a systemic risk point of view, Old Mutual Group Holdings (holding company above Old Mutual and Nedbank) has significant country risk exposure to South Africa. **Looking forward** The long-term economic impacts of Brexit are unknown. The immediate impact of the weakening pound against the South African rand and US dollar during 2016 has been favourable but the Group's currency translation risk remains. However, uncertainty and lower growth have adversely affected net client cash flows in OMW. Initial market reaction to Trump's presidential election victory has seen markets rally and suggests anticipation of higher US growth, a stronger dollar and increasing interest rates. However, there is a risk that expected stimulus measures may already be priced-in, and that these expectations may be disappointed. In South Africa, a sovereign credit downgrade to below investment grade status was averted in 2016. But this risk remains in 2017, due to the challenging growth outlook and political risk. US interest rate hikes, putting pressure on South Africa's own inflation and interest rates, and persistent drought add further headwinds. We are exposed to the risk of a short-term spike in interest rates following a South African sovereign downgrade, which could result in temporary liquidity strain arising from hedging collateral calls in OMEM. In the UK, the process of formally applying to leave the EU under Article 50 could lead to market uncertainty that impacts sentiment and	We regularly monitor multiple external economic factors and incorporate them into group-wide stress and scenario testing to understand our earnings, liquidity and capital resilience to severe macroeconomic events. In 2016 we undertook specific scenario testing on the possible economic impacts of a South African sovereign downgrade, Brexit and a Trump presidential election victory; these incorporated a range of possible outcomes and enabled us to identity mitigating actions. The businesses also perform testing on their own plans. In light of the managed separation strategy, we have updated the plc's financial risk appetite metrics to focus on central liquidity resources, capital and earnings volatility; these are updated dynamically and projected over the managed separation period. Within OMEM, market and liquidity risks arising from guaranteed products, and the hedges in place to manage them, are actively managed by the Balance Sheet Management team. Guaranteed products in OMB are managed through various hedging programmes. Asset-based fee risk is managed by offering customers a comprehensive range of internally managed investment solutions and by diversifying our product offering.

Current impact and risk outlook	Risk mitigation and management actions
confidence in the savings industry. The implementation of the managed separation is not market-dependent, but volatile markets could impact the value realised: timing of activities is being carefully managed to ensure value creation.	
2. Political risk	
Changing government policy and public sentiment in the key countries where we operate could potentially influence external perceptions of the Group, regulations and taxation governing our products, business ownership (impacting our customer base) and fungibility restrictions (particularly in South Africa). Political risk also creates additional risks in the macroeconomic environment (see page 74). Political risk became particularly acute in 2016, as a Brexit vote in the UK and a Trump presidential election victory in the US defied the odds and market expectations. Given the significant portion of our business in South Africa, we are particularly exposed to political developments there. Exposures include the business we receive from collective labour organisations and public sector workers, which presents the risk of mass exits from our products following a change in sentiment. In Zimbabwe, President Mugabe is adhering to the Indigenisation Act. Liquidity issues for the country continue, leading to the issuance of bond notes by the government in 2016. Social unrest persists, exacerbated by the lingering effects of drought. In OMEM, the consequence of this is increased growth in the Central African Building Society (CABS) as people look to a quality provider; however, there is continuing risk over how the ongoing situation in Zimbabwe could affect the value of CABS. **Looking forward** The effects of Brexit and Trump's presidency election victory are yet to be fully appreciated. With many large Eurozone country elections in 2017, it remains to be seen whether the so-called populist trend will continue. The South African political arena is expected to remain polarised, with significant leadership and transition uncertainty ahead of the 2017 African National Congress (ANC) conference and 2019 national elections. In Zimbabwe, given continuing economic crises and social unrest, 2017 is expected to bring further challenges. Tensions are likely to continue to escalate between President Mugabe, opposition parties and his own party membership.	Old Mutual will continue to engage and work with relevant stakeholders to be alert to political developments. The Boards of both our South African businesses and the Group continue to monitor and assess the impact of political risks. We are actively engaging with the South African government. This includes leading the engagement with government and South Africa's 'big businesses' across financial services, mining, industrial and telecommunications sectors, on ways to improve sentiment on South Africa's investment case and managing the sovereign ratings downgrade risk. This positive engagement was widely viewed as helping to avoid a sovereign downgrade in 2016. Political risks are explicitly incorporated into our stress and scenario testing. The scenario testing mentioned above, on the impacts of Brexit and a Trump presidency, included specific testing on the political risk implications for our managed separation. We plan to further enhance our testing over 2017.

Current impact and risk outlook	Risk mitigation and management actions
3. Strategic execution risk	
For the foreseeable future, there is a high degree of execution risk across the Group. In addition to the implementation of the managed separation, we have major change programmes within the businesses, including the OMW and OMEM IT and business transformation programmes. 'Strategic vision' risk has been reduced by the clear aims set out for the managed separation. Regulatory change across the Group remains high and affects the entire industry; many of these regulatory changes represent opportunities for our businesses. The cumulative impact could result in margin compression, resource strain and increased operational risk during transition. Cyber risk remains a key challenge for the industry, with attacks becoming increasingly sophisticated. In 2016 we created the building blocks for the managed separation. We undertook extensive planning and stress and scenario testing regarding the different routes by which we could achieve the managed separation, taking into account potential impacts on key stakeholders and our cash, capital and earnings positions. We have identified our current plans which were formulated following extensive engagement with our key stakeholders and technical advisers, and these discussions continue. It should be noted that the managed separation of a diverse multinational group is a highly complex matter. Thus, our initial plans remain subject to change, implementing the managed separation will require a balance to be struck between the key criteria of value, cost, time and risk. As activities transfer from Old Mutual plc there will be a need to ensure increased skills and resource capacity within the businesses. Further information on specific challenges within individual businesses can be found in the business review sections. **Looking forward** In 2016, regulatory focus in the UK and EU has largely been on implementation, with Solvency II, the Prudential Regulation Authority (PRA) Senior Insurance Managers Regime and the Market Abuse Regulation coming into effect. In South Africa, 2016 was a year of postponements to the introduction of key regulation including Twin Peaks. Regulatory focus in 2017 is expected to be on the implementation of existing regulation rather than introducing a large amount of new reforms. In the UK this is due to need for regulatory stability given the uncertainty presented by Brexit and, in the US, the Trump administration is expected to follow a deregulatory agenda.	A formal managed separation programme and governance structure have been established across the Group, and where required external specialist resources and advisers have been brought on board. There is regular interaction with key stakeholders including the various regulators. Each of the four businesses has its own managed separation projects in place to ensure they strengthen and enhance their governance structures and activities previously undertaken or supplemented by the plc. Recommendations from external advisers on OMEM and OMW's IT programme have been reviewed by their Boards and are being implemented. OMW's programme has been replanned with enhanced governance structures. Specific managed separation-related risks are detailed below page 78. Further information on mitigating actions within the businesses can be found in each business review section.

4. Credit risk

One of the largest risks to Group earnings is our exposure to banking credit risk from lending and other financing activities through our ownership of Nedbank – and to a lesser but growing extent within OMEM.

Nedbank is a universal bank offering diversified product lines across secured and unsecured lending. Our exposure through Nedbank is primarily a risk to earnings and remittances, as Nedbank's capital and liquidity requirements are both met from its own available resources. Nedbank also has a credit exposure in Nigeria through its strategic investment in ETI.

Within OMEM, banking credit risk is increasing due to planned growth as part of the strategy to become an integrated financial services business. Banking credit risk and associated funding risk arises in our unsecured lending businesses. Investment credit risk arises in Old Mutual Specialised Finance and the South African life business, predominantly through the management of assets backing annuity products.

Credit risk outside and concentration risk between Nedbank and OMEM is relatively limited.

Looking forward

Our credit risk remains within appetite. However, the high levels of personal indebtedness and pressure on consumers in South Africa remain a challenge: the businesses continue to monitor this risk closely against their credit risk appetite limits.

As discussed earlier, appetite for the businesses' products depends on macroeconomic factors that are outside our control.

In line with Group strategy, credit risk increased in 2016, mainly within OMEM's growing lending and annuity businesses.

Credit risk received significant focus in 2016. We undertook reviews to ensure that individual businesses' credit risk management and governance frameworks are elevated to best market practice levels, to ensure an appropriate balance of risk and return.

We carry out stress testing at Nedbank and OMEM (and, by extension, Group) to understand exposure to credit events.

Nedbank has defined risk limits and early warning thresholds for credit loss ratios. These were continuously monitored and remained within their target range throughout 2016. Nedbank also reviews the quality of credit portfolios to ensure impairment provisions are adequate.

As the OMEM's portfolio has grown, the business is strengthening its own expertise and governance of credit and liquidity risks. We have also sought external views on areas of greater risk, such as our exposures to unsecured lending and wholesale lending. Further development of the credit risk and liquidity risk management framework will continue.

For more information on credit risk in Nedbank and OMEM see their business review sections.

5. Currency translation risk, location of capital and sources of remittances

Our Group earnings, dividend and surplus capital are reported in sterling but most of our earnings and surplus capital are denominated in South African rand. The translation of our rand earnings and balance sheet value reflects exchange rate movements, and the managed separation will address this risk.

Our intention under the managed separation is to continue our phased reduction of our stake in OMAM. This will increase our short-term US dollar currency translation risk.

Our capital is held where our risks are located and in the appropriate currency for those risks; so while risk can manifest in a business and reduce that business's capital it would not have an impact on plc.

Due to exchange controls and terms of the demutualisation agreement, capital from South Africa is not fully freely transferable.

The Group's overall solvency position is perversely impacted by currency movements, as the Solvency II fungibility restrictions mathematically reduce our solvency ratio as the rand strengthens.

In 2016 the rand strengthened against the pound by 26% over the year, due mainly to sterling's weakness after the Brexit vote. This followed three years of rand depreciation: 28% in 2015, 4% in 2014 and 27% in 2013. The size of movements in the past few years provides an indication of the rand's relatively high volatility.

Looking forward

The impact on the rand of Donald Trump's administration is unclear. Higher infrastructure spending could boost South Africa's mining industry and general commodity demand. On the other hand, protectionism and hostility towards China could result in emerging market sentiment souring and a risk asset sell-off.

Continuing political uncertainty and the threat of a sovereign downgrade could weaken the rand and increase volatility.

The managed separation seeks to allow each business to have the appropriate capital management to succeed independently and to be more closely aligned to its natural shareholder base. Capital requirements will be met in matched currencies, and interest on debt with matching earnings and cash flows.

For 2017 dividend paid in currencies other than sterling will be converted at the average effective exchange rate after taking into account hedging activities and timing of remittances for the relevant period.

We continue to use forward currency contracts to hedge expected rand cashflows needed to make dividend payments. This will remain under review in light of the uncertainties of the managed separation.

Regular stress and scenario testing helps us understand and monitor the resilience of our capital and liquidity over the business plan horizon. Our modelling shows we are sufficiently capitalised in line with our philosophy of holding capital where the risks lie.

Management of separation-related risks.
Plc Head Office is responsible for the execution of the managed separation; this has substantially changed its focus to evaluating the different separation routes and potential corporate finance activities. We need to ensure that:

- **Managed separation will balance the key criteria of value, cost, time and risk**
  The different managed separation paths have been assessed in terms of the value, time, cost and risks while minimising market dependency and maintaining flexibility. Detailed stress and scenario testing is undertaken on the options and reassessed at each iteration.

- **The four businesses are sufficiently well-capacitated to stand alone**
  Each business's ability to stand alone has been evaluated. Detailed planning of actions to fill any gaps identified has included the setting up of transition processes of skills and capabilities from the plc to the individual businesses. Completion of these actions is being monitored centrally. The transition processes cover the management of capital and liquidity adequacy and the capability of the risk functions.

- **We continue to meet our governance and regulatory obligations**
  We have redefined our governance structure to give clarity on the new decision-making structures and due to the increased level of corporate activity being undertaken we have enhanced our market abuse framework.

- **The plc Head Office is wound down in an orderly manner**
  Plc has its own restructuring project, including the transition of required activities into the businesses. Legacy items such as the pension scheme and the insurance captive have dedicated resource to ensure they are effectively closed-out. The managed separation has increased people risk across the Group; this is being managed at both Group and local level."

"Related parties

The Group provides certain pension fund, insurance, banking and financial services to related parties. These are conducted on an arm's length basis and are not material to the Group's results.

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

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group. Details of the compensation paid to the Board of Directors as well as their shareholdings in the Company are disclosed in the Remuneration Report on pages 104 to 139.

(b) Key management personnel remuneration and other compensation

	Year ended 31 December 2016		Year ended 31 December 2015	
	Number of personnel	**£'000**	Number of personnel	£'000
Directors' fees	**11**	**1,584**	11	1,388
Remuneration		**25,133**		24,293
Cash remuneration	**14**	**6,228**	12	5,308
Short-term employee benefits	**14**	**9,828**	12	8,678
Long-term employee benefits	**14**	**280**	12	378
Share-based payments	**11**	**8,797**	12	9,929
		26,717		25,681

Share options	**Year ended 31 December 2016**		Year ended 31 December 2015	
	Number of personnel	**Number of options/ shares '000s**	Number of personnel	Number of options/ shares '000s
Outstanding at beginning of the year	**4**	**52**	5	48
Leavers	**–**	**–**	1	(11)
Granted during the year		**6**		29
Exercised during the year		**–**		(14)
Outstanding at end of the year	**4**	**58**	4	52

For the year ended 31 December 2016
J: Other notes continued
J3: Related parties continued
(c) Key management personnel remuneration and other compensation continued

Restricted shares	Year ended 31 December 2016		Year ended 31 December 2015	
	Number of personnel	Number of options/ shares '000s	Number of personnel	Number of options/ shares '000s
Outstanding at beginning of the year	9	11,066	9	13,753
Leavers	2	(2,974)	1	(3,538)
New appointments	2	5,215	1	2,056
Granted during the year		11,566		3,055
Exercised during the year		(206)		(944)
Vested during the year		(1,225)		(3,316)
Outstanding at end of the year	9	23,442	9	11,066

(c) Key management personnel transactions

Key management personnel and members of their close family have undertaken transactions with Old Mutual plc and its subsidiaries, joint ventures and associated undertakings in the normal course of business, details of which are given below. For current accounts positive values indicate assets of the individual whilst for credit cards and mortgages positive values indicate liabilities of the individual.

	Year ended 31 December 2016		Year ended 31 December 2015	
	Number of personnel	**£000s**	Number of personnel	£000s
Current accounts				
Balance at beginning of the year	**5**	**2,208**	5	2,435
Net movement during the year		**743**		(227)
Balance at end of the year	**4**	**2,951**	5	2,208
Credit cards				
Balance at beginning of the year	**5**	**20**	4	29
Net movement during the year		**10**		(9)
Balance at end of the year	**4**	**30**	5	20
Mortgages				
Balance at beginning of the year	**3**	**110**	5	465
Net movement during the year		**11**		(355)
Balance at end of the year	**1**	**121**	3	110

Property & casualty contracts				
Total premium paid during the year	**1**	**6**	3	10
Life insurance products				
Total sum assured/value of investment at end of the year	**9**	**23,325**	10	23,258
Pensions, termination benefits paid				
Value of pension plans as at end of the year	**9**	**3,339**	10	4,675

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 clients generally or, where that is not the case, on the same preferential terms as were available to employees of the business generally."

"**Related parties**

Old Mutual plc enters into transactions with its subsidiaries in the normal course of business. These are principally related to funding of the Group's businesses and head office functions. Details of loans, including balances due from/to the Company, are set out below. Disclosures in respect of the key management personnel of the Company are included in the Group's related parties disclosures in note J3.

There are no transactions entered into by the Company with associated undertakings.

		£m
	At 31 December 2016	At 31 December 2015
Balances due from subsidiaries	**4,070**	4,940
Balances due to subsidiaries	**(3,908)**	(4,368)
Balances due from other related parties – Nedgroup Trust Limited	**16**	2

Income statement information

At 31 December						£m
	Year ended 31 December 2016			Year ended 31 December 2015		
	Interest received	**Ordinary dividends received**	**Other amounts paid**	Interest received	Ordinary dividends received	Other amounts paid
Subsidiaries	**74**	**95**	**(108)**	60	321	(97)”

“Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole, and
- The strategic report includes a fair review of the development and performance of the business and the position of Old Mutual plc and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group’s position and performance, business model and strategy.

Bruce Hemphill
Group Chief Executive

Ingrid Johnson
Group Finance Director

8 March 2017”

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Notes to Editors

Old Mutual provides investment, savings, insurance and banking services to 19.4 million customers in Africa, the Americas, Asia and Europe. Originating in South Africa in 1845, Old Mutual has been listed on the London and Johannesburg Stock Exchanges, among others, since 1999.

Old Mutual is executing its strategy of managed separation, which will entail separating its four businesses into standalone entities. The four businesses are:

Old Mutual Emerging Markets: an attractive business with a dominant position in South Africa, well-placed to capitalise on sub-Saharan African growth as a diversified financial services provider with strong operations in key East and West African markets.

Nedbank: one of South Africa's four largest banks with very strong corporate, commercial and property finance franchises, and a growth opportunity in the retail market, as well as pan-African optionality through its stake in Ecobank Transnational Inc (ETI).

Old Mutual Wealth: a leading, integrated wealth management business, focused on the UK upper and middle market, with strong prospects in a rapidly growing £3 trillion market.

OM Asset Management: an institutionally focussed, multi-boutique asset management business, delivering strong, diversified growth in attractive asset classes through organic initiatives and acquisitions.

For the year ended 31 December 2016, Old Mutual reported an adjusted operating profit before tax of £1.7 billion and had £395 billion of funds under management. For further information on Old Mutual plc and the underlying businesses, please visit the corporate website at www.oldmutualplc.com