



OLDMUTUAL

Old Mutual Limited

INTEGRATED REPORT 2018



DO GREAT THINGS EVERY DAY

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ABOUT OUR INTEGRATED REPORT

Reporting scope and boundary

This is Old Mutual Limited's first integrated report. It is the primary report to our stakeholders covering the activities of the Group for the period 1 January 2018 to 31 December 2018. It focuses on our strategy and how our operating segments and key enabling functions, mainly in South Africa and the Rest of Africa, create value over the short, medium and long term. This report extends beyond financial reporting and includes non-financial performance, our approach to risk management, an overview of our material matters and a summary of our governance and remuneration practices. This report does not provide detailed information on investments in associates, minority interests and operations held for sale.

Forward looking statements

This report may contain certain forward looking statements with respect to certain of Old Mutual Limited's plans and its current goals and expectations relating to its future financial condition, performance and results and, in particular, estimates of future cash flows and costs. By their nature, all forward looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Old Mutual Limited's control including, among other things, South African domestic and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which Old Mutual Limited and its affiliates operate. As a result, Old Mutual Limited's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Old Mutual Limited's forward looking statements. Old Mutual Limited undertakes no obligation to update the forward-looking statements contained in this presentation or any other forward-looking statements it may make. Nothing in this report shall constitute an offer to sell or the solicitation of an offer to buy securities.

Reporting frameworks

Our integrated report has been compiled in accordance with the principles of the International Integrated Reporting <IR> Framework and the King IV™ Governance code. As a South African company listed on the JSE, we also comply with the JSE Listings Requirements and the South African Companies Act, 71 of 2008 (as amended). Our annual financial statements, a summary of which are included in this report, have been prepared in accordance with International Financial Reporting Standards (IFRS).

Combined Assurance

Internal sources of information, together with interviews with senior leadership, have been used to gather information for inclusion in this report. We employ a combined assurance model to assess and assure various aspects of the business operations, including elements of external reporting. An internal combined review by management and internal audit, was performed to ensure the accuracy of our reporting content. Whilst this report is not audited, it contains certain information that has been extracted from the audited consolidated annual financial statements, on which an unmodified audit opinion has been expressed by the Group's joint independent external auditors, KPMG Inc. and Deloitte & Touche.

BOARD APPROVAL

The Board acknowledges its responsibility for ensuring the integrity of this integrated report. The Board has considered the operating context, strategy and value creation model and this report, in the Board's opinion, addresses all the issues that are material to, or could have a material effect on, the Group's ability to create value. This report fairly presents the integrated performance of the Group. This report was approved by the Board of Old Mutual Limited on 27 March 2019.

Trevor Manuel

*Chairman of Old Mutual Limited
(on behalf of the Board)*

DEFINING CONCEPTS

Materiality

We apply the principle of materiality in assessing what information is included in our integrated report. This report focuses particularly on those issues, opportunities and challenges that impact materially on Old Mutual Limited and its ability to consistently deliver value to our stakeholders in a sustainable manner.

Value

Value creation is the consequence of how we apply and leverage our resources and strategy in delivering financial performance and value for all stakeholders. We focus on improving both the quantum of value delivered and the quality of experience for each of our stakeholders.

NAVIGATING OUR REPORT

REPORTING SUITE

Our Integrated Report is supplemented by a suite of additional online publications. These can be accessed on our corporate website.



Old Mutual Limited Remuneration Report 2018



Old Mutual Limited Governance Report 2018



OMLACSA Annual Financial Statements 2018



Old Mutual Limited Annual Financial Statements 2018

Refer to oldmutual.com/investor-relations/reporting-centre/reports

OUR 8 BATTLEGROUND AREAS REPRESENT OUR MEDIUM TERM STRATEGIC PRIORITIES



Defend and grow South African market share in **Mass and Corporate markets**



Defend and grow in the **South African Personal Finance** market



Improve the competitiveness of **Wealth and Investments**



Continued turnaround of **Old Mutual Insure**



Turnaround **East African** business and improve returns across the **Rest of Africa**



Win the **war for talent**



Refresh the **technology offering**



Cost efficiency leadership

LINES OF BUSINESS



LIFE AND SAVINGS



ASSET MANAGEMENT



BANKING AND LENDING



PROPERTY AND CASUALTY

HOW OUR REPORT ADDRESSES THE SIX CAPITALS

Our relevance as an organisation today and in the future, along with our ability to create long term value is dependent on our ability to effectively manage and leverage the forms of capital available to us.

OUR CAPITALS

FINANCIAL CAPITAL

Our shareholder and debt funding ensures we have a strong capital base that supports the operations of our business and funds growth. Financial capital includes the funds our customers invest with us.

INTELLECTUAL CAPITAL

Our trusted brand and franchise value, strategic partnerships and innovative product solutions we offer to our customers. Good progress made on intelligent automation which is a key driver of delivering our digital strategy.

HUMAN CAPITAL

Refreshed purpose, vision and values to drive a culture that increases competitiveness and investment in the development of skills required by employees to serve the digital customer of the future. A mix of actuarial, finance, investment, legal, risk management and technology skills that support our operations.

MANUFACTURED CAPITAL

Our physical and digital infrastructure through which we conduct business activities. It includes our branch network, digital platforms and IT estate which we are in the process of enhancing and simplifying.

SOCIAL AND RELATIONSHIP CAPITAL

In our interactions with key stakeholders we continuously strive to deliver a meaningful value exchange. We value the views of our stakeholders as they play a significant role in shaping our response to business and societal issues.

NATURAL CAPITAL

The environmental resources used throughout the Group's operations, with a Green building rating awarded to Mutualpark and 1 Mutual Place. Solar panels and the water filtration plant at Mutualpark have helped reduce our carbon footprint.

OUR REPORT ADDRESSES THESE CAPITALS

OUR STRATEGY



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BUSINESS MODEL



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VALUE CREATION



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PERFORMANCE



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GOVERNANCE



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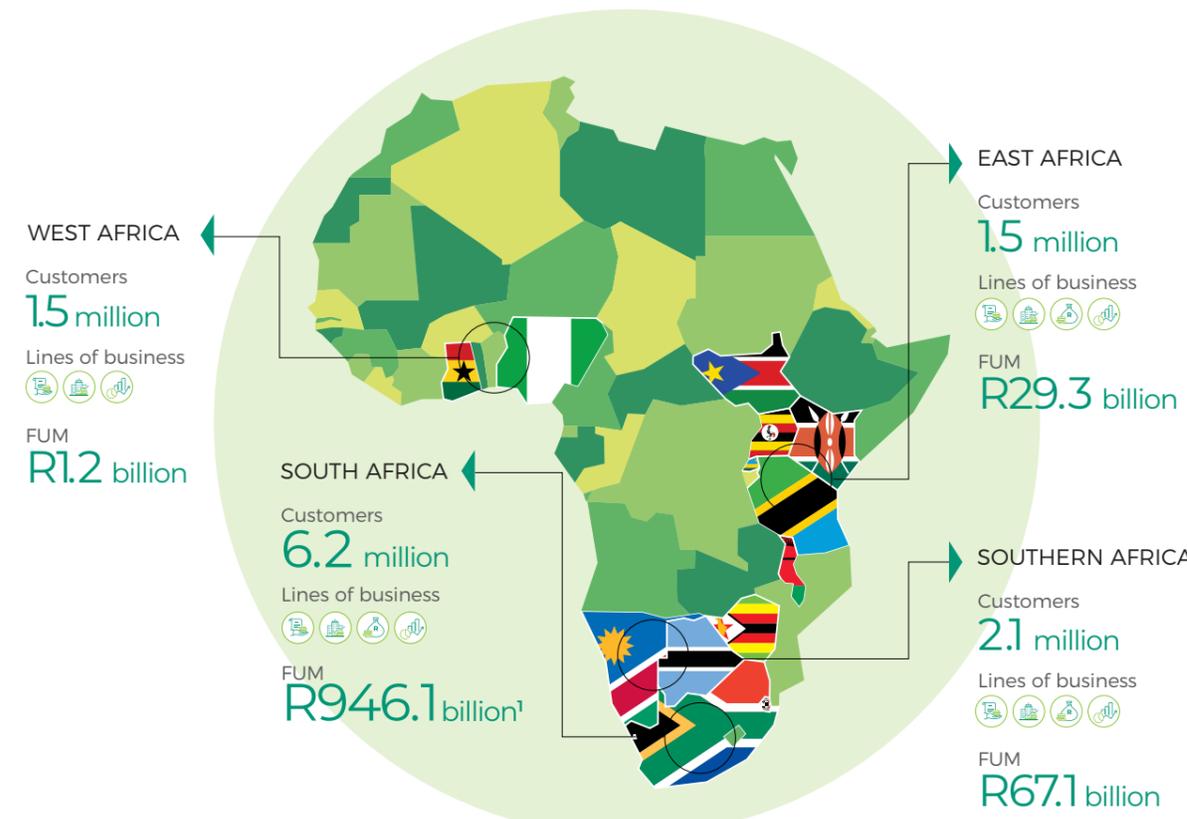
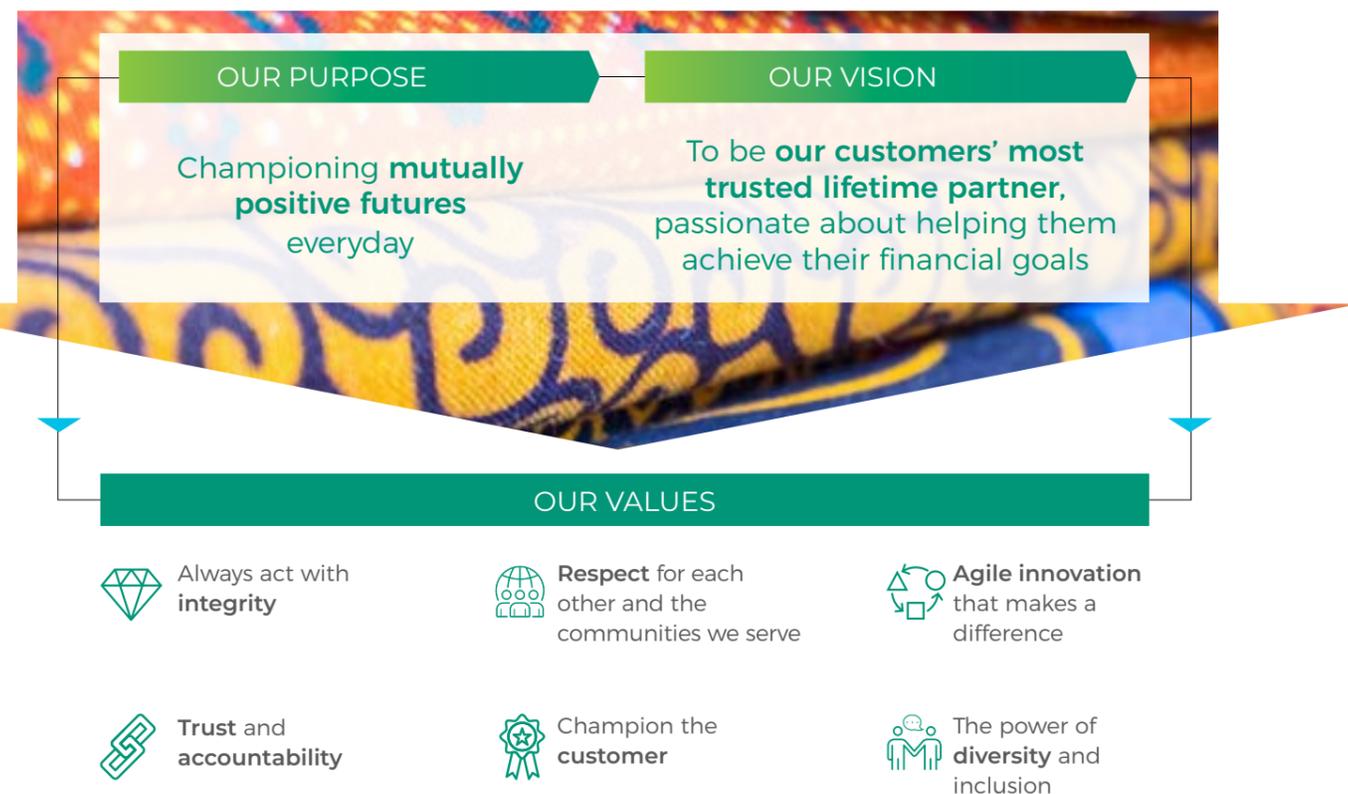
A MESSAGE FROM OUR CHAIRMAN

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A MESSAGE FROM OUR CEO

OLD MUTUAL AT A GLANCE

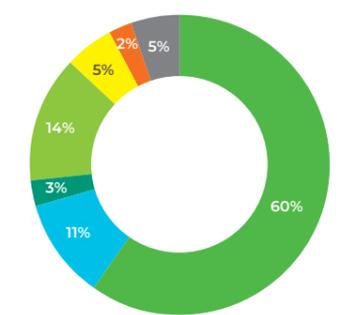
Old Mutual is a premium African financial services Group that offers a broad spectrum of financial solutions to retail and corporate customers across key market segments in 17 countries. Old Mutual's primary operations are in South Africa and the Rest of Africa, and we have niche businesses in Latin America and China. With over 173 years of heritage across Sub Saharan Africa, we play a crucial part in the communities we serve and broader society on the continent.



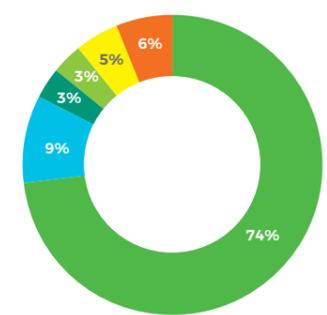
OLD MUTUAL IS A **VIBRANT, AFRICAN BRAND** THAT **COACHES AND MOTIVATES** CUSTOMERS THROUGH **SIMPLE, ACTIONABLE STEPS** TO BRIDGE THE GAP BETWEEN THEIR DREAMS AND REALITY

INVESTORS

Where our investors are from (%)



Who invests in us (%)



¹ Includes our investment in China
² Excludes our employees in Latin America and China
³ Verified score as at 29 March 2019
⁴ Other reflects the unallocated portion of the register



GROUP FINANCIAL HIGHLIGHTS

FUNDS UNDER MANAGEMENT (FUM)

The total market value of funds managed by the Group.

Funds Under Management (FUM)
(R billion)



Down
3%
from 2017

RETURN ON NET ASSET VALUE (RONAV)

Adjusted Headline Earnings divided by the average Adjusted IFRS Equity. Adjusted IFRS Equity is calculated as the sum of IFRS equity attributable to operating segments and the net asset value of our retained interest in Nebank and is before adjustments related to consolidation of funds.

Return on Net Asset Value (RoNAV)
(%)



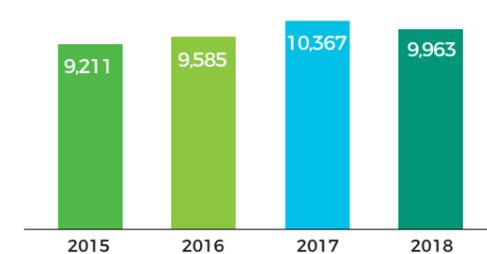
Down
430 bps
from 2017

Ahead of our target of
17.4%
(COE + 4%)

RESULTS FROM OPERATIONS (RFO)

The primary measure of the performance for operating segments. Calculated as Adjusted Headline Earnings before shareholder tax and non-controlling interests, excluding net investment return on shareholder assets, finance costs and income from associates.

Results from operations (RFO)
(R million)



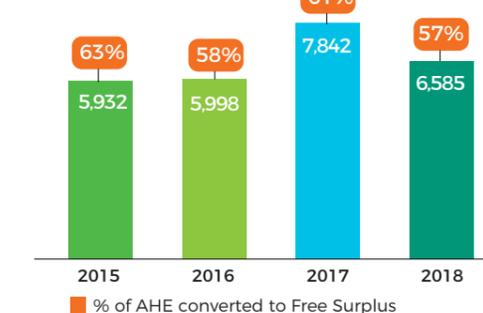
Down
4%
from 2017

Below target of
CAGR of Nominal GDP
+2%

FREE SURPLUS GENERATED FROM OPERATIONS

Free Surplus Generated from Operations represents the net cash generated from the operations that contribute to AHE after allowing for normal course investment in the business and the impact of any fungibility constraints.

Free Surplus Generated from Operations
(R million)



% of AHE converted to Free Surplus down by
400 bps

Expected to be
>60%
in future periods

ADJUSTED HEADLINE EARNINGS (AHE)

The Group profit measure that adjusts headline earnings, as defined by SAICA Circular 04/2018, for the impact of material transactions, non-core operations and any IFRS accounting treatments that do not fairly reflect the economic performance of the business.

Adjusted Headline Earnings (AHE)
(R million)



Down
11%
from 2017

GROUP SOLVENCY RATIO

Group eligible own funds (OF) divided by the solvency capital requirement (SCR), calculated based on the Prudential Standards.

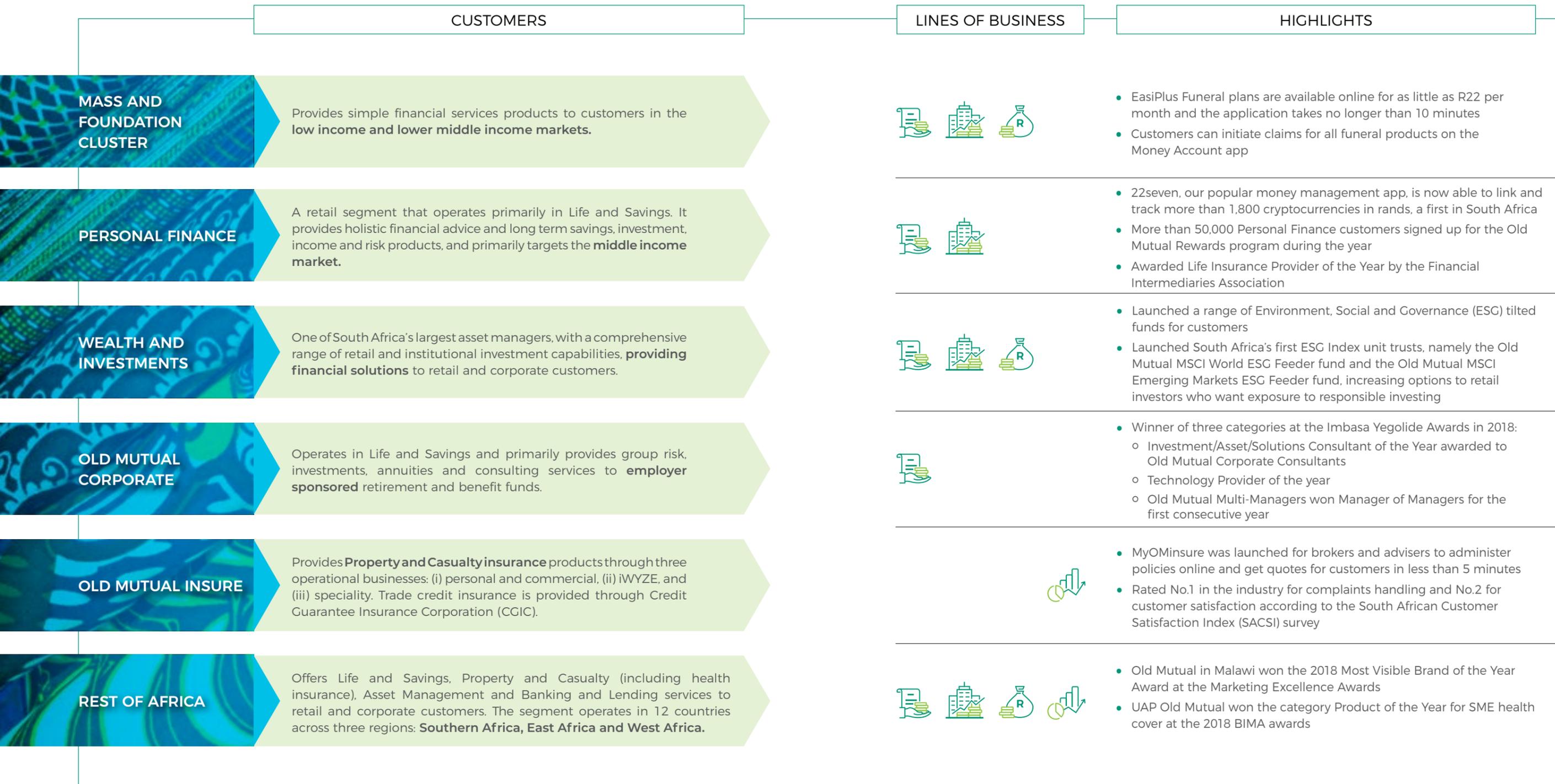
Group solvency ratio
(%)



Up
900 bps
from 2017

Within the Group's
target range

OUR SEGMENTS



A MESSAGE FROM OUR CHAIRMAN



“Exciting opportunities lie ahead for us as an independently listed business and we look forward to delivering sustainable profit growth and returns for our shareholders, and making positive contributions to the societies in which we operate.”

Trevor Manuel
Chairman

Anchoring in Africa

The listing of Old Mutual Limited on 26 June 2018 was a truly momentous occasion. It marked the physical homecoming of a company deeply rooted in Africa. To reach this point, the new Board, appointed in October 2017, had been thoroughly engaged in the preparations for this moment. The eight months leading up to the listing offered the Board a rare and detailed glimpse of the inner workings of Old Mutual. It equipped the Board to take the mantle of responsible leadership. The listing has brought the spotlight onto the operations of Old Mutual Limited in Africa.

Our deep, long standing commitment to make a positive impact in the communities and countries where we operate remains a priority, together with our quest to champion financial inclusion, education and responsible investment. By driving long term economic growth in Africa, we can positively impact the lives of all our customers and communities on the continent.

Exciting opportunities lie ahead for us as an independently listed business and we look forward to delivering sustainable profit growth and returns for our shareholders, and making positive contributions to the societies in which we operate. The political and economic environment is challenging in most of the countries where we operate. In South Africa, our largest market, the listing occurred during the excitement of the assumption of office by President Ramaphosa. Similarly, President Mnangagwa assumed office in Zimbabwe in November 2017. Notwithstanding these changes, the economic environment in both of these countries remains very difficult. We express the view that the anticipated return to political stability after

the elections in South Africa will be important for the growth of the economy, to create new opportunities for employment and reignite the conditions for the expansion of the Old Mutual platform.

Governance

I am proud to chair a Board that has the skills, integrity and gravitas to lead Old Mutual in this new chapter of its history. The Board played a pivotal role in overseeing the listing process and provided insight and counsel to the newly formed executive team as they formulated the Group's strategy and financial targets. During the year we also oversaw the distribution of R38.8 billion worth of Nedbank shares to our shareholders, bringing Managed Separation to its conclusion.

Ahead of its listing, Old Mutual Limited established a Group Governance Framework (GGF). This framework outlines the minimum governance requirements over the various defined governance domains for the newly listed Group and its subsidiary entities. The GGF adheres to the requirements of King IV™ and takes into consideration all the complexities of governing a financial services Group with significant and geographically diverse operations in Africa and in selected other international markets. It holds management accountable for ensuring the Group adheres to the highest standards of ethics and integrity. This underpins an effective GGF and forms the foundation of a culture that supports employee, customer and investor confidence.

I am very pleased with the team dynamic displayed so far and look forward to leading the Board and the Group in its first years of corporate life.



R91.5 billion
PAID TO OUR CUSTOMERS
in claims and benefits¹



9,791
JOBS CREATED
through the Masisizane Fund
since inception

A business with a conscience

The Board is very aware of the role that Old Mutual plays in society and its leading role in the communities in which it operates. The Board acknowledges its responsibility to steer the Group and its strategy in a sustainable and responsible manner. In fact, we opted to focus attention on building a Responsible Business. To this end, we have created a board committee to evaluate the performance of the Group's efforts towards our sustainability goals. To comply with King IV™, we have established a Social and Ethics function, but for us, Social and Ethics matters are embedded in a company that also focuses on its environment and future. Through the Responsible Business committee we set the tone of the overall ethos of the business and drive management to deliver on specific and measurable outcomes.

We are committed to improving our customers' lives every day and to help them reach their financial goals. We regularly review the value our products provide to customers and assess whether they adequately provide for the identified need.

We remain committed to transforming our organisation to reflect the societies we operate in. We have maintained our Level 2 BBBEE score for the 10th consecutive year. Ahead of our listing, we made commitments to the Minister of Economic Development (under the Framework Agreement) to achieve an effective black ownership level of 25% within three years of listing and to be best in class, as measured at the time of listing, within five years. We are formulating a plan to achieve these through internal and external mechanisms. We remain

¹ Includes insurance claims, annuity payouts and investment maturities

focused on the transformation of race and gender balance on the Board and executive team and we are comfortable that we are moving in the right direction.

We have committed to R500 million being set aside for the Enterprise Supplier Development Fund. The Fund's intention is to generate additional jobs in the Group's ecosystem, to be evidenced by the end of June 2021.

The completion of our water filtration plant at our Mutualpark office will help us save an estimated 10 million litres of municipal water per month. This will help alleviate the water requirement pressures faced in Cape Town.

We want to continually earn the respect of all the communities we serve through our responsible conduct.

Outlook for 2019

The Board will continue to challenge the long term strategy pursued by the executive management team and will ensure the Group remains relevant and responsible in an always evolving global environment. We remain exceedingly optimistic about the positive conditions that will improve the quality of life of all the continent's people.

A MESSAGE FROM OUR CEO



“ We have made good progress on building a Group that is future fit in a rapidly changing world. I am pleased with the progress we have made on our strategic priorities despite tough economic and market conditions. ”

Peter Moyo
Chief Executive Officer

A year of delivery and execution

2018 was a momentous year for the Group. We completed Managed Separation with the listing of Old Mutual Limited on five different exchanges on 26 June 2018 and the unbundling of 32% of Nedbank on 15 October 2018. Delivery and execution extended beyond Managed Separation, as we determined our strategic battlegrounds and set medium term targets. In addition we have distributed and declared R10.7 billion in ordinary and special dividends.

We have embarked on our journey as a newly listed, independent entity with a refreshed brand and renewed dedication to become our customers' lifetime financial partners. We are focused on driving the deep cultural change required to ensure that our Group is future fit, improving the overall employee experience and motivating our employees to be more purposeful. We believe that it will lead to Old Mutual being more competitive in the market.

Across all segments we have made great strides to improve customer experience. As part of our longer term strategy to become a digital business we have launched a single self service portal called MyOldMutual with access to 34 digital products, including life insurance and funeral products, available to our South African customers. In East Africa, we have launched Dream Enabler, which is a mobile sales and servicing application with a single view of customer products.

Delivery in a tough macro environment

2018 was characterised by volatility in global equity, currency and bond markets due to escalating global trade tensions. These global dynamics, in addition to weak local economic data, negatively affected the South African economic landscape resulting in low GDP growth in 2018.

The South African equity market declined, with the JSE SWIX down 14% in the year, and inflation continued to remain within the South African Reserve Bank (SARB) target range at a 12-month average of 4.6% for 2018. Macroeconomic indicators in Kenya remained broadly stable in 2018 with overall inflation within target and GDP growth and short term interest rates remaining low. Equity markets remained volatile with a decline in the levels over the period. In Nigeria, economic growth accelerated in the third quarter of 2018, assisted by improved dynamics in both the oil and non oil economy.

Persistently high unemployment rates, a Value Added Tax (VAT) rate increase and fuel hikes contributed to lower real disposable incomes for our retail customers in South Africa. This adversely affected our customer acquisition and persistency, especially in the middle income market. The economic outlook has marginally improved relative to the previous year, resulting in some increase in business and consumer confidence. However, investor confidence is still fragile with concerns around government debt levels and policy uncertainty particularly around the proposed policy on land expropriation without compensation.

Although a new government under President Mnangagwa came into power late in 2017, economic and political instability still persists in Zimbabwe. Equity markets were volatile, with a 40% rise in the second half of the year, resulting in substantial mark to market gains. The continued dollar shortages in Zimbabwe led to the increased use of electronic money through the Real Time Gross Settlement or 'RTGS' System, giving rise to a parallel market where bond notes and RTGS balances were traded at a discount to the official US dollar exchange rate. On 20 February 2019, the Reserve



MASISIZANE FUND

R700 million

ALLOCATED

for loan funding to black owned enterprises with a mandate to eradicate poverty and create jobs



10,000

EMPLOYEES

engaged to drive cultural change

Bank of Zimbabwe announced that the RTGS would be recognised as an official currency and that an inter-bank foreign exchange market would be established to formalise trading in RTGS balances with other currencies. In line with industry consensus on this matter we have applied a reporting change to the functional currency for our businesses in Zimbabwe from 1 October 2018. This change has reduced both reported profits and net asset value in 2018.

Progress on our strategic priorities and delivery against medium term targets

I am pleased with the progress we have made on our medium term strategic priorities despite tough economic and market conditions. Highlights in our customer facing segments include growth in loans disbursed in the Mass and Foundation Cluster and the continued recovery in profits at Old Mutual Insure evidenced by the underwriting margin of 5.3% that was well maintained at the top end of our medium term target range. Old Mutual Corporate's continued success in umbrella sales strongly contributed to our results. Our East African business produced an operating profit for the first time since we acquired UAP and we remain focused on driving profit growth in 2019 and beyond.

The trading conditions remain very challenging for our Personal Finance segment. Although we saw some improvement in mortality experience in the second half of 2018, we will continue to monitor our claims experience carefully during 2019. The actions we are taking in response to the mortality experience will only have impacts on our financial results in the second half of 2019 and beyond.

RFO of R9,963 million decreased by 4% over the period which is below our target of nominal GDP+2%. The decrease reflects net reserve movements, and mortality and morbidity losses in Personal Finance in the first half of 2018 and the change in functional currency in Zimbabwe.

RoNAV of 18.6% was ahead of our Cost of Equity (COE)+4% target of 17.4%. We have delivered R750 million of recurring cost savings, putting us in a good position to meet our R1 billion efficiency target by the end of 2019.

The Group solvency ratio increased to 170%, reflecting the robust capital position of the Group. We are at the upper end of our capital ratio target range and have fully funded the development capital we need in the Group for the coming period. Our full year ordinary dividend of 117 cents per share is covered 2.04 times by AHE, well within our target pay out ratio of 1.75 to 2.25 times coverage.

Outlook for 2019

Our RFO target of nominal GDP+2% will become increasingly challenging to achieve due to negative RFO growth in 2018. Despite the weak growth outlook in South Africa, the macroeconomic risks and strong competitive pressures, we remain confident in delivering our medium term targets.

We have managed our capital well and continue to be responsible to our shareholders in the way we deploy capital. Following the consideration of our capital position at the end of the year, we are pleased with the Board approved share buyback programme of approximately R2 billion over the next 12 months.

We will continue to run our businesses in an ethical and responsible manner, and within our risk appetite.



02

VALUE CREATION AND STRATEGY

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MATERIAL MATTERS, RISKS AND OPPORTUNITIES

OUR STRATEGY



OUR PURPOSE

Championing **mutually positive futures** every day

OUR VISION

To be **our customers' most trusted lifetime partner**, passionate about helping them achieve their financial goals

STRENGTHEN THE FOUNDATION AND DRIVE GROWTH

MEDIUM TERM

DEFEND AND GROW



Defend and grow South African market share in Mass and Corporate markets



Defend and grow in the South African Personal Finance market



Improve the competitiveness of Wealth and Investments



Continued turnaround of Old Mutual Insure



Turnaround East African business and improve returns across the Rest of Africa

CONTINUED TURNAROUND

LONG TERM COMPETITIVE ADVANTAGE



Win the war for talent



Refresh the technology offering



Cost efficiency leadership

ACCELERATE GROWTH

LONG TERM

Becoming lifelong partners to our customers through meeting their core needs every day

Ensuring that we stay close to our customers throughout their lifetime, meeting their core financial needs and guiding them to achieve their financial ambitions.

Becoming a digital platform business

We will simplify and digitalise journeys for the customer, intermediary and employee. This will enable us to meet the financial needs of our customers in one place, via their platform of choice, at a pace in line with their expectations and needs.

Know each customer personally and tailor our service to their unique needs

Digitalisation will accelerate the use of analytics which will generate deeper and real time data driven insights to cater to our customers' specific needs.

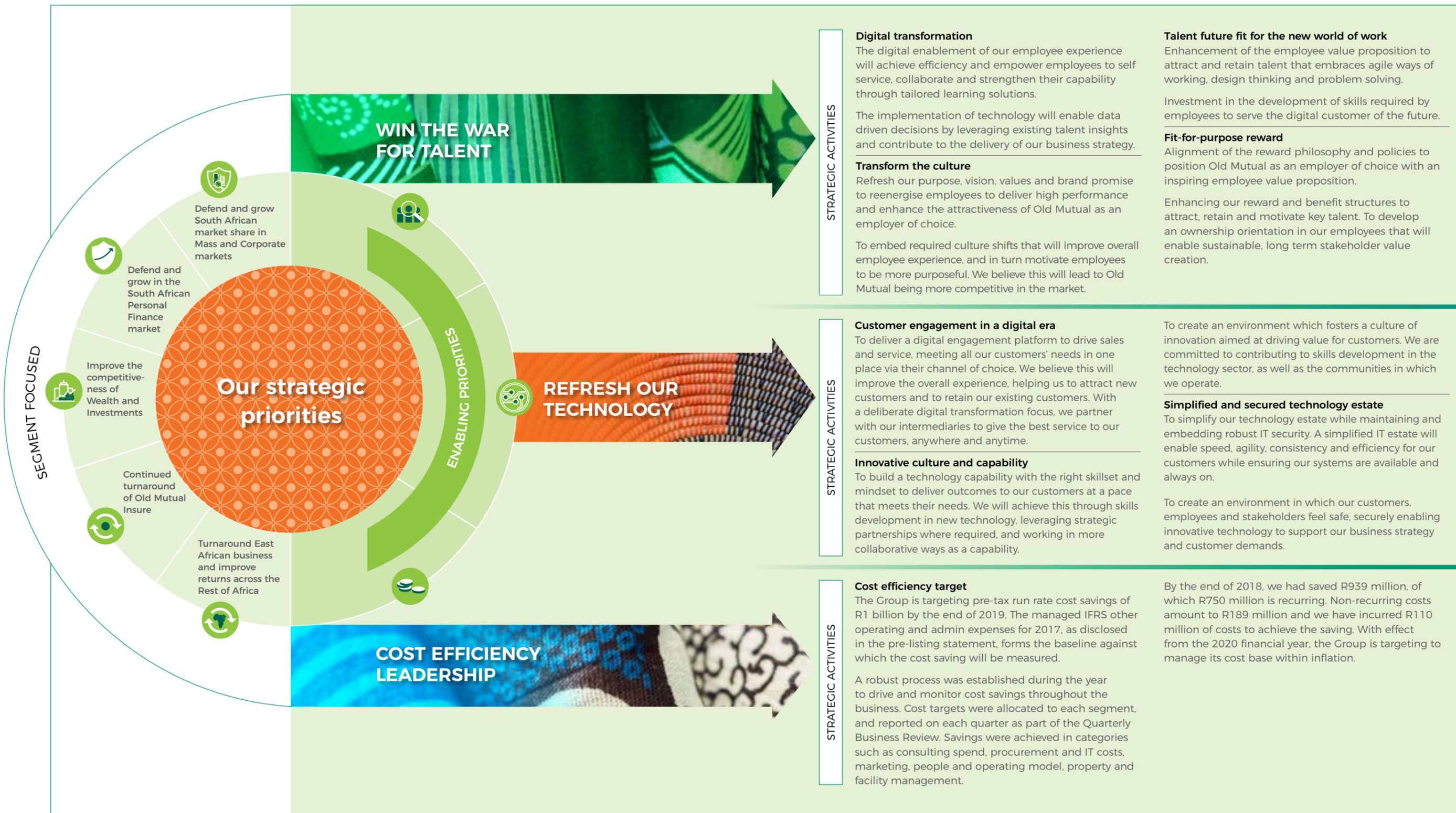
Driving a culture of delivery

This will result in a change in behaviour supported by greater empowerment, agility, accountability and risk-based decision making.

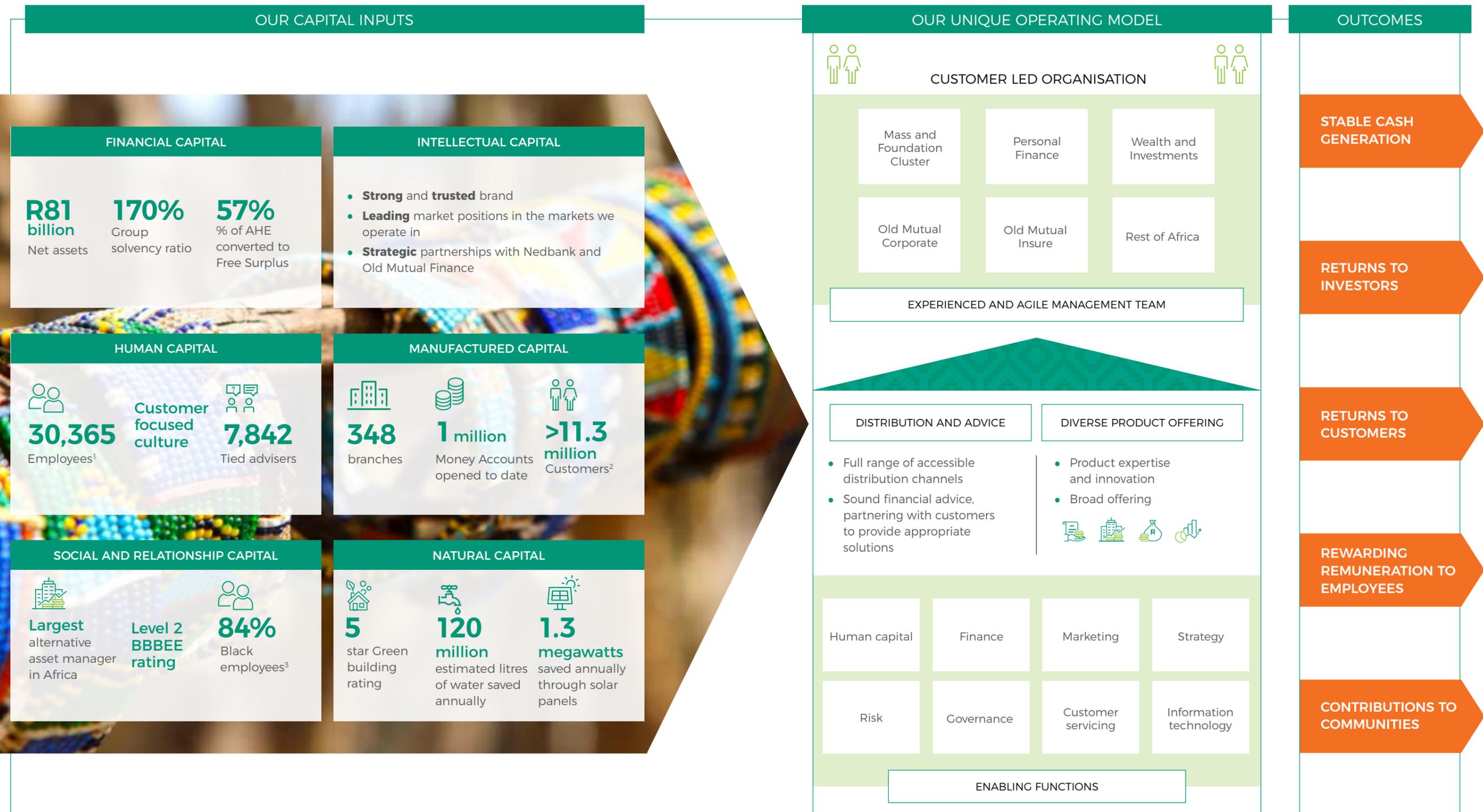
Becoming a champion across the communities in which we operate

Leveraging our role as a leading financial services provider to serve as a catalyst for economic development and contribute to broader social upliftment. We want to be known as leaders in transparent and ethical business practices.

MEDIUM TERM STRATEGIC PRIORITIES



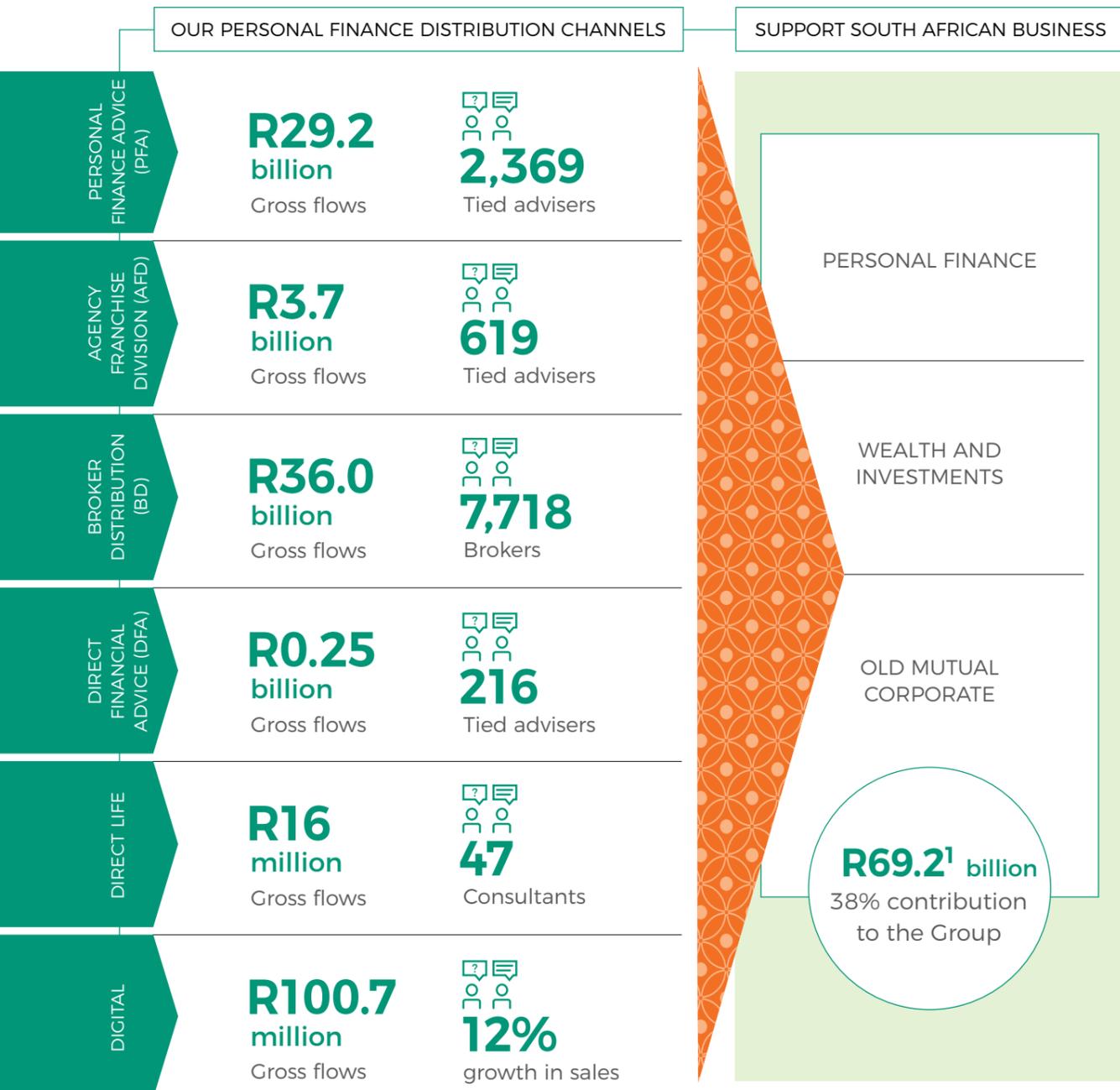
OUR BUSINESS MODEL



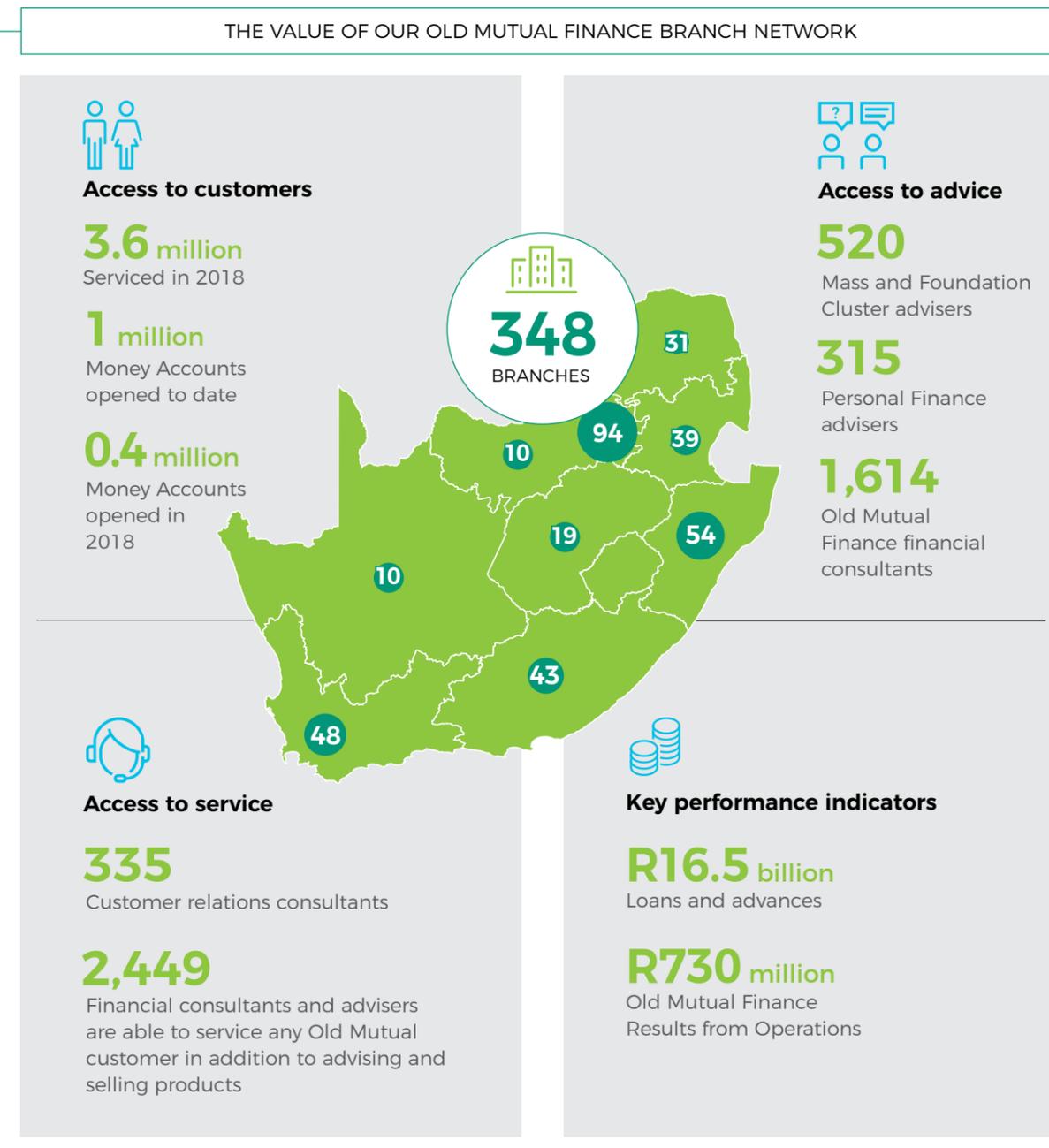
¹ Excludes employees from our businesses in Latin America and China. Includes employees of enabling functions
² Customer numbers across segments may not sum to total customer number due to overlaps between segments. Excludes customers in Latin America and China
³ Per the Department of Trade and Industry (DTI) definition and refers to employees in South Africa

RETAIL DISTRIBUTION MODELS IN SOUTH AFRICA

Personal Finance uses multiple retail distribution channels including face-to-face, direct and digital channels to distribute its own and other segments' products. These channels contributed a total of R69.2 billion in gross flows in 2018, a total of R37.2 billion and R6.5 billion flowed to Wealth and Investments and Old Mutual Corporate, respectively. The table below only illustrates the Personal Finance retail distribution channel strategy and does not cover the Group's other distribution channels.



The Old Mutual Finance branch network facilitates a seamless customer experience by providing direct access to products, servicing and advice to any new or existing Old Mutual customer. The branches have in-house Mass and Foundation Cluster and Personal Finance financial advisers selling and advising on both segments' products. The financial advisers in the branches are recruited directly from the communities in which we operate and as a result work closely with these communities to build a highly trusted and respectable brand.

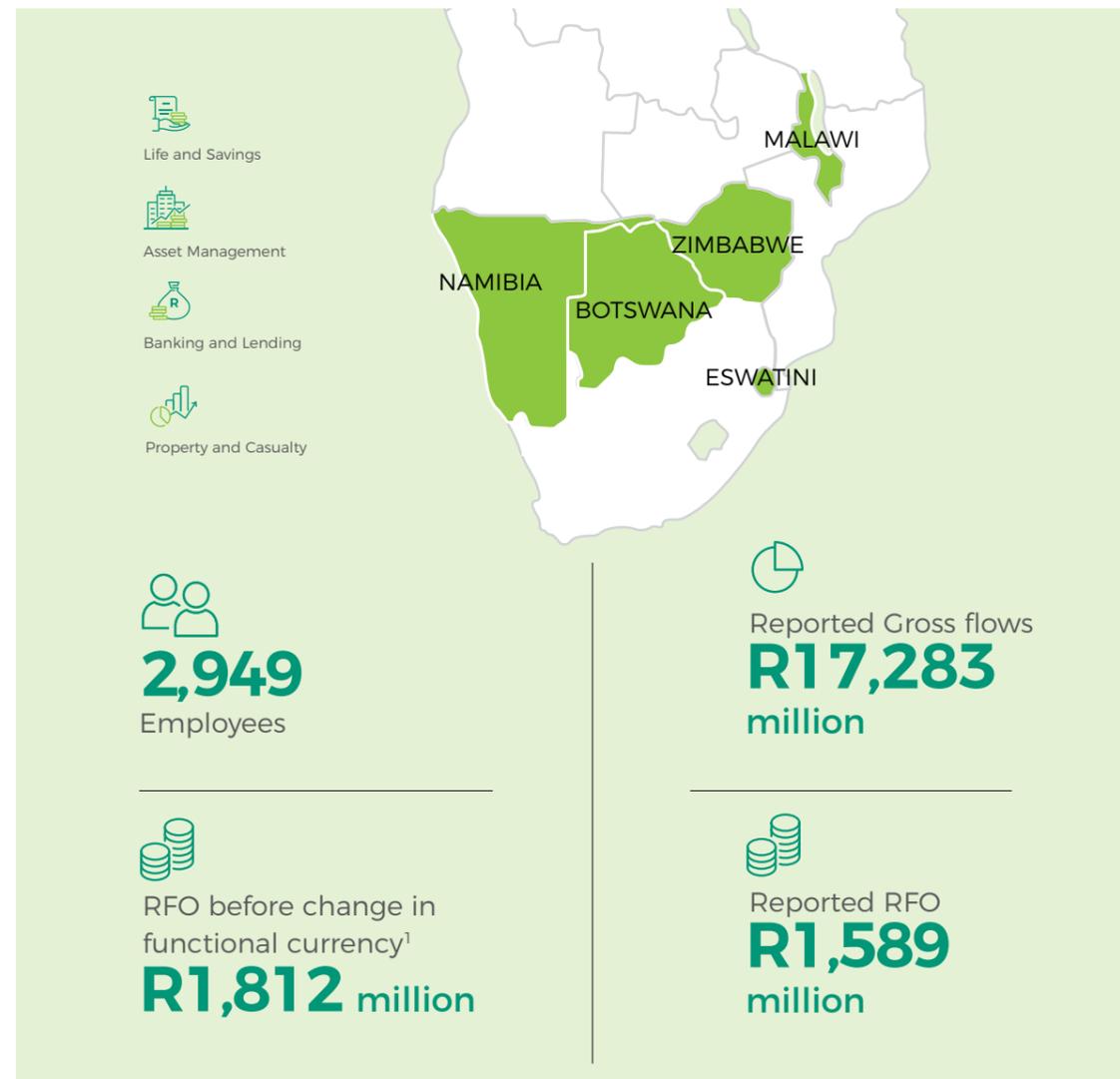


¹ This excludes iWYZE sales, generated through the Personal Finance distribution channels, that contribute towards Old Mutual Insure sales

OUR OPERATIONS IN REST OF AFRICA

SOUTHERN AFRICA

The Southern African region remains the largest contributor to the Rest of Africa profits, mainly due to strong performance in Zimbabwe and Namibia despite tough trading and economic conditions. Elections are planned to take place in Namibia, Malawi, and Botswana but we expect 2019 to be politically stable. Monetary policy reforms are contributing to continued uncertainty in Zimbabwe.



ZIMBABWE

Old Mutual Zimbabwe has been in operation since 1902. The business offers a focused range of products including life assurance, asset management, unit trusts, property development and management, property and casualty and banking services. Customers include most of the large local institutions and the major multinationals as well as individuals. During 2018, Old Mutual Zimbabwe held its leading market position in Life and Savings and Asset Management.

MALAWI

Old Mutual Malawi offers a wide range of products including, savings, investments, retirement solutions and risk and disability cover to individuals and corporates. The business opened its first office in Malawi in 1954 and serves more than 330,000 customers, serviced by more than 300 employees across its offices in Blantyre, Lilongwe, Mzuzu, Zomba and Kasungu. During 2018, Old Mutual Malawi held its leading market position in Life and Savings and Asset Management and specifically in respect of our unit trust offering.

NAMIBIA

Old Mutual Namibia offers a full range of products and services such as risk, savings, investments and retirement planning for individuals and corporates. The business has been in operation since 1920, with more than 370,000 customers, serviced by more than 950 employees. During 2018, Old Mutual Namibia held its leading market position in Life and Savings.

ESWATINI

Old Mutual eSwatini offers a wide range of corporate and individual solutions. These solutions include risk, savings and investment products (including alternative investment offerings). The business serves more than 49,000 customers, serviced by more than 50 employees from Mbabane, Manzini and Nhlanguano offices.

BOTSWANA

Old Mutual Botswana offers a wide range of property and casualty and life insurance products in Botswana. It has branches in Gaborone and Francistown. The business offers its products to individual, commercial and corporate customers.



Old Mutual Investment Group (OMIG) in Malawi donated MWK2.5 million to 21 needy students so they could write their final university exams. They also partnered with the Public Private Partnership Commission to provide student accommodation, with 4,700 beds at various public universities.

¹ The Group adopted a change in functional currency from US dollar to RTGS for our business in Zimbabwe. This change was applied from 1 October 2018 and has reduced the reported profits and net assets for this region

WEST AFRICA

In West Africa, we will focus on the remediation of our business by right sizing the cost base and growing our business through strategic partnerships in markets where we continue to face challenges. Strong GDP growth is expected in the West African markets we operate in.

NIGERIA

Old Mutual Nigeria has been operating in Nigeria since March 2013, after it acquired the majority stake in Oceanic Life Assurance Company. Our product offerings include life and property and casualty solutions for individuals and corporates. We also provide online insurance solutions.

GHANA

Old Mutual Ghana has been operating since 2013. The business has fully rebranded and is now operating as Old Mutual Life Assurance Company (Ghana) Limited and Old Mutual Pensions Trust Ghana Limited. The business provides life insurance solutions to corporates and individuals. It further provides pension administration services to corporate customers.



847
Employees

Gross flows
R317
million

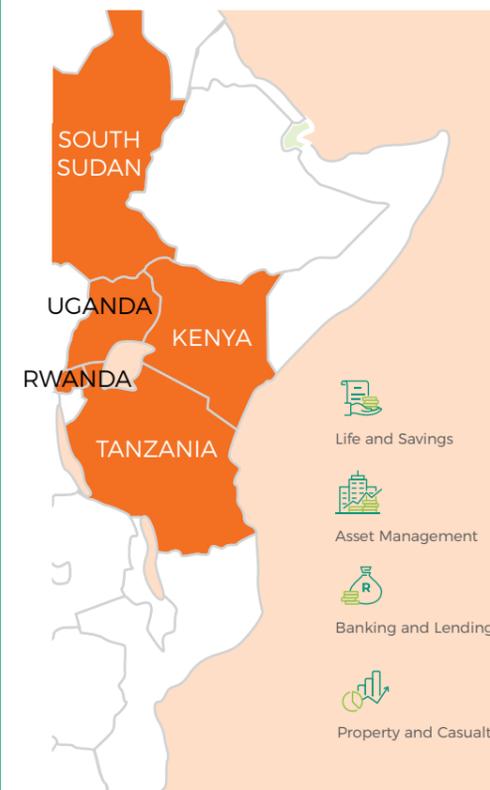
GWP¹
R104
million

RFO loss of
R255
million

¹ Gross written premiums

EAST AFRICA

We have begun to see positive results from the continued turnaround of our East African businesses. We will continue to drive profit growth predominantly through enhancing our customer value propositions in our Property and Casualty business, expanding our Banking and Lending offering and improving occupancy levels in the property portfolio. The peace deal signed recently in South Sudan is expected to result in an improved economic environment in this region.



UAP Holdings Ltd (UAP) is a group of companies headquartered in Kenya, with operations in Kenya, Uganda, Tanzania, Rwanda and South Sudan. Our acquisition of controlling stakes in Faulu in 2014, and UAP in 2015 resulted in the formation of one of the largest financial services groups in East Africa.

The business through its subsidiaries, offers a wide range of products and services across the East African region.

- The businesses in Kenya, Uganda, Tanzania, South Sudan and Rwanda offer solutions in all classes of life, health and property and casualty insurance risks, savings, retirement and lending solutions.
- In Uganda, UAP Financial Services Limited offers stock broking services.
- Kenya, Uganda and South Sudan own and manage investment property portfolios.

UAP offers its products and services directly through a wide network of branches and integrated customer service centers across the East Africa region and indirectly through insurance brokers and sales agents.

3,996
Employees

Loans and advances
R2,704
million

Gross flows
R3,259
million

RFO
R11
million

STAKEHOLDER ENGAGEMENT

At the centre of Old Mutual's approach to stakeholder engagement is our commitment to good corporate governance. Our dedicated Stakeholder Relations function plays a critical role in ensuring that we observe industry and international best practice in managing and responding to the views and needs of our stakeholders. In all our interactions with our key stakeholders across the public and private sectors, civil society, labour, shareholders and individual customers we continuously strive to deliver a meaningful value exchange.

It is our strong belief that the growth of our business and its overall success depends on the quality of relationships that we build and maintain with our stakeholders. In recognising the significance of our stakeholders to our business, our newly adopted Stakeholder Relations Policy enables us to be intentional about creating unique and positive stakeholder experiences in all our operations across the Group.

Our commitment to accessibility ensures that we are available to interact on a daily basis through media, strategic partnerships, community engagement, social investment and sales and servicing platforms that include digital engagement. For stakeholders and customers who prefer direct interaction, our wide branch footprint and large tied adviser force allows us to stay physically connected.

As a responsible business we are mindful of the impact of our decisions on our customers, our employees, our investors, our communities and the markets in which we operate. It is for this reason that we value and appreciate the views of our stakeholders as they play a significant role in shaping our organisational responses to both business and societal issues.

The various stakeholder engagement models we employ across the Group advocate that we proactively source these opinions and dedicate time to jointly crafting collaborative solutions. This is a key priority for our Board and our business. As such, we have made the commitment to ensure that all the platforms we create for stakeholder engagement remain open, transparent and inclusive, fully demonstrative of the values of our business.



CUSTOMERS

Engaging our customers

We are more focused than ever to be an organisation that is truly customer led. Building a full digital engagement and end-to-end digitalisation of key journeys for the customer that will ensure all the financial needs of our customers are met in one place. This will lead to simple and intuitive digital journeys for all key tasks.

Addressing their interests and concerns

A combination of well considered service model enhancements including the rapid adoption of intelligent automation technologies, such as robotic process automation (RPA), chatbots and ongoing system automations, are key enablers to improving the customer's service experience in a cost efficient manner.

Our committee of Customer Affairs is responsible for ensuring the fair treatment of customers, in accordance with the six core customer outcomes of Treating Customers Fairly (TCF), and that this is embedded within the culture of the Group.



INVESTORS

Engaging our investors

We engage with the investor community on a regular basis through our annual reporting cycle, trading updates and presentations. Direct interaction includes attendance of local and international investor days and certain executives meeting with institutional investors and analysts. At our AGM, our investors have the opportunity to vote on remuneration and other pertinent matters and to address questions to the Board and executive team.

The executive team is responsible for engagement with investors, with support from our dedicated Investor Relations team.

Addressing their interests and concerns

Investors are focused on a consistent return on their investment and growth in shareholder value. International investors remain concerned about political uncertainty in South Africa.

The executive team needs to deliver on the continued turnaround of our businesses in Rest of Africa and the delivery of our cost savings target, both impacted by volatile economic times where revenue growth is challenging. We need to focus on the improvement of mortality experience in Personal Finance during 2019.

In 2018, we returned a significant amount of capital to investors, representing more than a third of our market capitalisation as recorded at the date of the listing of Old Mutual Limited. We remain committed to grow and accelerate value creation to provide sustainable returns to investors through dividends and share price growth.

Various management actions are underway in Rest of Africa to improve core operations, strengthen the balance sheet and to obtain scale. We are on track to deliver our cost savings target by the end of 2019 and to date we have banked recurring savings of R750 million, incurring costs of R110 million to achieve these savings.



EMPLOYEES

Engaging our employees

We engage with employees through engagement forums that take place in the ordinary course of business, including performance and talent management discussions, annual training and regular staff communications. Employees are kept informed of strategic and general business updates through leadership engagements, our weekly digital newsletter "That's a Wrap", quarterly printed "Now Magazine" and updated Intranet. We further encourage feedback from employees through our annual employee engagement survey.

The Quarterly Business Review (QBR) provides an opportunity for the executive team to engage with each business on financial and operational performance. Post QBR, the executive team provides feedback to senior employees on the performance for the quarter.

Addressing their interests and concerns

Our employees want to be part of an organisation that understands the world is changing rapidly and is committed to invest in the development of skills required for the future with an inspiring value proposition.

We are committed to creating an environment in which employees can reach their full potential and create exceptional business outcomes through inspiring innovation. We believe that the digital enablement of our employee experience will enhance our value proposition.

We are revising our reward policies to attract, retain and motivate key talent, and to develop an ownership orientation in our employees that will enable sustainable, long term stakeholder value creation. Management and remuneration committees govern fair and responsible remuneration.



COMMUNITIES

Engaging our communities

The Old Mutual Foundation adopts strategic initiatives in rural, peri-urban and township areas that focus on enterprise and skills development, education and staff volunteerism. The Foundation also provides accredited skills development opportunities to high potential unemployed youth, to secure permanent employment in the mainstream economy. In partnership with the Masisizane Fund, the Old Mutual Foundation supports small, medium and microenterprise (SMME) development through a combination of grant and loan funding to help create sustainable jobs in agriculture, manufacturing and commerce.

At the Board level, the Responsible Business committee is responsible for ensuring that we deliver on our promise to be a responsible business and make an impact in the communities we operate in. There is also a responsible business committee at the executive level to ensure that responsible business is entrenched at an operational level.

Addressing their interests and concerns

The shortcoming of financial education in environments of slow economic growth directly affects our customers' ability to take control of their financial futures. In addition, poverty, unemployment and inequality have created an environment of financial exclusion for many people across South Africa. With rising corporate scandals our communities demand ethical behaviours entrenched at an operational level.

It is important for us that we contribute to growing societies and communities that are vibrant and sustainable. We have chosen to make financial inclusion an integral part of our business as it relates to product design, pricing and how we interact with customers in the communities we operate in. We remain dedicated to contribute to the financial education of the less fortunate and help them grow positive futures. We will conduct ourselves in an ethical manner in everything we do. Ethics are core to our refreshed values and our internal Code of Conduct.



REGULATORS

Engaging our regulators

We periodically engage with regulators on pertinent issues and developing regulation that impacts our business. We engage governments in various jurisdictions through industry associations and business chambers.

We have an engagement and communication strategy ensuring that uniform and consistent messages are communicated to Regulators.

The regulatory landscape has a wide-reaching impact on our business, good governance and compliance to rebuild trust in the financial sector and mitigate reputational risk.

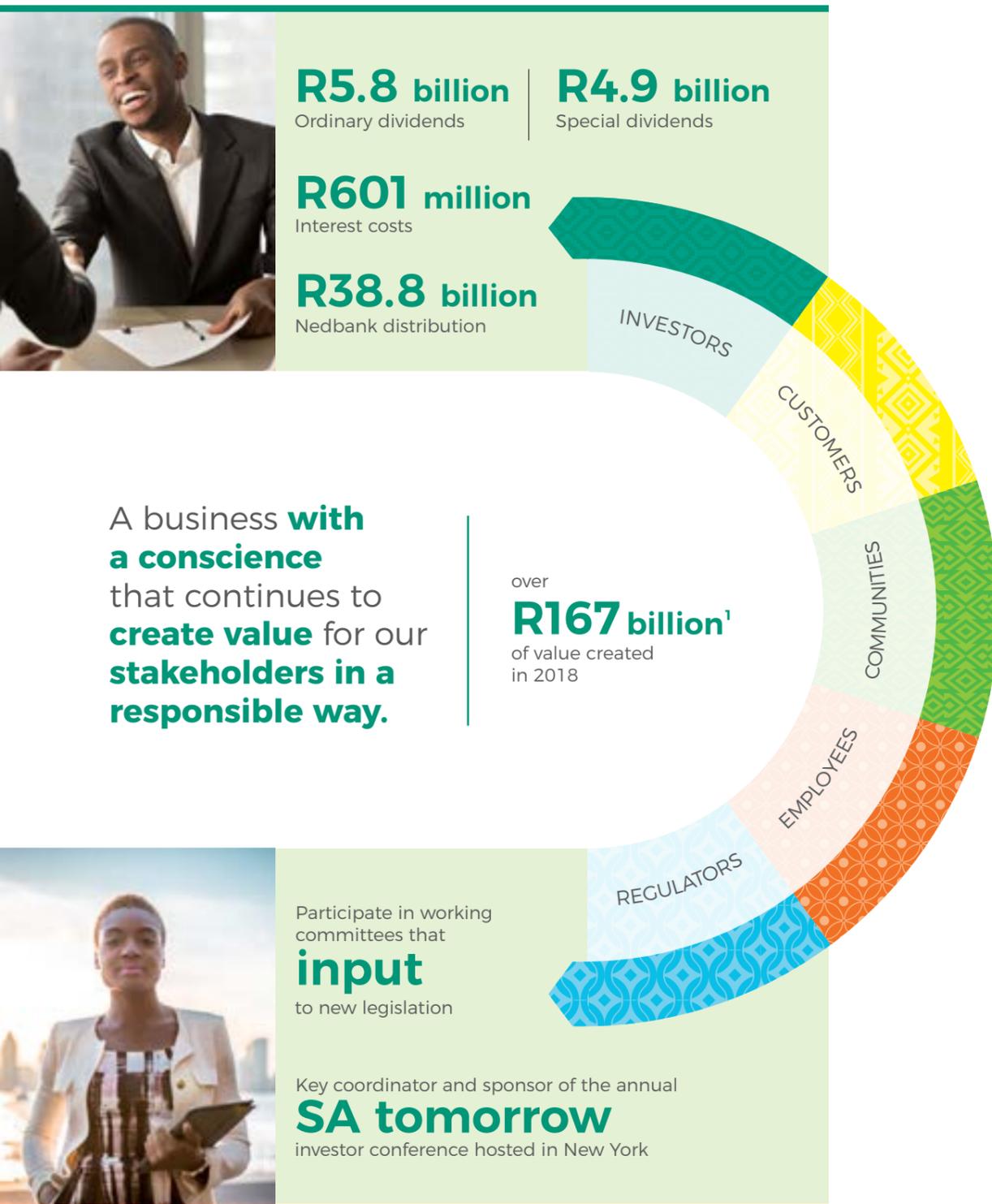
Addressing their interests and concerns

The Regulator expects us to operate within legislative and regulatory frameworks, ensuring that prudential requirements are met and customers are treated fairly.

We seek to proactively engage with regulators and lawmakers to influence the enactment and amendment of laws to give better outcomes for our customers, employees and investors. We seek to build and maintain good relationships with governments in the countries we operate in and to engage with governments that violate laws or human rights.

We are committed to participate and contribute to professional bodies and industry associations in the financial services sector to be part of the solution in matters that affect our key stakeholders.

VALUE CREATED FOR OUR STAKEHOLDERS IN 2018



¹ Includes ordinary and special dividends declared, the Nedbank distribution, taxes paid, amounts paid in claims and benefits and salaries paid to employees

CUSTOMERS

R91.5 billion
Paid in claims and benefits

34
Digital products available online

Old Mutual voted **1st** in the category "**Consumer: Long Term Insurance**" in the 2018 Sunday Times Top Brands Survey

Old Mutual call centre ranked **#1** in the industry



COMMUNITIES

Staff payroll giving **R2 million**

Responsible investments made **R100.5 billion²**

Financial education spend **R37 million**

Taxes paid (R billion)

- Company tax: 1.4
- PAYE: 2.1
- VAT: 4.4
- Other: 6.2



EMPLOYEES

Salaries and benefits paid **R11.5 billion**

We have one of the most **transformed** leadership teams in the insurance industry

Staff training spend **R92 million**

R10,000 worth of Old Mutual shares awarded to permanent employees, as part of the broad based employee share plan



² Includes R23.9 billion invested in renewable energy, R60.5 billion invested in infrastructure and R16.1 billion invested in affordable housing

RISK MANAGEMENT

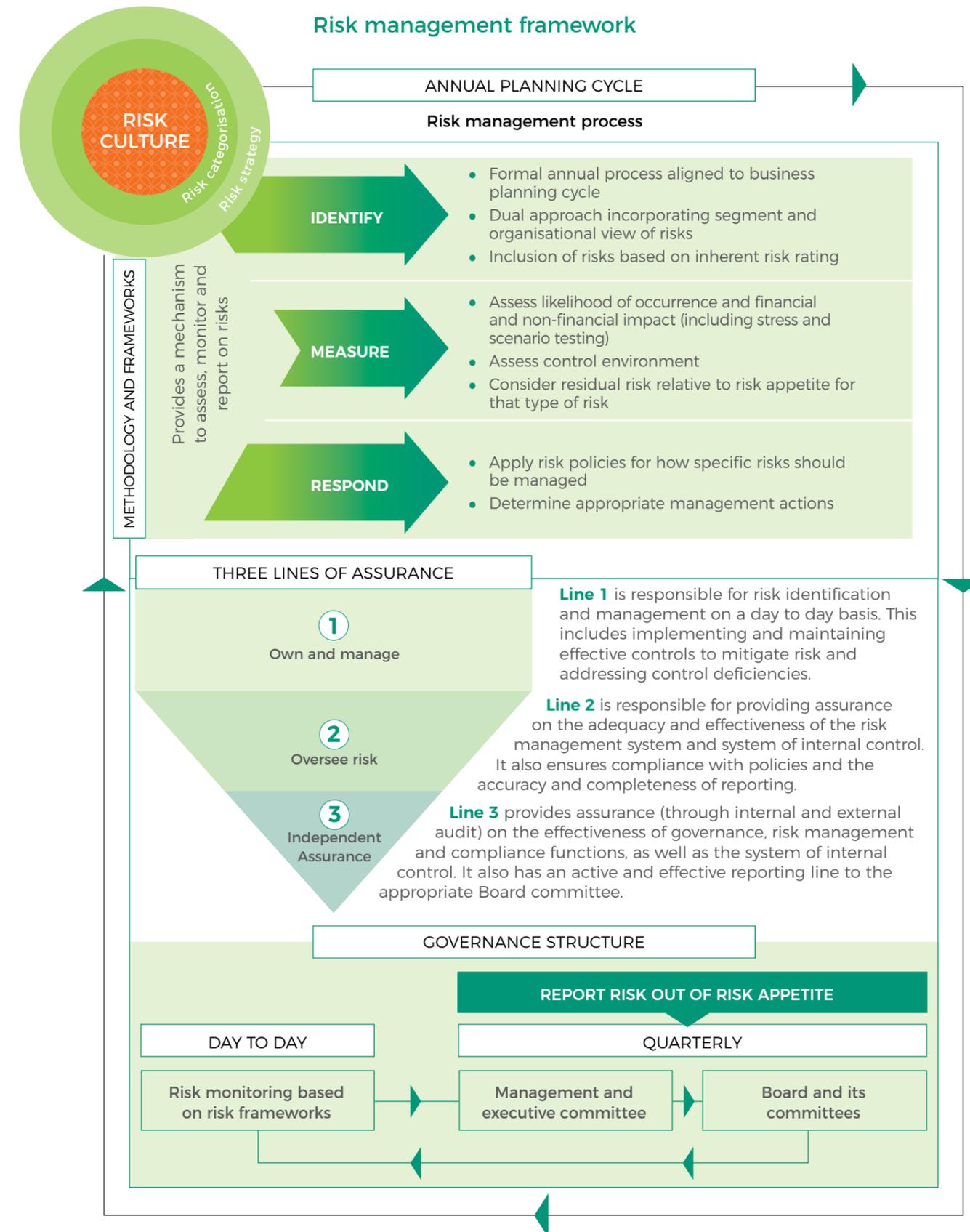


“ The listing of Old Mutual Limited allowed us to reassess our risk strategy and identify the culture shifts required to enhance value creation by making better risk and capital based decisions. The Group has undergone a strategic change programme which has resulted in a significant upgrade to our risk management framework to ensure that the risk management capability is a competitive strength that is embedded throughout the organisation. ”

Richard Treagus
Chief Risk Officer

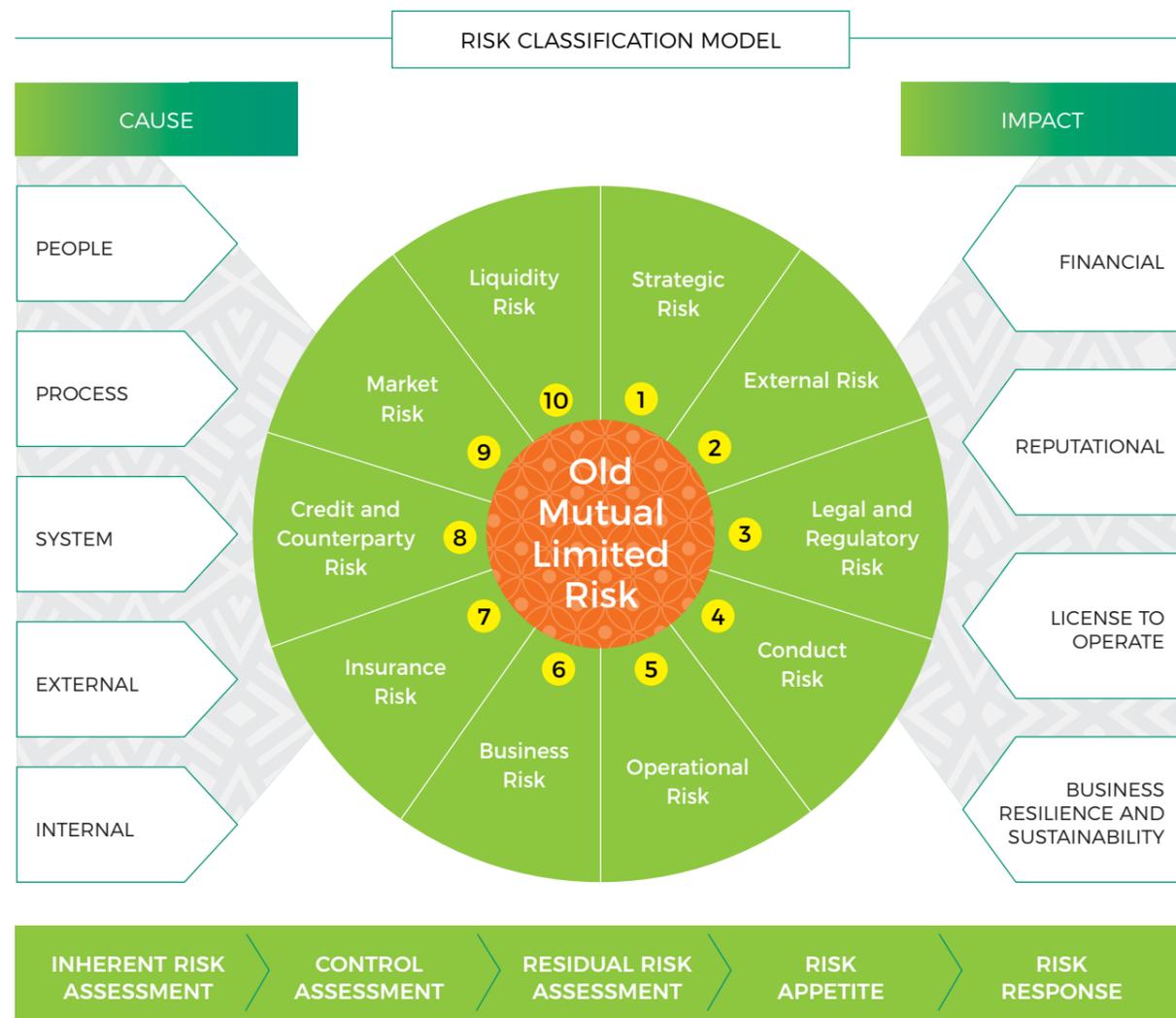
Risk Strategy

Our risk strategy aligns with our vision to become our customers' most trusted partner and help them reach their financial goals. In order to provide protection for our customers and good value for money, we need to accept certain risks on their behalf. The risk strategy informs our risk appetite which determines how much of a certain type of risk the Group is prepared to take on. It supports the overall business strategy to ensure a disciplined and balanced approach to risk based strategic decision making, opportunity assessment and capital allocation. We believe this approach leads to higher and sustainable returns on a risk adjusted basis and sustainable delivery on customers' promises whilst avoiding negative surprises.



Risk Management Process

A uniform risk classification model allows for the analysis, aggregation and reporting of risks in a structured manner across the Group. It forms the basis for risk identification and focuses on the inclusion of risks based on their inherent risk rating. This provides assurance that all key risks and the related control environment, are being assessed, reviewed and reported on regularly to ensure that it still reflects the types of risks facing the Group. A causal model ensures that the key causes of risks are being considered in order to enhance the control environment which will improve day to day risk management. Considering the size and complexity of our organisation and our stakeholders, we recognise that risks cannot only be considered on a financial basis. Non financial considerations are taken into account when evaluating the impact a risk could have on the organisation.



The risk identification process is a formal annual process aligned to the business planning cycle. The quarterly risk cycles focuses more on the monitoring of risk events, changes in the internal and external environment, our control environment and mitigating actions being taken.

In accordance with the risk methodology and frameworks, inherent risks are measured by assessing the likelihood of occurrence and the impact it may have on the organisation. An assessment of the control environment determines residual risk ratings which are then compared to risk appetite as outlined in our risk policies. The basis for risk reporting at all levels in the organisation is shifting from a focus on risks with the highest residual ratings to risks that are outside of appetite or reaching early warning thresholds.

The table below describes the Group's key risk categories and the corresponding appetite for each of these categories.

RISK TYPE	DESCRIPTION	RISK APPETITE
1 Strategic Risk	The risk that discretionary decisions are made that adversely affect future earnings or the sustainability of the business.	We have a very low appetite for a lack of strategic response to risks that seek to disrupt or render our business ineffective or uncompetitive.
2 External Risk	Risks outside the control of the Company which are difficult to predict or manage.	We have low appetite for not timeously adapting to external risks and all levels of management are expected to mitigate such risks, and take advantage of opportunities they may pose.
3 Legal and Regulatory Risk	Risks of not applying or conforming to the law, or breaching laws, regulations or directives, resulting in fines, sanctions, reputational damage or financial loss.	We will aggressively manage our legal and regulatory risks as we have a significantly low appetite for decisions based on patently incorrect legal arguments or contempt of legal principles and the deliberate non-compliance of regulatory requirements. We have no appetite for being uninformed of regulatory changes that could have a material impact on our business objectives, operations and reputation.
4 Conduct Risk	Risk of unfair customer outcomes arising from any element of the conduct risk life cycle, including product design to advice and after sales services provided.	We will aggressively manage our conduct risk as we have a significantly low appetite for poor decision making or a culture that undermines fair customer outcomes or market integrity. We have no appetite for any risks that could materially affect our reputation.
5 Operational Risk	Risks of loss due to an inadequate or inefficient workforce, failure of processes or systems or the occurrence of external events.	We will aggressively manage our operational risks as we have a significantly low appetite for events and activities which can lead to reputational issues, business disruptions, poor customer outcomes and unplanned expenditures.

MATERIAL MATTERS, RISKS AND OPPORTUNITIES

We have identified the material matters as those issues which currently pose the most material risk to our ability to generate and create value for our stakeholders. These matters are expected to change over time as the macroeconomic environment in which we operate changes, new trends develop and the needs and expectations of our stakeholders evolve.

RISK TYPE	DESCRIPTION	RISK APPETITE
6 Business Risk	Risk that business performance will be below projections as a result of negative variances in new business volumes and mix, margins, lapse experience or expenses.	We recognise that these risks are natural consequences of doing business and we can adequately manage them through good business processes, practices and disciplines which lead to a moderate risk appetite.
7 Insurance Risk	Risk of adverse losses due to inadequate underwriting, pricing, reserving assumptions or volatile claims experience materially impacting earnings and capital. Insurance risk includes mortality, disability, longevity and property and casualty risks.	We readily accept these risks as we will aggressively pursue opportunities aligned to our business strategy and core competencies, whilst employing strong risk management actions such as reinsurance, diversification and obtaining the necessary skills and experience.
8 Credit and Counterparty Risk	Risks of non-payment or settlement of an obligation by a counterparty under the terms of an agreement, or the change in value of a credit asset as a consequence of a deterioration in the credit quality of a counterparty.	We have a moderate appetite for credit risk where it supports our business strategy or our insurance product offerings, otherwise only selectively if it optimises risk adjusted returns to shareholders. We have no appetite for credit risk if it is not supported by our excellent credit risk management practices and expertise.
9 Market Risk	Risks relating to adverse changes to the balance sheet or future earnings resulting, directly and indirectly, from fluctuations in the market prices of financial instruments.	We accept the volatility in asset based fee income resulting from fluctuations in the market prices of customer portfolios. The shareholder capital portfolio may be exposed to some market risk if this optimises risk adjusted returns for shareholders over the long term. Market risks arising from guaranteed insurance contracts and underlying investment guarantees have to be mitigated to ensure limited residual risk.
10 Liquidity Risk	Risks that available liquid assets will be insufficient to meet changing market and business conditions, liabilities, funding of asset purchases, or an increase in customer demands for cash.	All the entities within the Group manage liquidity risk within agreed liquidity risk limits to ensure that sufficient funding and liquidity resources are available to meet our financial obligations in normal and stressed conditions.



VOLATILE AND UNCERTAIN ECONOMIC AND POLITICAL ENVIRONMENT IN MANY REGIONS WHERE WE OPERATE

Our reported profit and net asset value levels are highly dependent on macroeconomic factors such as equity market levels, inflation and interest rates in each of the key markets where we operate. The extent of the impact on our financial results and ability to create value is dependent on our ability to manage these factors and the impact they have on all stakeholders.

Most of the markets we operate in are characterised by volatile equity markets and in some, low economic growth. South Africa faces low GDP growth, a persistently high rate of unemployment and an increasing tax burden due to a large fiscal deficit, all of which contribute to lower disposable incomes for our customers. This adversely affects customer acquisition and persistency, especially in the middle income market. The Eskom crisis is likely to put further downwards pressure on economic growth. Inflation continued to remain within the South African Reserve Bank target range at a 12 month average of 4.6% for 2018.

In Zimbabwe, equity markets were volatile, with a 50% rise in equity market levels resulting from increased demand due to a lack of confidence in cash assets associated with currency uncertainty. Macroeconomic indicators in Kenya remained broadly stable in 2018, with overall inflation within target, and GDP and interest rates remaining low. In Nigeria, economic growth accelerated in the third quarter of 2018, assisted by improved oil output in the second half of the year.

Furthermore, there is heightened political risk in some markets due to recent and upcoming election activity, which may affect economic policy. National elections are planned for 8 May 2019 in South Africa and elections in several other key markets are also planned for 2019.

GDP forecast for 2019	
South Africa	1.4%
Sub Saharan Africa	3.5%
Zimbabwe	4.2%
Nigeria	2.0%
Chana	7.6%
East Africa	6.1% – 7.8%

Source: International Monetary Fund



PROTECTING ASSET VALUE IN ZIMBABWE

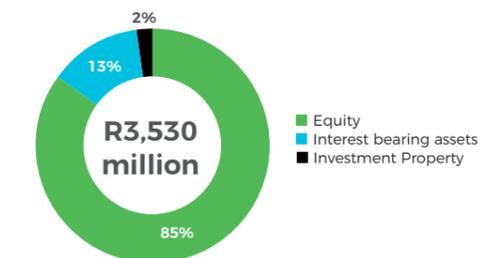
During 2018, the reported profits and net asset value of the Group have been negatively impacted by the change in functional currency in respect of our business in Zimbabwe.

The continued US dollar shortages experienced in Zimbabwe have led to the increased use of electronic transactions. This is facilitated through the Real Time Gross Settlement (RTGS) system, a mechanism for the settlement of non cash transactions, which resulted in the use of RTGS as the term for currency held in bank accounts. The heightened use of this mechanism gave rise to parallel market activities and multiple pricing mechanisms where Bond Notes and RTGS traded at a discount to the official US dollar exchange rate. On 20 February 2019 the Reserve Bank of Zimbabwe (RBZ) announced that RTGS would be recognised as an official currency and that a formal inter-bank foreign exchange market would be established to formalise trading in RTGS balances with other currencies.

In line with industry consensus on this matter, we applied a change in the functional currency of our businesses in Zimbabwe from 1 October 2018, being the date the RBZ directed all banks to ring fence Nostro foreign currency accounts (FCAs) by separating them into two categories, namely Nostro FCAs and RTGS FCAs. We estimated a RTGS exchange rate of 3.3 to the USD and this rate has been used to translate the results and net asset value of the business. The rate was estimated based on assessing various inputs that influence inflation, and included inputs such as relative food and fuel prices and the premium at which the Old Mutual and PPC shares traded on the Zimbabwe Stock Exchange versus the Johannesburg Stock Exchange. This change reduced Results from Operations by R223 million, Adjusted Headline Earnings by R1.5 billion and IFRS Net Asset Value by R5.7 billion.

Rm	Before functional currency change	Reported FY 2018
Results from Operations	1,047	824
Shareholder investment return	3,262	1,772
Adjusted Headline Earnings before tax and non-controlling interests	4,309	2,596
Shareholder tax	(331)	(261)
Non-controlling interests	(237)	(139)
Adjusted Headline Earnings	3,741	2,196
IFRS Net Asset Value	8,126	2,407

Invested shareholder assets by asset class - Zimbabwe (%)



Response

We continue to offer financial advice to customers that helps them to navigate the tough economic environment. We continue to improve our cost efficiency in adverse conditions. For listed equities held in our shareholder asset portfolio in South Africa we limit capital losses through the use of a hedging programme. Our hedging strategy is executed in the form of a zero-cost collar where the downside is limited to 5%-15% whilst capping the upside. Also refer to the material matter which deals with protecting asset value in Zimbabwe.

Opportunities

We believe that the Group has a strong and resilient balance sheet and is therefore able to withstand a period of weak economic growth and take advantage of value opportunities that arise. In tougher market conditions, the business is forced to become more operationally lean and efficient and this creates a strong platform for growth when conditions improve.

Associated Risks

- 1 Strategic
- 2 External
- 6 Business
- 9 Market
- 10 Liquidity

Response

From 2019 onwards we will manage Zimbabwe on a ring fenced basis to preserve customer and shareholder value. We will employ careful operational and capital management through the economic uncertainty to preserve asset value and be in a position to take advantage of economic growth when it returns.

Opportunities

We are reviewing the opportunities for repatriating some of the trapped capital now that there is a floating exchange rate. Management of the Zimbabwe business remains sound and we will endeavour to protect this business and play a constructive role in helping rebuild Zimbabwe's economy.

Associated Risks

- 1 Strategic
- 2 External
- 4 Conduct
- 5 Operational
- 6 Business
- 9 Market
- 10 Liquidity

OPERATING IN A DIGITAL AGE

Our customers' needs are evolving at a rapid pace in a fast changing world. Our customers' expectation is that their needs are met via the channel of their choice and that quick and easy service is provided. If we do not continually adapt to the pace of our customers' rapidly changing expectations, we risk becoming uncompetitive which could negatively impact our earnings streams and market share. It is imperative that we service customers and intermediaries in ways and at the pace they expect in a digital era if we are to grow our customer numbers and our share of wallet.

We face competitive pressure from the introduction of new technologies and business models, from both traditional and non-traditional technology driven companies. If we fail to provide an end-to-end slick digital experience for our customers or if the simplification of our IT estate takes longer than expected, we may lose ground to competitors who manage to introduce enhanced propositions faster than we can.

Being a digital business requires us to take responsibility to protect our systems and customer information from cyber attacks. These threats could result in operational losses, business interruptions, loss of critical company or customer data and consequently reputational damage. In light of heightened cybersecurity threats globally, we need to aggressively safeguard the business and protect our customers' interests, by maintaining and investing in robust and sophisticated protection tools to counter attacks from cybercriminals and hackers.



“ Cyber crime is the greatest threat to every company in the world.”
Ginni Rommety, IBM

DELIVERY AND EXECUTION TO BUILD LONG TERM COMPETITIVE ADVANTAGE

We have embarked on our journey as a newly listed entity with renewed momentum and commitment to execute our strategy. We realise that we need to drive deep cultural change to ensure that our Group is future fit and can execute on its strategy. We have identified required culture shifts that need to be embedded in the organisation to remain relevant in a fast changing landscape. If we fail to make these changes as an organisation we risk losing market share to our competitors.

We believe that to remain competitive in the market we need to attract and retain top talent. We are improving the overall employee experience and motivating our employees to be more purposeful, to increase the attractiveness of Old Mutual as an employer of choice. If we are not able to attract and retain people with new skills we may fail to be relevant to our customers in the future.

Project Pulse engaged

6,000

Employees

through face to face engagement and

3,900

Employees

through a



NEW PRODUCTS INNOVATION

- 22seven now able to link to more than 1,800 crypto currencies in rands
- Dream Enabler, a new mobile sales and servicing application
- Swiftcare, an emergency mobile application
- Easy Plus, a new online funeral plan

Response

We have made great progress on the simplification of our IT estate and have embarked on an end-to-end journey to digitalise the customer and intermediary journey. We launched MyOldMutual, our new secure customer portal, which provides digital access to 34 products. We continue to invest in innovative solutions to expand our digital product offerings to customers and improve their overall experience.

We have established strategic partnerships that have aided us to roll out innovative technology at a quicker pace. These partnerships have enabled us to accelerate the rollout of Artificial Intelligence (AI) and chatbots in South Africa and Rest of Africa. A combination of well considered service model enhancements that include the rapid adoption of AI technologies such as robotic process automation (RPA), chatbots and ongoing system automations were key enablers to improving our customers' service experience.

We have established new cyber resilience capabilities and are continually improving the organisation's defences against cyber threats.

Opportunities

As a recognised player in the financial services industry we are well positioned to build long term competitive advantage in the markets we operate in. We are investing in capabilities to transform Old Mutual into a true digitally enabled business.

Associated Risks

- 1 Strategic
- 2 External
- 4 Conduct
- 5 Operational

Response

There is a big drive to embed an internal culture change that will translate to an attractive and competitive brand externally.

We believe that digital enablement of the employee experience is required to drive greater levels of efficiency and to create an attractive value proposition for employees who will in turn build new digital customer solutions.

We are enhancing our reward and benefit structures to attract, retain and motivate key talent to attracting and retaining top talent will differentiate us from our competitors in the market.

Opportunities

The excitement brought on by our listing in 2018 positions us well to build on this established momentum and attract new talent. We are committed to driving a culture of customer focused innovation, execution and delivery to meet our promises made to investors.

Associated Risks

- 1 Strategic
- 2 External
- 5 Operational
- 6 Business

IMPROVING RETURNS IN REST OF AFRICA

A large part of our business operations in South Africa are relatively mature, where we hold a leading market share, however GDP growth rates are forecast to remain low in the near future. The growth opportunities in key markets where we are invested in Rest of Africa remain attractive considering higher GDP growth rates and large populations and therefore it is attractive to continue to invest in these markets. To date, returns have been negative or low when compared to the cost of capital invested in our operations in East and West Africa.

Entering a new market is characterised with higher upfront costs, investment and risk whilst obtaining an understanding of the operating environment. The period of integration in East Africa has taken longer than expected to fully align our operating model to the local operating environment, including distribution channels, regulatory requirements and local stakeholders.

We experienced significant delays in obtaining our bancassurance license in Nigeria which contributed to poor operational results despite the moderate economic recovery as a result of rising oil prices. We are continuously evaluating the economic and operating environment in West Africa to deliver the best outcome for shareholders. If we conclude that we are not in a position to remediate the operating model we will evaluate our options to limit losses to shareholders.



Rest of Africa

Southern Africa

Botswana		
Malawi		
Namibia		
eSwatini		
Zimbabwe		

East Africa

Kenya		
Rwanda		
South Sudan		
Tanzania		
Uganda		

West Africa

Ghana		
Nigeria		

INCREASING DEMANDS DUE TO CHANGING REGULATORY ENVIRONMENT

In the aftermath of the global financial crisis, we have seen an increase in new regulations applicable to our organisation, including the implementation of the Twin Peaks Regulatory Framework during 2018. The regulatory landscape continues to evolve to address concerns surrounding systemically important financial institutions (SIFIs). These regulations serve to protect customers, improve transparency and the soundness of the industry.

The implementation of new regulation does come at an increased cost to the business as we update our financial and operational management processes to ensure that we are compliant and have processes in place to monitor adherence to requirements. This increased regulation places additional pressure on governance and risk management processes and on employees' existing workloads. The increased cost could potentially impact our customers through increased pricing or our investors through reduced operating margins. The introduction of regulatory revenue caps puts pressure on the revenues we expect to earn.

The increased complexity associated with the implementation of new accounting standards, most notably IFRS 9 – Financial Instruments during 2018, contributes to the changing environment we face. We will use the learnings from this in our planning for the new insurance accounting standard IFRS 17 – Insurance contracts, which is effective for periods beginning on or after 1 January 2021.



Response

In West Africa, we have appointed new leadership to formulate an executable and credible business plan that supports the capital that we are deploying in this business.

Good progress has been made on the turnaround of our East Africa operations and we made an operating profit for the first time in 2018 since the acquisition of UAP. We continue to focus on remediation of our property and casualty insurance book, better occupancy rates in properties and improvements in our business processes, all of which contributed to the turnaround. We also completed a staff reorganisation which was facilitated through the automation of several processes and merging of disparate IT systems. We continue to strengthen our leadership team and enhance our control environment.

Opportunities

Attractive returns can be delivered to shareholders if we can streamline operating models and capitalise on the growth potential of these significant African markets.

Associated Risks

- 1 Strategic
- 2 External
- 3 Legal and Regulatory
- 5 Operational
- 6 Business
- 7 Insurance
- 8 Credit and Counterparty

Response

We are committed to regulatory reform and support the evolution of regulations that are focused on protection of customers and improve capital and liquidity management.

Opportunities

Regulatory changes provide opportunities to redesign and improve customer processes in ways that provide them with greater confidence in the industry, thereby facilitating growth. We seek to implement new regulatory requirements in ways that enhance customer experience and provide greater protection for all stakeholders.

Associated Risks

- 3 Legal and Regulatory
- 4 Conduct



03

PERFORMANCE

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REFRESH OUR TECHNOLOGY

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BEING A RESPONSIBLE BUSINESS

GROUP FINANCIAL HIGHLIGHTS



“Despite tough economic conditions in our key markets during 2018, we managed to deliver all but one of our targets and continue to make good progress on our cost efficiency leadership target. We are making good progress in simplifying the balance sheet to support our future capital plans.”

Casper Troskie
Chief Financial Officer

Overview

We delivered our 2018 financial results in tough economic and market conditions in our key markets. Strong sales and excellent Net Client Cash Flow (NCCF) supported average FUM levels which rose in the year. Closing FUM of R1,044 billion declined by 3% from the end of 2017, largely reflecting lower equity market levels in the fourth quarter.

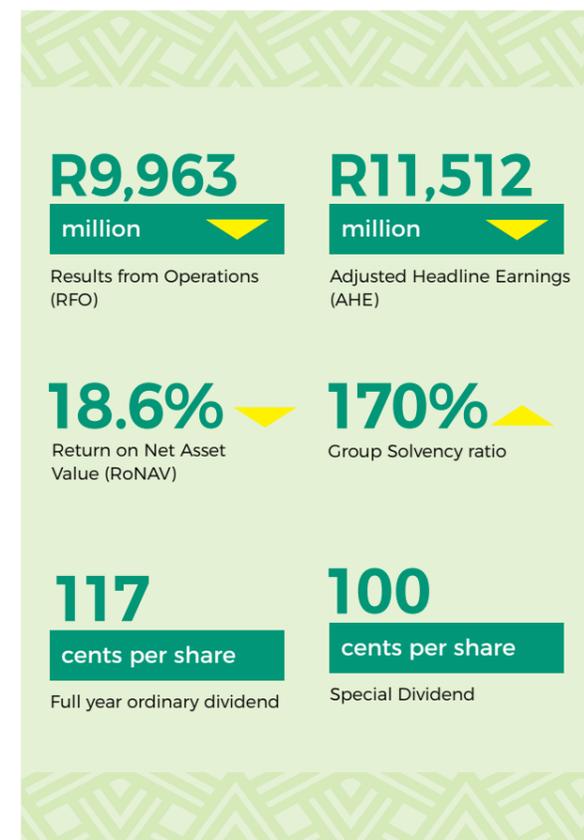
RoNAV of 18.6% was ahead of our Cost of Equity (COE) +4% target of 17.4%.

RFO of R9,963 million decreased by 4% over the period reflecting net reserve movements, and mortality and morbidity losses in Personal Finance in the first half of 2018 and the change in functional currency in Zimbabwe.

We delivered AHE of R11,512 million, a decrease of 11% compared to the prior period. The primary cause of this was the lower RFO, lower investment income in South Africa as a result of weaker equity markets and the change in functional currency in the fourth quarter in Zimbabwe. This decrease was partially offset by higher income from associates, reflecting higher earnings from our stake in Nedbank.

We have delivered R750 million of recurring cost savings, putting us in a good position to meet our R1 billion cost efficiency target in 2019.

The Group Solvency ratio increased to 170% (FY 2017: 161%), reflecting the robust capital position of the Group.



Adjusted Headline Earnings

Rm	2018	2017	% change
Operating segments	10,388	10,873	(4%)
Central expenses	(425)	(506)	16%
Results from Operations	9,963	10,367	(4%)
Shareholder investment return	2,880	4,920	(41%)
Finance costs	(601)	(622)	3%
Income from associates	2,593	2,305	13%
Adjusted Headline Earnings before tax and non-controlling interests	14,835	16,970	(13%)
Shareholder tax	(2,947)	(3,535)	17%
Non-controlling interests	(376)	(488)	23%
Adjusted Headline Earnings	11,512	12,947	(11%)

Segment contributions

Mass and Foundation Cluster

Mass and Foundation Cluster contributed 31% (FY 2017: 29%) to the Group's RFO. This was supported by an increase in Life APE sales due to higher average adviser headcount and improved productivity. The segment's positive growth in the loan book, due to improved productivity as a result of process enhancements in the customer take on process also contributed positively to the Group's RFO.

Personal Finance

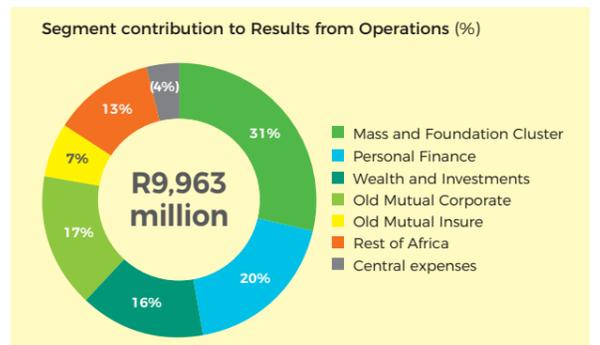
Personal Finance contributed 20% (FY 2017: 30%) to the Group's RFO. The decrease in contribution was due to poor performance as a result of net positive reserve releases in 2017 that were not repeated in 2018 and higher than expected death and disability claims in H1 2018.

Wealth and Investments

Wealth and Investments contributed 16% (FY 2017: 14%) to the Group's RFO. This was driven by strong growth in the Alternatives business due to higher annuity revenue, higher asset origination levels in Specialised Finance and positive growth in annuity revenue.

Old Mutual Corporate

Old Mutual Corporate contributed 17% (FY 2017: 15%) to the Group's RFO. This was driven by good flows, including increased standalone to umbrella conversions as well as better group risk underwriting experience, lower claims volumes and improved group income protection pricing.



Old Mutual Insure

Old Mutual Insure contributed 7% (FY 2017: 5%) to the Group's RFO. This was driven by the improved underwriting margin due to improved claims process efficiencies and procurement optimisation. This was also supported by the general environment in a benign claims environment with lower catastrophe losses.

Rest of Africa

Rest of Africa contributed 13% (FY 2017: 10%) to the Group's RFO. This was driven by the growth in the Life and Savings, Asset Management and Banking and Lending lines of businesses. Strong Life APE sales were driven by increased adviser productivity in Southern Africa, improved expense management in East Africa and growth in loan books across the regions.

Central expenses

Central expenses were lower following a change in the Group's central cost allocation methodology which led to the allocation of project expenses to segments, offset by higher costs to capacitate reporting and management functions for Old Mutual Limited as a standalone listed entity.

Summarised consolidated income statement

Rm	2018	2017
Net earned premiums	72,046	65,630
Investment return (non-banking)	20,511	94,232
Banking interest and similar income	4,532	4,118
Fee and commission income, and income from service activities	11,031	9,990
Other income ¹	1,757	1,957
Total revenue	109,877	175,927
Net claims and benefits incurred	(59,881)	(87,383)
Change in investment contract liabilities	5,855	(30,358)
Fee and commission expenses, and other acquisition costs	(9,773)	(8,873)
Operating and administrative expenses	(25,845)	(25,052)
Other expenses ¹	(12,331)	(17,146)
Total expenses	(101,975)	(168,812)
Income from associated undertakings' and joint ventures' profit/(loss) after tax (Loss)/profit on disposal of subsidiaries, and associated undertakings	550	(23)
Profit before tax	8,450	7,122
Income tax expense	(3,453)	(3,741)
Profit after tax from continuing operations	4,997	3,381
Profit after tax from discontinued operations	37,711	16,983
Profit after tax for the financial period	42,708	20,364

¹ For presentation purposes certain income and expense lines have been collapsed

COMMENTARY

TOTAL REVENUE

Total revenue decreased by 38% to R110 billion. Although there was a 10% increase in net earned premiums to R72 billion, this was more than offset by weaker market performance resulting in negative investment returns in the South African, Namibian and East African businesses.

TOTAL EXPENSES

Total expenses decreased by 40% to R102 billion as a result of the decrease in the change in investment contract liabilities and net claims and benefits expenses. Change in investment contract liabilities is a negative expense of R6 billion (FY 2017: R30 billion), largely due to the weaker market performance experienced. Net claims and benefits decreased by 31% to R60 billion due to improved Group risk underwriting experience in Old Mutual Corporate and the impact of weaker market performance.

PROFIT FROM DISCONTINUED OPERATIONS

Discontinued operations are made up of Nedbank, Quilter, Latin America and Old Mutual Bermuda. Profit after tax from discontinued operations includes 6 months of Quilter profit, 9.5 months of Nedbank profit and profits from the Latin American businesses and Old Mutual Bermuda for the full year. The 122% increase to R38 billion is largely driven by the profit of R23.2 billion on the unbundling of Nedbank and the distribution of Quilter during FY 2018.

Summarised consolidated statement of financial position

Rm	2018	2017
Total assets	884,455	3,046,886
Total liabilities	803,035	2,863,441
Net assets	81,420	183,445
Shareholders' equity		
Equity attributable to equity holders of the parent	78,021	136,678
Ordinary shares	3,399	40,910
Preferred securities	-	5,857
Total non-controlling interests	3,399	46,767
Total equity	81,420	183,445

COMMENTARY

NET ASSETS

Total assets decreased by 71% to R884 billion whilst total liabilities decreased by 72% to R803 billion. This was largely driven by the Nedbank and Quilter businesses, which were both classified as held for distribution in FY 2017 and did not form part of the Group's balance sheet for FY 2018.

TOTAL EQUITY

Total equity decreased by 56% to R81 billion. The decrease in equity was driven by the unbundling of Nedbank and the distribution of Quilter. 32% of Nedbank was distributed at fair value on the date of unbundling, which reduced total equity. The demerger of Quilter resulted in a further reduction in equity, partially offset by IFRS profit after tax for FY 2018 of R43 billion.

Capital management

We actively manage the supply and demand of the Group's capital to maximise shareholder value, within our risk appetite. In achieving this objective, we balance the requirements of our key stakeholders including investors, regulators and customers. In terms of the supply of capital, we manage debt and equity levels to minimise the weighted average cost of capital, within our risk appetite, which allows the Group to maintain strong interest coverage and an acceptable leverage ratio post a moderate stress event. Our target gearing ratio is in the range of 15% to 20%. In terms of capital demand, RoNAV serves as the Group's key capital efficiency measure for directing capital investments. We aim to maximise shareholder value by deploying capital to entities and initiatives that are able to deliver a RoNAV that supports the Group in achieving its target of cost of equity +4%.

The Group has a solvency capital coverage ratio target of 155% - 175%. The range has been set to ensure that we maintain a strong balance sheet to protect policyholders whilst returning excess capital to shareholders. As at 31 December 2018, the Group had a capital coverage of 170% which is within the target ratio. All material entities within the Group have solvency capital coverage targets to ensure that appropriate capital is held where risks are managed. The risk appetite and requirements of relevant regulators, customers and other key stakeholders are considered when determining the level of capital that is required for the relevant entities.

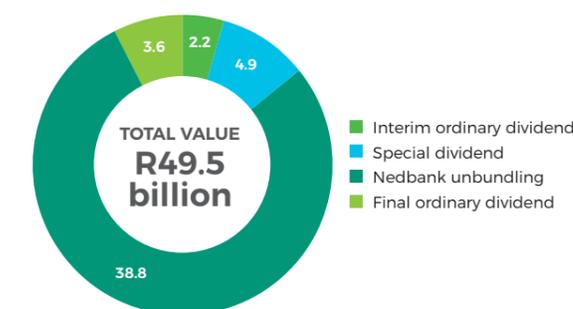
Return on Net Asset Value (RoNAV) (%)



We target a dividend cover, based on AHE, of 1.75x to 2.25x. When determining the appropriateness of a dividend, we consider the underlying cash generated from operations, fungibility of earnings, targeted liquidity and solvency levels as well as the Group's strategy.

On 21 February 2019, Standard & Poor's (S&P) affirmed a South African National Scale Rating of zaAAA for OMLACSA and zaAA- for its subordinated debt. Further to this, S&P upgraded the capital and earnings strength rating of OMLACSA due to continued improvement in OMLACSA's capital adequacy and management.

Value of capital returns (R billion)



Group solvency ratio¹ (%)



¹ Presented on a post unbundling basis, i.e. 19.9% stake in Nedbank

PROGRESS IN 2018

- We are on track to complete the sale of Latin America for \$308 million less estimated transaction, tax and other costs of \$40 million.
- The wind down of the operations of Residual plc is materially complete. Following the liability management exercises undertaken in 2018, there is no outstanding international debt.
- Economic surplus as at 31 December was R4,044 million, of this, R1,793 million is the estimated remaining surplus available for distribution after allowing for approved risk buffers and contingency reserves. The run off contingent risk will take a few years.
- Following the consideration of our capital position at the end of the year, the Board has approved a rolling share buyback of approximately R2 billion over the next 12 months.

MASS AND FOUNDATION CLUSTER



“ We have delivered strong results for 2018, despite a challenging economic environment. We are making strides in improving our customer experience, with a noticeable reduction in claims payout time from 24 hours to 8 hours, and 4 hours for those initiated via the Money Account app.”

Clarence Nethengwe
Managing Director

OUR LEADERSHIP TEAM

12	Life and Savings
3	Asset Management
8	Banking and Lending
12	Strategy
11	Risk Management
6	Finance and Audit
10	Sales Distribution
2	Actuarial
10	Operations

DEMOGRAPHICS

- Black male
- Black female
- White male
- White female

Per the DTI definition

WORK EXPERIENCE

283

years of collective experience

Mass and Foundation Cluster operates in the Life and Savings and Banking and Lending lines of business. We provide simple financial services products to customers in the low income and lower middle income markets, which the Group defines as individuals earning R1,000 to R20,000 per month. Old Mutual Finance, our business with the Business Doctor Consortium Limited and its associates, offers unsecured lending and transactional banking products, and its robust returns and enhanced customer intimacy have enabled us to compete against banks and other non-traditional competitors.

We deliver our products to customers through tied advisers, branches, accredited brokers, franchise advisers, digital marketing and telesales. We have an extensive tied adviser distribution channel comprising over 4,600 advisers who are recruited directly from the communities in which we operate.

3.4 million

Customers

9,918

Employees

4,638

Tied advisers

348

Branches



DEFEND AND GROW MASS AND CORPORATE MARKETS

STRATEGIC PROGRESS IN 2018

- We opened 25 new branches, increasing our total retail branch footprint to 348 branches which supported strong sales in mass market despite ongoing competition from existing players and new entrants.
- We have opened 1 million Money Accounts since inception, with nearly a quarter of the accounts opened to date being active.
- Strong growth in our loan book, with lower credit losses, as a result of an improved loan scoring and acquisition process.
- We have launched our first online funeral policy from as little as R22 per month and the transaction can be completed in under 10 minutes.
- Continuous improvement to funeral claims process to pay funeral claims faster. Payout time has been reduced from 24 hours to 8 hours, and within 4 hours when claims are initiated via the Money Account app.

OUTLOOK FOR 2019

- We will continue to grow our retail branch network and will gradually add to the number of Old Mutual branded ATMs.
- We will roll out the One Financial Plan, an advice enablement tool, to our tied agent force that will further strengthen our advice value proposition.
- We remain vigilant on our collections experience on both insurance and lending businesses as we continue to lend responsibly.
- We will highlight appropriate features in our product solutions such as premium holidays and premium cash backs to support our customers during the tougher economic times.
- We will continue driving cost and operational efficiency across our value chain.

VALUE CREATED IN 2018



R5.6 billion

Claims and benefits paid

In order to defend our market share we ran promotions on our funeral range which had a negative impact on VNB in 2018.

Credit life rate caps came in to place during 2017. We adopted risk adjusted pricing for credit life in 2018 with the average rate decreasing relative to 2019.

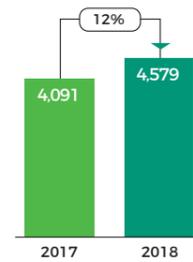
TRADE-OFFS

Operating environment in 2018

- Challenging macroeconomic environment
- Increased competitor activity
- Consumers remain under pressure as a result of lower disposable income driven by:
 - High unemployment rates
 - VAT increases
 - Fuel price increases

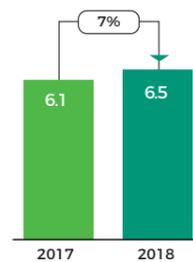
OUR FINANCIAL PERFORMANCE IN 2018

Life APE Sales (R million)



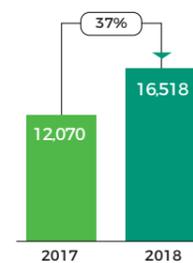
Life APE Sales of R4,579 million showed strong growth, despite the expected moderation that took place in H2 2018 due to continued pressure on the customer. The increase in Life APE sales of 12% is largely due to growth in adviser headcount and productivity, premium increases and higher credit life sales on the back of growth in loans disbursed.

NCCF (R billion)



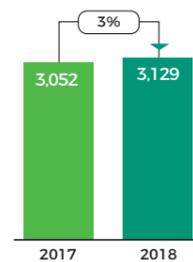
NCCF increased by 7% to R6.5 billion from R6.1 billion in the prior period. This was driven by the strong growth in Life APE Sales, annual premium increases on in-force book, combined with the good growth in savings flows into Money Accounts.

Loans and advances (R million)



Gross loans and advances increased by 37% to R16,518 million. Process enhancements in terms of customer take on increased consultant productivity and we deployed a more risk sensitive scorecard that aligned the market offering to terms of our customer base. This allowed us to better compete and achieve significant growth in lower risk scored customers while keeping overall loan approval rates consistent with prior years.

RFO (R million)



RFO increased by 3% with flat Life and Savings profits and 29% growth in Banking and Lending profits. Life and Savings profits were affected by a 12% reduction in credit life profits following price cuts for lower risk rated customers, less positive year end assumption changes and lower new business profit, despite the impact of positive growth in book and good cost management. Banking and Lending profits mostly benefitted from the decrease in amortisation of acquired intangibles related to Old Mutual Finance compared to 2017. The provision for loans disbursed following the implementation of IFRS 9 - Financial Instruments was higher than it would have been under the previously applicable IFRS standard, however this was more than offset by the unwind of day one transitional provisions as a result of excellent collections experience and improved behavioural scores during 2018.



During the year, we launched the EasiPlus and the EasiPlus Single Adult Family funeral plans on the Old Mutual online platform and the Money Account mobile app. These plans allow you to cover yourself, immediate family members and extended family.

The value of the funeral cover ranges from R5 000 to R70 000 for each individual covered, and the minimum premium you can expect to pay for each covered individual is R22.

These digital offerings represent an improvement in our efforts to improve customers' experience through digital solutions and providing peace of mind. You can get a quote and buy the product using your cell phone, your desktop, or your laptop, when it is most convenient.

Key product benefits and highlights:

- There is immediate cover for accidental death from the moment we accept the application
- Benefits include body repatriation and no medical examination
- If a covered individual dies within six months after the inception of the policy, we will pay a benefit equal to all the premiums we received during the period
- You can miss up to six premiums over the lifetime of the plan through the premium holiday benefit
- Our restart benefit allows the restart of the policy within six months of having stopped paying your premiums. All missed premiums must be paid before the plan can be restarted
- The EasiPlus Funeral Plan counts as a "need met" and increases your Old Mutual Rewards tier status.

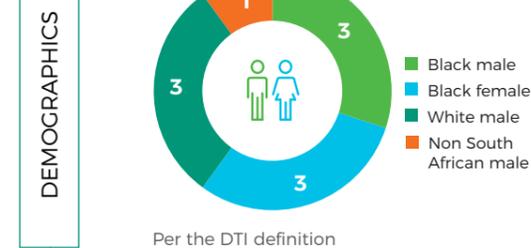
PERSONAL FINANCE



“Our distribution channels performed well, generating substantial gross flows for the Group, despite intense competition in this market. We saw some improvement in mortality experience in the second half of the year.”

Karabo Morule
Managing Director

OUR LEADERSHIP TEAM



225
years of collective experience

Personal Finance provides holistic financial advice and long term savings, investment, income and risk products to the middle income market in South Africa. The Group defines the middle income market as individuals earning between R20,000 and R80,000 per month.

We use multiple distribution channels, including face-to-face and direct channels. Face-to-face channels comprises a tied agency force, independent financial advisers (IFAs) and a franchise channel where franchise principals run their own advice business using Personal Finance's Financial Service Provider licence. The direct channels include the Direct Financial Advice channel, a tele-advice business which provides full advice and single needs selling across all products and Old Mutual Insure. It also includes a direct digital channel offering a number of products online, and life insurance through iWyeze, the direct distribution brand in Old Mutual Insure.



¹ Best estimate based on available data



DEFEND AND GROW IN SOUTH AFRICAN PERSONAL FINANCE MARKET

STRATEGIC PROGRESS IN 2018

- We launched a number of initiatives to meet customer needs and enhance our product offering, including the Old Mutual Rewards loyalty programme. In an effort to strengthen our penetration in the middle income market, we have made enhancements to savings and risk propositions.
- Several management actions were initiated to drive sales. These included the re-pricing of guaranteed annuity products and tactical improvements to the pricing of disability and severe illness cover.
- Our distribution channels performed well, generating gross flows of R69.2 billion in 2018 with a contribution of R37.2 billion to Wealth and Investments and R6.5 billion to Old Mutual Corporate.
- We experienced good growth in new digital channels with saving sales up 29% and Life APE sales sold through iWYZE up more than 300%.
- Our adviser force in Old Mutual Finance branches grew by 67% to 315 advisers and we now have presence in over 181 branches countrywide.

OUTLOOK FOR 2019

- We will continue to monitor our claims experience carefully during 2019, despite seeing some improvement in mortality experience in the second half of the year. Management will continue to analyse causes of death, non-disclosure trends and review medical testing practices in response to negative claims experience.
- We are on track to launch a new protection proposition, a technology enabled advice model, in the first half of 2019. This will provide enhanced product features and will simplify and digitise journeys for the intermediaries and customers to improve the overall customer experience.

VALUE CREATED IN 2018



R27.5 billion

Claims and benefits paid

We launched the Old Mutual Rewards Loyalty programme in an effort to strengthen our penetration in the middle income market. We expect the upfront cost incurred in 2018 to create volume in future periods.

Minor profit strain is created by 22seven which creates value by enabling many South Africans to budget easily and have the convenience to monitor their spending in one place using the application.

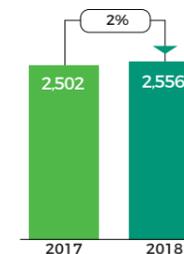
TRADE-OFFS

Operating environment in 2018

- Customer confidence remained subdued in the second half of the year due to a continued weak economic environment
- Lower than inflation average salary increases and VAT and fuel price increases have had an adverse impact on consumer disposable income and customer acquisition and retention, especially in the middle income market
- Intense competition remains a characteristic of this market

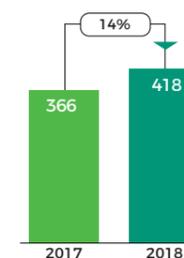
OUR FINANCIAL PERFORMANCE IN 2018

Life APE Sales (R million)



Life APE sales grew modestly by 2% to R2,556 million due to good growth in single premium savings sales and guaranteed annuity sales due to improved pricing. Growth was partially offset by slightly lower recurring premium sales on savings and risk products reflecting pricing competition in the market.

VNB (R million)



VNB increased strongly by 14% to R418 million mainly due to higher sales in annuity products at an improved margin. This was partially offset by lower margin due to mix on other products. The VNB margin increased by 20 bps to 2.6%.

NCCF (R billion)



NCCF for the year was adversely affected by poor claims experience and higher disinvestments. Negative NCCF of R3.6 billion was recorded for the year, a decrease of R0.8 billion from the prior year. Legacy NCCF was recorded at negative R9.8 billion being R0.4 billion lower than the prior year while NCCF related to new generation products was R6.2 billion, also R0.4 billion lower than the prior year.

RFO (R million)



RFO of R2,021 million decreased by 36% when compared to the prior period. Net positive reserve releases that occurred in 2017 were not repeated and had a negative impact on the year on year profit growth rate. Higher than expected death and disability claims, with a number of larger death claims which fell below the reinsurance threshold during the first half of 2018 negatively impacted profit levels. Claims experience was approximately R300 million higher than expected as a result.



OLD MUTUAL REWARDS

THE REWARDS PROGRAMME IS AN INCENTIVE PROGRAMME AIMED AT IMPROVING SOUTH AFRICANS' BASIC FINANCIAL LITERACY

During the year, we launched the Old Mutual Rewards programme to the public. The rewards programme is an incentive programme aimed at improving South Africans' basic financial literacy and rewarding them for good financial behaviour. It is a digital rewards programme, which allows you to use your cell phone or computer to participate.

The programme enables you to earn points, instant rewards or qualify for discounts simply by learning more about finances through videos, quizzes and assessments; understanding your financial wellness, and for taking steps to improve your financial status. You can then use your earned points to reinvest into Old Mutual products you may have, to buy a voucher for use at our rewards partners, to pay for purchases at our rewards partners, buy airtime and data, or to donate to an approved charity.

The aim of the programme is to enable our customers to develop a positive relationship with their finances and provide long term value through up skilling, educating and providing support for the creation and protection of wealth through obtaining appropriate financial advice and demonstrating good financial behaviours.

WEALTH AND INVESTMENTS



“Despite challenging market conditions, we delivered solid operating margin and profit growth. The continued improvement of the investment performance of our core fund range is particularly pleasing.”

Khaya Gobodo
Managing Director

OUR LEADERSHIP TEAM

EXPERTISE

- 7** Life and Savings
- 9** Asset Management
- 2** Banking and Lending
- 8** Strategy
- 7** Risk Management
- 5** Finance and Audit
- 4** Operations
- 3** Corporate Finance
- 5** Responsible Business

DEMOGRAPHICS

- Black male
- Black female
- White male
- White female

Per the DTI definition

WORK EXPERIENCE

243

years of collective experience

Wealth and Investments is one of the largest private wealth and investment managers in Africa. Our business comprises Old Mutual Wealth (Wealth), Old Mutual Investment Group (Asset Management), Old Mutual Alternatives (Alternatives) and Old Mutual Specialised Finance (Specialised Finance).

Wealth is an advice led, vertically integrated retail investment business. Our Asset Management business operates through investment boutiques with diverse capabilities across listed South African and global asset classes. The Alternatives business covers private equity, infrastructure investments, impact investments and international private equity. Specialised Finance manages and supports the origination of credit assets to back the Group's guaranteed products and its Consumer Price Index-linked products.

10

Core funds

1,118

Employees

53%

Of employees

are female

4

of our core multi-asset funds

have **4 star** Morningstar rating



IMPROVE THE COMPETITIVENESS OF WEALTH AND INVESTMENTS

STRATEGIC PROGRESS IN 2018

- We maintained good investment performance in the context of a challenging macroeconomic environment, declining equity markets and high levels of competition.
- Strong retail NCCF was supported by continued improvement in the Wealth proposition and a focus on rebuilding relationships with IFAs.
- The institutional flows in our Asset Management business held steady with marginally positive NCCF.
- Specialised finance delivered a particularly pleasing result with record high transaction annuity income and very good credit management experience in 2018.
- Alternatives performance in 2018 benefitted from our continued participation in the South African renewable energy sector, all of which demonstrates the benefits of the diversified nature of the revenue streams of our segment.

OUTLOOK FOR 2019

- Our business is geared to equity market levels, which opened lower in 2019 relative to 2018, posing a challenge to fee based revenue growth.
- Our outlook is made more challenging given the continued fee margin pressure across the industry.
- Non-annuity revenue in both Alternatives and Specialised Finance are dependent on the robustness of general economic activity, which poses a challenge to 2019.

VALUE CREATED IN 2018



Old Mutual Investment Group's **Imfundo Trust**

has spent over **R35 million** in the past eight years to address the shortage of black investment professionals.

Continued industry pressure on the revenue line has required disciplined management of the cost base during 2018.

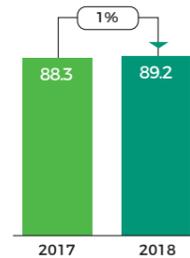
TRADE-OFFS

Operating environment in 2018

- Volatility in global equity, currency and bond markets due to escalating global trade tensions
- Challenging South African macroeconomic environment, leading to a decline of 14% in the equity markets
- Fee compression, primarily in the retail business, due to high levels of competition
- Strong competition for high quality credit assets with market wide credit spread contraction

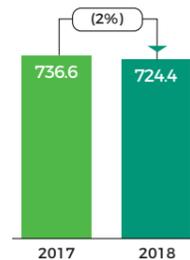
OUR FINANCIAL PERFORMANCE IN 2018

Gross flows (R billion)



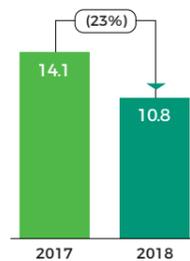
Gross flows of R89.2 billion increased marginally by 1% due to strong sales in Old Mutual International and the retail Wealth platform, partially offset by lower institutional inflows to Asset Management.

AUM (R billion)



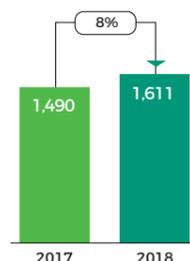
AUM of R724.4 billion was slightly down from the prior year, with the positive impact of strong retail and institutional inflows offset by outflows in the form of asset realisations, and weak equity market performance.

NCCF (R billion)



Positive NCCF of R10.8 billion was supported by strong flows into the retail Wealth platform and good net flows in the institutional Asset Management business resulting from improved investment performance. Outflows were higher due to mandate terminations by certain multi-managers following their decision to internalise indexation capabilities and asset realisations in Alternatives.

RFO (R million)



RFO increased by 8% to R1,611 million from the prior year. The increase is largely attributable to acquisition related intangibles being fully amortised in 2017 and higher asset based fees on the 7% higher average AUM during the period. Alternatives had an exceptionally strong year due to higher annuity revenue, largely contributed by development fees in the unlisted infrastructure space.



RESPONSIBLE BUSINESS INVESTING

INVESTING THE RIGHT WAY TO CREATE POSITIVE IMPACTS ON COMMUNITIES AND THE ENVIRONMENT

During 2018, Old Mutual Unit Trusts launched the Old Mutual MSCI World ESG Index Feeder Fund and the Old Mutual MSCI Emerging Markets ESG Index Feeder Fund, honouring our commitment to integrate responsible investment practices across our investment strategies.

These are rand denominated funds designed to give retail investors equity market performance by having exposure to companies that are measurably better when considered on an ESG basis. Investing in highly ranked ESG companies delivers both positive financial performance in the long run and also drives change in the way companies adopt responsible environmental, social and governance practices and policies.

Accordingly, these funds enable customers to invest in companies that promote long term sustainability practices and gain access to offshore investments whilst investing in affordable and cost efficient funds.

OLD MUTUAL CORPORATE



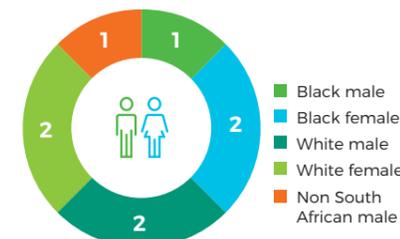
“I am proud of the strong results we have delivered during 2018. We had strong flows into our umbrella proposition, maintaining our leading market position and have been recognised and awarded for our excellent customer service in the employee benefits industry during the year.”

Clement Chinaka
Managing Director

OUR LEADERSHIP TEAM



DEMOGRAPHICS



Per the DTI definition

WORK EXPERIENCE

198
years of collective experience

Old Mutual Corporate primarily provides group risk, investments, annuities and consulting services to employer sponsored retirement and benefit funds in South Africa. Our risk products include group risk benefits and our cell captive business, Old Mutual Alternative Risk Transfer Limited (“OMART”). Our inhouse consulting business, known as Old Mutual Corporate Consultants, provides benefit, investment, actuarial and communication consulting services, helping us retain our existing customers and acquire new customers.

Our products are distributed through various channels, including directly to corporate customers using our direct sales force and Old Mutual Corporate Consultants, independent intermediaries and the Group’s retail distribution channels.



We are the largest²
umbrella fund
in South Africa

We won the Technology Provider; Manager of Managers and Consultant of the year categories at
the 2018 Imbasa Yegolide Awards

¹ This relates to membership numbers
² By total assets and membership



DEFEND AND GROW MASS AND CORPORATE MARKETS

STRATEGIC PROGRESS IN 2018

- We continue to invest in improving the customer experience of the Old Mutual SuperFund umbrella with the launch of a new self service portal in 2018. SuperFund umbrella continues to attract good flows from both converting standalone schemes as well as customers moving from competitor umbrella funds.
- We launched the OMCC OnTrack, our new consulting tool that measures the health of retirement outcomes at member level and promotes awareness of retirement goals and planning.
- Our management actions to improve group risk underwriting experience gained good traction. These included income protection re-pricing and the launch of the new Well4Work range of four flexible group income protection benefits that allow customers to tailor the desired balance between benefits and price gained traction.

OUTLOOK FOR 2019

- We continue to invest in Old Mutual Superfund to improve customer experience and drive growth of the umbrella offering. We are pleased with the pipeline of deals we are working on.
- Management remain focused on further improvement of group disability underwriting margins to expected long term levels.

VALUE CREATED IN 2018



R35.6 billion

Claims and benefits paid

Management actions included tactical repricing initiatives that may have increased the risk of loss of customers in certain circumstances. We believe this was the right strategic decision to maintain operating margins.

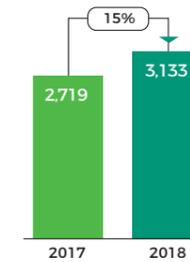
TRADE-OFFS

Operating environment in 2018

- Competitive environment for umbrella fund offerings
- Declining equity markets in South Africa
- Expect that earnings will continue to be impacted by market levels during 2019

OUR FINANCIAL PERFORMANCE IN 2018

Life APE Sales (R million)



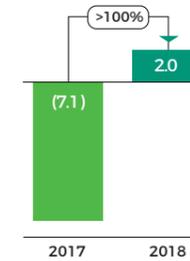
Life APE sales achieved growth of 15% to R3,133 million, despite a large recurring premium SuperFund deal in the prior period, with good growth across all major product lines except annuities.

VNB (R million)



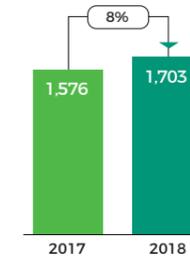
At R309 million, VNB grew by 22% largely as a result of sales growth and a change in capital allocation across products and segments to align with the new Prudential Standards that govern capital requirements. The VNB margin improved by 10 bps to 1.1%.

NCCF (R billion)



Strong inflows from new mandates together with improved termination experience contributed to a significant improvement in NCCF of R9.1 billion to R2.0 billion. FUM of R254.6 billion remained flat with the growth in NCCF being more than offset by the impact of declining equity markets.

RFO (R million)



RFO increased by 8% from the prior year due to significantly improved group risk underwriting experience, underpinned by lower group life assurance claims volumes and improved group income protection pricing. In addition, active management and a resolution of risk exposures resulted in a net one off release of provisions of approximately R85 million.



SELF SERVICE PORTAL

IMPROVING THE DIGITAL EXPERIENCE OF OUR MEMBERS

In line with the Group's strategic goal of refreshing our technology offering to improve our customer experience and solution propositions, we have launched a self-service portal for retirement fund members. This new portal replaces the member web platform previously known as Retirement Scheme Administration.

The key features available on the portal include:

- Viewing and downloading statements
- Projecting retirement income amounts
- Managing and updating beneficiaries
- Allocating and switching funds

The portal has been designed to improve our member experience as it provides quicker access to information and provides choice and convenience, as members will have the choice of when, where and how to connect using their mobile devices, laptops and desktops. Furthermore, the simplified information and functionality makes it easier for members to understand and manage their retirement savings, thus giving them piece of mind.

OLD MUTUAL INSURE



“Old Mutual Insure delivered strong results, with an underwriting margin at the upper end of our target range, contributing towards our progress on the continued turnaround of the business.”

Garth Napier
Managing Director

OUR LEADERSHIP TEAM

8	Life and Savings
5	Banking and Lending
11	Property and Casualty
11	Strategy
12	Risk Management
6	Finance and Audit
8	Sales Distribution
2	Actuarial
9	Operations

DEMOGRAPHICS

- Black male
- Black female
- White male
- White female

Per the DTI definition

WORK EXPERIENCE

323

years of collective experience

Old Mutual Insure provides property and casualty insurance products to individuals and corporates through three operational businesses: (i) personal and commercial (ii) iWyze and (iii) specialty. In addition, it provides trade credit insurance through Credit Guarantee Insurance (CGIC).

The personal business provides property and casualty insurance products, which include household goods, and motor and accident cover to individual customers. The commercial business provides insurance against fire, accident and motor risks for small to medium sized commercial businesses, as well as agriculture and crop insurance. The speciality business provides asset, fire, accident and motor insurance to large corporate institutions.

413,280

Customers

3,189

Employees

Rated

No.1

in the service category of the Independent Financial Advisory (IFA) survey.

131,442

iWYZE Customers

CONTINUED TURNAROUND OF OLD MUTUAL INSURE

STRATEGIC PROGRESS IN 2018

- Through our deliberate focus on improved service to brokers and disciplined underwriting, we reported solid underwriting results.
- Our claims cost control initiatives and the ongoing remediation of the large risk pool have led to a reduction in attritional claims for intermediated businesses.
- We targeted inorganic growth through a significant focus on building pipeline opportunities and specific initiatives, including strategic partnerships with four underwriting manager agencies to support our diversification strategy.
- We have made significant improvement in our digital service channels to continuously improve customer experience during the claims process. The rollout of MyOMinsure, a digital platform for claims registration and scheduling appointments with approved auto body repairers, is a key initiative in growing our digital business.

OUTLOOK FOR 2019

- Strategic partnerships are expected to contribute to top line growth in 2019.
- We will continue to focus on first class service delivery, a modernised distribution strategy, product upgrades and the continuous improvement or enhancement of our claims processes.
- We expect headwinds in 2019 if a normalised claims environment returns, but remain confident in the delivery of 2019 targets.

VALUE CREATED IN 2018

R7.9 billion

Claims paid

Pressure on the operating margin due to low or flat premium growth continues to strain cost ratios. As a result we have entered into strategic partnerships to support inorganic growth that results in upfront costs, and it is expected that the associated benefits will only be realised in future periods.

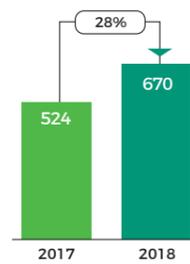
TRADE-OFFS

Operating environment in 2018

- The macroeconomic climate remained challenging for the short term insurance industry, despite a relatively benign claims environment
- Continued low real annual GDP growth and volatility in the rand had a negative impact on policy unit growth as well as claims costs
- The construction industry in particular was under pressure, with an increased number of businesses entering into business rescue arrangements

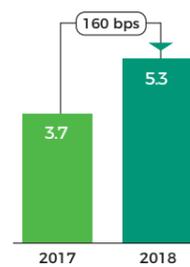
OUR FINANCIAL PERFORMANCE IN 2018

RFO (R million)



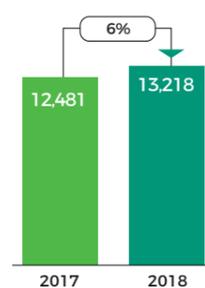
RFO was R670 million, an increase of 28% compared to 2017, largely due to an improved underwriting margin, as a result of improved claims process efficiencies, and procurement optimisation, especially in the personal lines portfolio. Profit growth was also supported by the general environment in a relatively benign claims environment and with lower significant catastrophe losses, partially offset by the increased cost of reinsurance following the adverse large loss and catastrophe experience of 2017.

Underwriting margin (%)



The strong improvement in the net underwriting result in 2018 led to an improved net underwriting margin of 5.3%, which is at the upper end of the Group's target range of between 4% and 6%. Growth in underwriting results was driven by exceptionally good claims experience in personal and commercial lines with lower catastrophe claims and significant growth in iWYZE profits due to improved claims management and benefits arising from a review of technical reserves.

GWP (R million)



Gross written premiums (GWP) increased by 6% to R13,218 million as a result of pricing increases and strategic partnerships with underwriting manager agencies to generate new business. Strong growth was delivered by iWYZE, pursuing a profitable growth strategy that leverages operational efficiencies, strategic partnerships and focused marketing. CGIC reported good top line growth, despite the low real annual GDP growth rate which is directly linked to CGIC's GWP performance.



OLD MUTUAL INSURE

KEEPING OUR CUSTOMERS SAFER THROUGH SWIFTCARE

In December 2017, we launched Swiftcare, our emergency mobile application for our personal lines customers. We have since enhanced this application to improve and ensure our customers' safety.

Our personal lines customers can now:

- Request emergency tow truck assistance, and receive SMS confirmations of requests, for additional peace of mind
- Track and view how far the tow truck driver is, through the GPS integrated map
- View the details and contact numbers of the tow truck driver, to reduce the risk of falling victim to rogue tow truck drivers
- Register multiple vehicles on the application
- Easily access home and medical assistance

REST OF AFRICA



“We made great progress in improving our customer experience and our performance in 2018, with positive RFO delivered by the East African business for the first time since acquisition.”

Jonas Mushosho
Managing Director

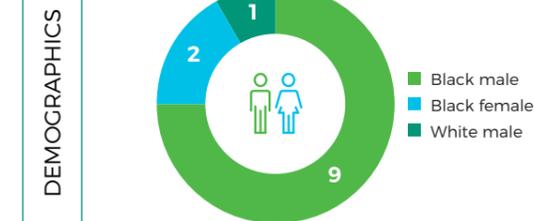
OUR LEADERSHIP TEAM



Our core lines of business in Rest of Africa are Life and Savings, Asset Management, Banking and Lending (including micro lending) and Property and Casualty (including health insurance). We have operations in 12 countries that are grouped into three regions: Southern Africa, East Africa and West Africa.

In the Southern Africa region, we have leading market positions across multiple lines of business. In the East African region, we have exposure to five countries. In Kenya and Uganda there is relatively low penetration in insurance markets. In the West African region, we have strategic relationships with Ecobank.

Our distribution channels include brokers, financial advisers, bancassurance as well as mobile network operators and fintech companies such as Safaricom in East Africa, MTN Group in eSwatini and Multi-pay in Zimbabwe.



5.1 million
Customers

7,792
Employees

We have presence in **12** Countries (excl. SA) across Africa



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

STRATEGIC PROGRESS IN 2018

- We completed a staff reorganisation to optimise staffing levels and eliminate duplication across our East African businesses. This reorganisation is expected to create savings going forward.
- Positive profits were delivered by East Africa for the first time since acquisition.
- We now have a presence in 113 Ecobank branches across Nigeria following the delay in licence approval.
- Management actions were implemented to limit further exposure to significant oil and gas claims experienced by our Property and Casualty business during the first half of the year.
- A new Managing Director was appointed in West Africa to focus on developing an executable and credible business plan to support the capital deployed.

OUTLOOK FOR 2019

- Elections are planned to take place in Namibia, Malawi, Botswana and Nigeria but we expect 2019 to be politically stable.
- In Zimbabwe, monetary policy reforms are contributing to continued uncertainty whilst the peace deal signed recently in South Sudan is expected to result in an improved economic environment.
- Muted real GDP growth is expected in our dominant Southern Africa markets, with stronger growth forecast in East and West African markets.
- We will continue to drive profit growth predominantly through enhancing our customer value propositions in our Property and Casualty business, expanding our Banking and Lending offerings and improving occupancy levels in the property portfolio.
- In West Africa we will focus on the remediation of our business by right sizing the cost base and growing our business through strategic partnerships in these markets.

VALUE CREATED IN 2018



R5.5 billion

Claims and benefits paid

We incurred one off costs of c. R70 million during the first half of the year related to the restructuring in East Africa, to optimise staffing levels and eliminate duplication. Despite the impact to profits in 2018, this is expected to create savings in the region going forward.

TRADE-OFFS

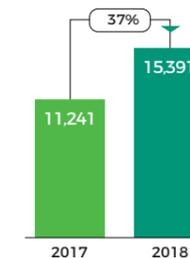
Operating environment in 2018

- 8th consecutive quarter of the recession in Namibia
- The continued US dollar shortages in Zimbabwe during 2018 has led to the increased use of electronic and plastic money through the Real Time Gross Settlement ('RTGS') system. This led to a change in functional currency which was applied to our results prospectively
- Challenging operating conditions and increased competitor activity across the regions
- Regulatory changes in West Africa and continued slowdown in the Banking and Lending industry

OUR FINANCIAL PERFORMANCE IN 2018

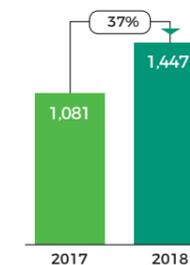
The amounts and commentary below reference amounts before the functional currency change in Zimbabwe.

Loans and advances (R million)



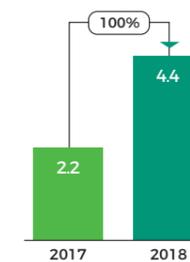
Loans and advances increased by 37% to R15,391 million. This was mainly due to strong growth in the Southern African region contributed by an increase in new business and personal loans in OMF Namibia and the CABS loan book. A focused effort in Faulu on lower risk loans through payroll deductions had a positive contribution to top line growth. The change in functional currency led to reported Loans and advances of R7,219 million, a decrease of 36%.

RFO (R million)



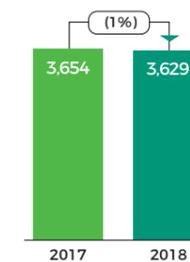
RFO increased by 37% to R1,477 million. In Southern Africa strong profits were reported in Zimbabwe across all lines of business, except Property and Casualty due to higher claims. Malawi contributed through improved profits in group life assurance, increased rental income and higher asset management fee income. Higher asset management income and property rental income from improved occupancy rates in Kenya contributed to profit growth in East Africa.

NCCF (R billion)



NCCF increased by 100% to R4.4 billion. In Southern Africa, NCCF rose strongly due to good inflows into Money Market Funds in Malawi and the non repeat of large outflows in the prior year due to a portfolio rebalancing by SOEs in Namibia. In Zimbabwe, effective management actions to improve retention of flows combined with good claims experience contributed to the improved NCCF. This was partially offset by outflows in East and West Africa.

GWP (R million)



GWP decreased by 1% to R3,629 million. In Southern Africa, Zimbabwe contributed to 5% growth partially offset by flat growth in Namibia due to tough economic conditions. In the other regions, gross written premiums decreased due to increased competitor activity, tough economic conditions and a challenging business environment in West Africa. The change in functional currency led to reported GWP of R3,512 million, a decrease of 4%.



RUZHOWA-UTHANGO
PROVIDING SOCIALLY IMPACTFUL AND COMMERCIAL INSURANCE PROTECTION

In our efforts to drive financial inclusion in Africa, we continue to collaborate with Blue Marble Microinsurance, a UK incorporated start up with a mission of providing socially impactful, commercially viable insurance protection to the underserved.

Blue Marble incubates and implements microinsurance ventures that support the economic advancement of underserved populations, working in collaboration with local partners. Its unique business model brings together nine multinational insurance entities, including Old Mutual, that provide governance, talent and risk capacity.

In response to smallholder farmers' challenges around obtaining financing for farming inputs, we launched Ruzhowa-Uthango, a drought insurance protection product for smallholder maize farmers. Under this insurance product we use satellite data to automatically determine when farmers experience an extreme drought. We then make an appropriate payment depending on when the extreme drought occurred in the planting season.

Over the past three years, the Blue Marble and Old Mutual teams have expanded the products to deal with additional risks, such as excess rainfall and to cover different types of crops, a variety of seed types and different soil types. Distribution is done mainly via aggregators such as microfinance institutions or banks, farmer associations, NGOs and grain contractors. Through the Blue Marble venture, Old Mutual Zimbabwe has been selected as the sole insurance provider for the R4 UN World Food Programmes resilience project for smallholder farmers in Zimbabwe, targeting food deficient communities with weather index insurance.

WIN THE WAR FOR TALENT



“2018 was a transformational year for the Group as we made Africa our home again. We assessed our current Human Capital function and developed a transformation programme that will deliver a more capable and technology enabled function. We believe this will attract, retain and motivate our employees as we embark on developing new ways of working to remain relevant to our stakeholders in the long term.”

Celiwe Ross
Human Capital Director

DIGITAL TRANSFORMATION

ACHIEVED IN 2018

- We have selected a new technology solution to achieve digital enablement of our employee experience and we will start to implement this solution in 2019. We expect this to improve the effectiveness of our recruitment, employee engagement, learning, talent management and reward processes.
- We have identified legacy systems to be decommissioned in order to drive greater levels of efficiency prior to the full implementation of the new technology solution.

2019 OUTLOOK

- We will implement technology solutions to ensure optimal use of employee data. This will enable line managers to be more analytical and data driven, leading to more effective people management.
- We would like to increase our use of data when making people decisions in future. More focus on the interpretation of data will provide new insights, driving business specific decisions and allowing us to pre-empt issues.
- We will increase our use of LinkedIn Talent Insights that provide direct access to real time data on global talent supply and demand.

TALENT FUTURE FIT FOR THE NEW WORLD OF WORK

ACHIEVED IN 2018

- We have identified the core capabilities and skills that are required in the fields of data science, robotics and innovation and have made good progress in sourcing, building and growing these skills.
- We rolled out accelerated leadership and specialist programmes to develop innovative leaders who can navigate a complex and changing digital landscape.
- We made online learning capability available to all employees, focusing on developing the skills required for the New World of Work.

2019 OUTLOOK

- We will continue to focus on the development of skills required for the changing business landscape by training employees in agile ways of working, design thinking and problem solving.
- We will roll out a more cohesive leadership development programme across our businesses in South Africa and Rest of Africa to ensure that we develop and retain leadership talent.
- We continue to invest in various youth talent programmes that promote innovation and focus on the development of the future workforce. Internal programmes with the same focus include the actuarial and accounting training programmes, engineer graduation programmes and Business Analyst Academy.

TRANSFORM THE CULTURE

ACHIEVED IN 2018

- The listing of Old Mutual Limited has presented us with an opportunity to refresh our purpose, vision, values and the culture shifts required to be more purposeful and competitive in the market.
- We engaged over 100 cross functional business leaders through Project Pulse, a collaborative process of engagement to identify and embed the desired culture shifts to win in the fast paced world we live in. The outcomes of the survey were rolled out to 10,000 employees, representing about one third of our employees.
- Project Pulse has enabled us to identify the issues we need to focus on to transform the organisation.

2019 OUTLOOK

- We will focus on the design of targets to measure progress against required culture shifts.
- We remain committed to include diverse talent at all levels.
- We will focus on translating Project Pulse into a transformational program, involving both senior leadership and individual teams to ensure alignment.

FIT-FOR-PURPOSE REWARD

ACHIEVED IN 2018

- We have evaluated and updated our reward philosophy and policies to align to our long term strategy.
- We have made progress in the assessment of our short and long term components of reward to ensure we attract, retain and motivate key talent. We believe this will develop an ownership orientation in our employees that will enable sustainable, long term stakeholder value creation.

2019 OUTLOOK

- We will continue with the review of the reward framework to drive consistency in remuneration and the benefits structures across the Group.

Project Pulse engaged

6,000
Employees

through face to face engagement and

3,900
Employees

through a **MOBILE CAMPAIGN**

REFRESH OUR TECHNOLOGY



“We are committed to bringing about a change that will deliver a holistic, highly personalised and seamless customer and intermediary proposition. We are on track with the launch of Old Mutual Protect during the first half of 2019, which will significantly change the way we work and interact with each other and our customers.”

Iain Williamson
Chief Operating Officer

Refreshing our technology offering is one of our eight strategic priorities, essential to helping us build a long term competitive advantage. It is about transforming the customer experience by providing service in a faster, more predictive and intuitive way.

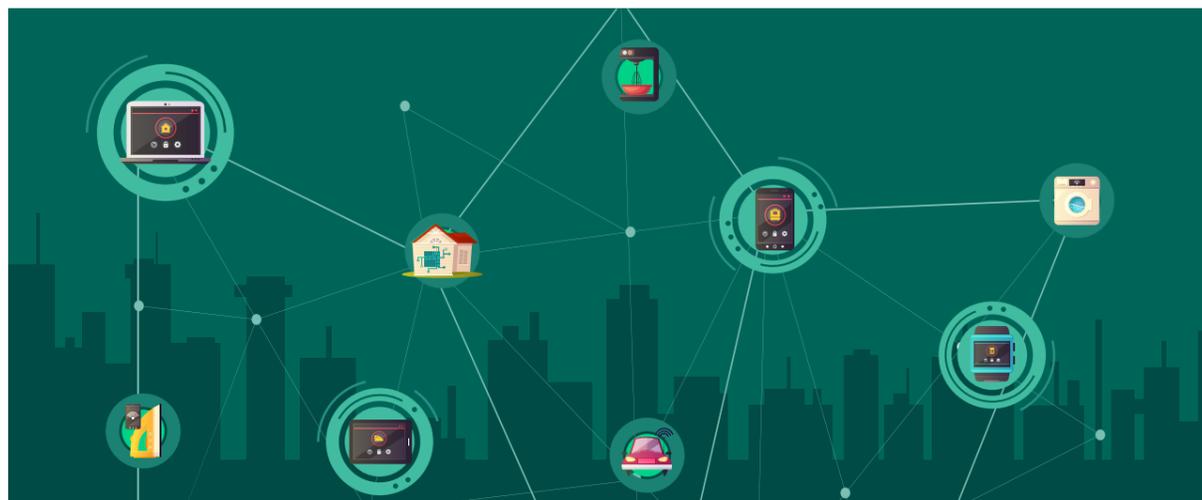
We are building an entirely new service business, where automation and artificial intelligence are a key part of this process. The key component to deliver the digital strategy is intelligent automation. There are a number of stages in this automation journey and we have the first two building blocks in place already.

The first is foundation automation and it involves consolidating data from multiple sources into a single view to complete a process. The goal is to provide a predictable and consistent service experience that is available 24/7.

The second step is robotics process automation, which applies technology to orchestrate existing software to complete a process, such as using our online chatbots to communicate to robots to enable enquiries servicing.

Our first bot was launched during the year, and within four months, we managed to save 80 000 minutes, which reached 240 000 minutes six weeks after that. To date we have saved over 1.3 million minutes and every one of these minutes which freed up our employees to focus on value enhancing tasks.

It truly is an exciting time for our business, with rapidly developing technology unlocking value across Old Mutual and driving our business forward.



ACHIEVED IN 2018

- We launched MyOldMutual, our new secure customer portal, which provides access to 34 digital products. Our latest digital product offerings include the following:
 - A new self service portal created for retirement fund members. The self service portal on their mobile devices or web browsers, and the simplification of functionality make it easier for members to understand and manage their retirement savings.
 - Activation of online funeral plan functionality. Customers can now buy a funeral plan online via their mobile phone or desktop, from as little as R22 per month and in under 10 minutes.
 - Launched Old Mutual Life Insurance Online, our new end-to-end digital life insurance product. The entire process happens in realtime, so by the time customers are done, the policy is ready.
 - Dream Enabler, our mobile sales and servicing application launched in Kenya, which provides the customer a single view of their product portfolio and a more streamlined ecommerce platform.
- The new modern public website, OldMutual.com, aligned our digital brand to our refreshed corporate brand. The vibrant new look and feel have infused excitement, and renewed customer interest across South Africa as well as Rest of Africa.
- A combination of well considered service model enhancements that include the rapid adoption of intelligent automation technologies, such as robotic process automation (RPA), chatbots and ongoing system automations, were key enablers to improving customers' service experience.
- We have made a deliberate shift in our culture to improve overall service to customers and intermediaries at the pace they expect in a digital era. Changing our ways of work to be more outcomes based, and operating with a deliberate focus on creating a cohesive customer service offering that demonstrates the culture shift.

CUSTOMER ENGAGEMENT IN A DIGITAL ERA

Net Promoter Score (NPS) was **58%** in 2018 compared to **56%** in 2017

Net Effort Score (NES) was **57%** in 2018 compared to **54%** in 2017

Complaints were **0.29%** of customer volumes in 2018 compared to **0.27%** in 2017

As part of a root cause analysis to improve **customer service** we have actively encouraged our customers to complain during 2018. This has enabled us to identify the changes we need to embed to establish a customer led service culture

2019 OUTLOOK

- Continued focus on the enablement of end-to-end digital experiences across key customer and intermediary journeys.
- To deliver AI based personalisation of the customer experience by embedding analytics into the last mile of customer engagement processes that will further optimise the customer journey.
- On track to roll out technology enabled advice models which will simplify and digitise journeys for the intermediaries and customers which includes:
 - Refreshed protection proposition in the first half of 2019
 - Pilot of One Financial Plan was rolled out to 100 Mass and Foundation Cluster (MFC) advisers in 2018, which will continue to full rollout in 2019 to cover all MFC advisers.
- To excel in delivering an always on service in support of our customer led aspirations and to ensure that systems are available when customers and intermediaries want to transact.

ACHIEVED IN 2018

- We have recruited new skills in digital, robotics, data analytics and software engineering, while bolstering our transformation objectives.
- We continue to focus on creating opportunities to upskill our employees in new technologies and an outcomes based approach to working.
- We established strategic partnerships that have aided us to roll out innovative technology at a quicker pace. These partnerships have enabled us to accelerate the rollout of AI and chatbots in South Africa and Rest of Africa.
- We supported partnerships that extend technology knowledge to communities. An example being the AI bootcamp we co-sponsored with other leading technology companies that introduced 75 scholars to AI.
- We explored various new innovative technologies including blockchain, robotics, and robo-advice. Employees actively engaged in a blockchain interest group that pursued three proof of concepts with the plan to scale the blockchain use case with the SAFBC (South African Financial Blockchain Consortium).

2019 OUTLOOK

- We will continue to explore emerging technologies such as AI, machine learning and the internet of things through strategic partnerships.
- Focus on growing our skillset in emerging and innovative technologies at a pace that our customers expect.



INNOVATIVE CULTURE AND CAPABILITY

33

Graduates

in IT, engineering and digital enrolled in our Talent Academy

30

Senior appointments

in scarce skillsets with 66% being EE candidates

More than 80

IT professionals

trained in leading IT cloud based technology

More than 400

Employees

engaged in a blockchain interest group



ACHIEVED IN 2018

- We have been actively monitoring and replacing existing technology with modern, cloud based solutions. MyOldMutual, our new secure customer portal, is entirely cloud based.
- As part of actively managing our IT estate, we have made key decisions that will deliver innovative technology solutions and simplification in various areas. In all cases we have formed partnerships with world class IT companies.
- We have modernised our core platforms for life insurance in Zimbabwe, Nigeria and Malawi and we will extend this footprint. We have modernised our core banking platforms in Kenya and Zimbabwe. These solutions enable digital interaction, more automation and efficiency.
- In light of heightened cybersecurity threats globally, we aggressively progressed to safeguard the business and protect our customers' interests, by investing in robust and sophisticated protection tools to improve resilience when in crisis.
- We embarked on a big organisational drive to achieve a mindset and behavioural change via various initiatives including sophisticated phishing and cybersecurity campaigns and training.

4

strategic partnerships

with significant Tier 1 technology organisations

>50

systems that we are decommissioning

after replacing with modern digital ready solutions

2019 OUTLOOK

- We will continue to pursue the simplification of our estate, with focus on customer applications and applications that monitor the effective functioning of key applications.
- We remain focused on the execution of our information security strategy, as we continue to consult widely, learning from other organisations' experiences and evolving our approach to manage information security risk.
- We will continue to foster a culture of awareness amongst employees as it relates to cybersecurity.



SIMPLIFIED AND SECURED TECHNOLOGY ESTATE



BEING A RESPONSIBLE BUSINESS



Our Responsible Business philosophy

Our Responsible Business philosophy is underpinned by the desire to be a purposeful organisation with a conscience. We believe that creating positive value for our customers, investors, employees and the communities we operate in, will facilitate long term sustainability for the Group, the economy and the environment.

Our approach to Responsible Business aligns to the Group strategy. It is informed by an understanding of the expectations of our customers, the societies and communities we operate in, along with an awareness of the growing environmental and social challenges the world is facing.

Our business ethics

In this context, ethical behaviour is a key driver in ensuring we deal with all of our stakeholders in a responsible and fair manner. Our framework for ethical business conduct ensures that we are fully compliant with the governing laws of the countries we operate in and comply with King Code being a JSE listed entity.

We are a signatory to the UN Global Compact and abide by its principles regarding labour practices, human rights and anti-corruption. We are also a signatory to the UN Principles for Responsible Investment (UNPRI) and subscribe to the UN Sustainable Development Goals (SDGs).

Our values

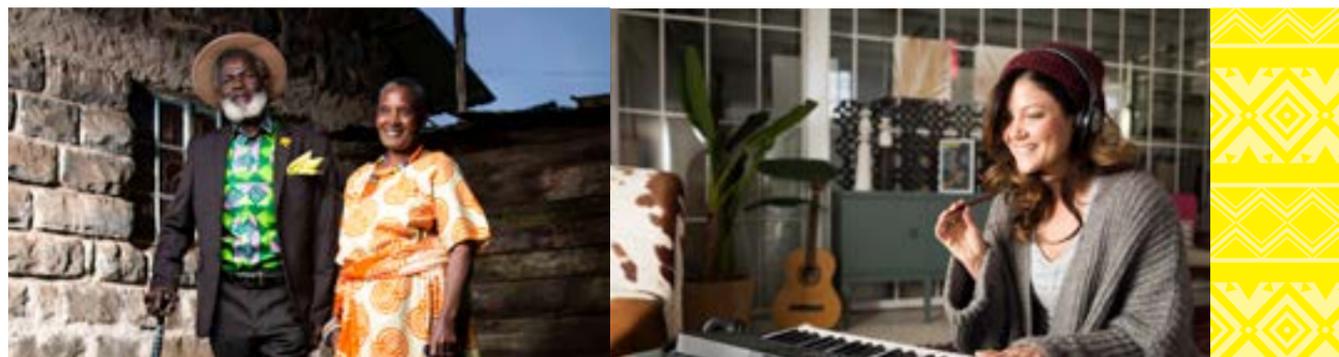
Our set of business values are aligned to the ethos of being a Responsible Business. They drive our behaviours to ensure that we act with integrity, trust and accountability and show respect for each other and our stakeholders. Our values also express our belief in the power of diversity and inclusion, our commitment championing the customer and our enthusiasm for agile innovation.

Our Responsible Business governance

Our Responsible Business commitments are governed by the Responsible Business committee and Responsible Business executive committee. Our Group Governance Framework, which is aligned to the codes, ensures that we conduct our business within the ambit of the laws of all the countries we operate in.

Our stakeholders

As a financial services organisation, our Responsible Business efforts are embedded in all facets of the organisation. This is evidenced in how we deliver on our customers' expectations, treat and advance our employees and create value for our investors. It is also displayed in the professional engagement with regulators, the positive impact made to communities, meaningful partnerships with suppliers and making responsible investment decisions which incorporate the environmental, social and governance principles (ESGs).



04

GOVERNANCE

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BOARD COMMITTEE FEEDBACK



FULL GOVERNANCE REPORT

🌐 This section is summarised from the full governance report, which complies with the principles of King IV™, and can be found online at www.olmutual.com/investor-relations/reporting-centre/reports

GOVERNANCE OVERVIEW

The Board has the responsibility to steer the Group and its strategy in a sustainable and responsible manner. The Board is cognisant of the external threats to the Group, the expectations of society and its leading role in the markets and communities in which it operates.

OUR GOVERNANCE PHILOSOPHY

We believe that good corporate governance contributes to value creation through effective leadership, transparency and adequate controls. It is also fundamental to our success, sustainability and legitimacy.

We seek to have comprehensive and appropriate levels of corporate governance in all regions in which we operate. Our governance structures and processes facilitate efficient and effective leadership, with clear accountability and devolution of responsibility.

OUR ETHICS

The Board is responsible for setting and steering the strategic direction and culture of the Group. It also holds management to account for ensuring the Group adheres to the highest standards of ethics and integrity. This underpins an effective governance framework and forms the foundation of a culture that supports employee, customer and investor confidence.

Our Code of Ethics, which is included in our Code of Conduct, defines ethical behaviour as going beyond just observing the law. It is about following the spirit and intention of the law and ultimately treating all of our stakeholders and peers fairly and respectfully. Management is mandated to reaffirm this regularly, taking action where necessary to address any breaches which may occur.

The Board's responsibility

The Board is ultimately responsible and accountable for the performance and the reputation of the Group and ensuring that it continues to operate responsibly, ethically and sustainably. The Board also has a significant responsibility to ensure our customers' interests are represented and safeguarded and that these interests are balanced against those of our investors and other stakeholders.

The Board operates in terms of a **Board Charter**, which defines its functions and responsibilities. The key responsibilities of the Board in terms of the charter are to:

- Set and steer strategic direction and culture of the Group
- Ensure there is an effective and competent management team in place, as well as adequate succession planning
- Review operational performance and ensure accountability
- Facilitate an effective governance environment and risk management framework
- Ensure that transformation is addressed
- Ensure that the Group complies with its regulatory and statutory obligations

GOVERNANCE APPROACH

The seven committees of the Board assist the Board in discharging its duties and responsibilities. These committees are arranged around the Group Governance Framework (GGF) domains for which the Board has responsibility. Each committee has a mandate, included in its terms of reference, to ensure that each of these domains is effectively reviewed and monitored. The Board reviews the mandate and terms of reference of each committee annually to ensure effective coverage of, and control over, the operations of the Group.



* Related Party Transaction committee

The Old Mutual Life Assurance Company (South Africa) Limited Board (OMLACSA)

The OMLACSA business is the largest legal entity by profit in our Group and has its debt listed on the Johannesburg Stock Exchange (JSE). Engagement with the Prudential Authority in South Africa resulted in an agreement, whereby a partial mirror Board structure was implemented between Old Mutual Limited and OMLACSA. As a result, the majority of the Old Mutual Limited Board members also serve on the OMLACSA board and joint meetings take place between the Old Mutual Limited and OMLACSA boards.

The OMLACSA board has its own board charter and Audit and Risk committees with their own terms of reference. These committees meet jointly with the Group Audit and Risk committees.

Conflicts of interest, which might arise between the respective boards, are monitored and managed through the Related Party Transaction committee at Old Mutual Limited Board level (for shareholder matters) and the Committee for Customers Affairs (CCA) (for policyholder and customer matters) at the OMLACSA board level.

The CCA, together with the Responsible Business committee, also play an integral role in the governance of stakeholder relations in the Group. All but one of the Responsible Business committee members serve on the OMLACSA CCA.

OUR BOARD



DIVERSITY OF EXPERIENCE

- 10** Directors that are current and former CEOs
- 3** Directors that are current and former Chairpersons
- 4** Directors that have government and regulatory experience
- 7** Directors that have experience working for companies outside of South Africa
- 4** Directors that are Chartered Accountants (South Africa)
- 2** Directors that are actuaries
- 3** Directors that have completed an MBA

Casper Troskie (55)
Chief Financial Officer
BCom (Hons), CA(SA)

Marshall Rapiya (66)
Non-executive director
BAdmin
R, RB

Trevor Manuel (63)
Chairman and Independent non-executive director
BAdmin
NDip, EMP (Stanford)
RB, CGN (Chair)

Peter de Beyer (63)
Independent non-executive director
BBusSci (Hons), FASSA
R, RB, A, CGN

Nombulelo Moholi (59)
Independent non-executive director
BSc (Eng), SEP (Stanford), SMMP (Harvard)
RB, T (Chair), CGN

Nosipho Molope (54)
Independent non-executive director
BSc (Medical Sciences), BCompt (Hons), CTA, CA(SA)
CGN, R, A (Chair)

Sizeka Magwentshu-Rensburg (59)
Independent non-executive director
BA, MBA (Webster), DPhil
RB (Chair), RM, CGN

Peter Moyo (56)
Chief Executive Officer
BAcc (Hons), HDip (Tax Law), AMP (Harvard), CA(SA)
R, RB, T

John Lister (60)
Independent non-executive director
BSc (Stats), FIA
R (Chair), A, CGN

Itumeleng Kgaboesele (47)
Independent non-executive director
BCom, PDip (Acc), Dip (FMI), CA(SA)
A, RM

James Mwangi (41)
Independent non-executive director
BA (Econ)
RB, RP, T

Thoko Mokgosi-Mwantembe (57)
Independent non-executive director
BSc, MSc, SEP (Harvard), MCRP (Institute of Management Development of Switzerland)
RM (Chair), T, CGN

Paul Baloyi (63)
Independent non-executive director
MBA, AMP (INSEAD), SEP (Harvard)
R, A

Albert Essien (63)
Independent non-executive director
BA
R, RB

Thys du Toit (60)
Independent non-executive director
BSc Agric, MBA
RM, CGN, RP (Chair)

Stewart van Graan (63)
Independent non-executive director
BCom (Hons), PMD
R, RP, T

8 Board meetings held

92% Board and committee attendance

INDEPENDENCE

Independent non-executives
13 (81.3%)

Non-executives
1 (6.3%)

Executives
2 (12.5%)

TENURE¹

Term policy limit
9 years

1 Measured from date of appointment to the board of Old Mutual Emerging Markets

EXPERTISE

- 10** Life and Savings
- 8** Asset Management
- 2** Property and Casualty
- 8** Banking and Lending
- 15** Strategy
- 12** Risk Management
- 12** Finance and Audit
- 11** Listed Company
- 8** Information Technology
- 9** Responsible Business

GENDER DIVERSITY

Male **12 (75%)**

Female **4 (25%)**

Target for female representation on the Board: 30% by 2019

DEMOGRAPHICS

Target for black South African representation on the Board: 50% versus 63% at December 2018

AGE DIVERSITY

Average age **59 years**

Oldest member **66 years**

Youngest member **41 years**

50% under the age of 60

As at 29 March 2019

- R** Risk committee
- A** Audit committee
- RB** Responsible Business committee
- RP** Related Party Transactions committee
- RM** Remuneration committee
- T** Technology and Platform committee
- CGN** Corporate Governance and Nominations committee

OUR EXCO



David Ivan Buenfil (48)
 Managing Director: Latin America and China
 BSc (Eng), MBA (Wharton School of Business), MA

Raymond Barnett Berelowitz (50)
 Customer Solutions Director
 BBusSci (Actuarial Science), FIA, FASSA

Tsakani Clarence Nethengwe (47)
 Managing Director: Mass and Foundation Cluster
 BProc, LLM, BA, MBA (University of Cape Town), EDP (University of Stellenbosch Business School)

Richard Graham Treagus (53)
 Chief Risk Officer
 BSc (Actuarial Science), FIA, FASSA

Karabo Morule (37)
 Managing Director: Personal Finance
 BBusSci (Actuarial Science and Finance), Postgraduate Diploma (Actuarial Science) FFA, FASSA

Iain George Williamson (48)
 Chief Operating Officer
 BBusSci (Actuarial Science), GMP (Harvard), FASSA

Peter Moyo (56)
 Chief Executive Officer
 BAcc (Hons), HDip (Tax Law), AMP (Harvard), CA(SA)

Vuyolwethu Seanele Maisela Lee (41)
 Chief Marketing Officer
 BCom (Hons), MBA (University of Cape Town)

Clement Chinaka (49)
 Managing Director: Old Mutual Corporate
 BSc (Computer Science and Statistics), AMP (Harvard) FFA, FASSA

Garth Napier (40)
 Managing Director: Old Mutual Insure
 BCom (Hons), MBA (Harvard)

Jonas Mushosho (60)
 Managing Director: Rest of Africa
 BCompt (Hons), MBA (University of Zimbabwe), GMP (Harvard), CA(SA), CA (Zimbabwe)

Celiwe Ross (40)
 Human Capital Director
 BSc (Eng), MBA (University of Cape Town)

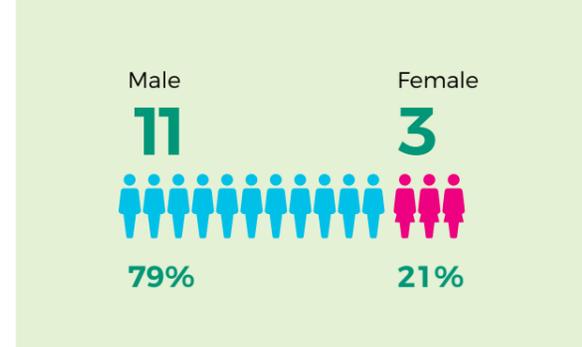
Casper Troskie (55)
 Chief Financial Officer
 BCom (Hons), CA(SA)

Khaya Gobodo¹ (41)
 Managing Director: Wealth and Investments
 Bcom, MSc (Investment Management), CFA

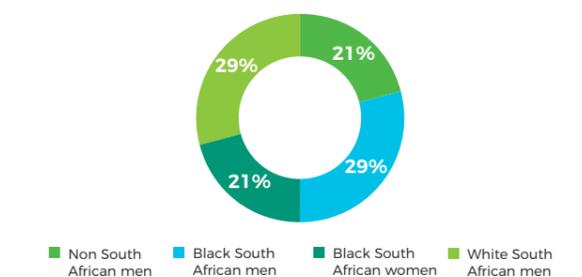
EXPERTISE



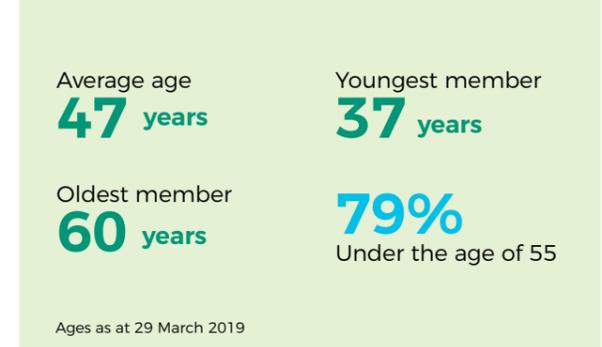
GENDER DIVERSITY



DEMOGRAPHICS



AGE DIVERSITY



¹ Khaya Gobodo was appointed as MD for Wealth and Investments effective 1 January 2019, following the resignation of David Macready

GROUP GOVERNANCE FRAMEWORK

The Board is responsible for ensuring that the governance arrangements across the Group enable it to discharge its oversight and fiduciary duties effectively, with clear accountability and devolution of responsibility. To achieve this, the Board, along with executive management, have designed and implemented a best practice, top down, Group Governance Framework (GGF). This framework takes into consideration all the complexities of governing a financial services group with significant and geographically diverse operations in Africa and in selected other international markets. It also takes into account that the Group has equity listed on five different stock exchanges and debt issued on one stock exchange. The GGF provides the Board with assurance that the Group is operating as they direct, appropriately managing risk, complying with applicable legislation and applying the principles of best practice governance as expressed in King IV™ and other applicable governance guidelines.

GROUP GOVERNANCE FRAMEWORK PRINCIPLES				
Proportional and fit for purpose	Avoid duplication	Ensure comprehensive regulatory compliance	Maximum devolution of responsibility	Achieve alignment between Board and Management governance requirements

The GGF establishes the minimum governance requirements for the Group and subsidiary boards, and importantly, sets a framework for the minimum governance requirements over various governance domains relevant to Old Mutual. The GGF adheres to the requirements of King IV™, as well as the Framework for Governance and Operational Standards for Insurance Groups.

As such, the GGF is used as the foundational building block for all other Governance programmes in the Group. It leverages, consolidates, streamlines and simplifies previous governance structures.

The GGF explains how the Board executes its direction and oversight responsibilities, and what it expects from subsidiary boards in the Group.

The GGF in no way absolves or places a restraint on the ability of the boards of subsidiary companies to execute their fiduciary duties, but instead outlines the requirements of the Group Board in discharging its duties across the Group.

The GGF and King IV™

The Board endorses the King IV™ Report on Corporate Governance for South Africa and this code was a key input into the GGF.

The design of the GGF ensured that each defined governance domain in the GGF adequately addressed the principles laid out in King IV™, and implementing the GGF therefore facilitates the implementation of King IV™ across the Group. This framework does not detract from King IV™. It seeks to bring, among other things, proportionality and increased focus on specific areas in our oversight of the different entities in the Group.

The GGF is designed to work within the ambit of the laws of the various countries in which we operate. All our operations have to comply with local legislation and corporate governance codes in addition to the requirements described in the GGF.

How the GGF addresses the six capitals

The governance domains align to the six capitals, facilitating effective oversight.

Governance domain	Related capitals
Board specific and Group Secretariat	Intellectual capital
Strategy and Performance	Financial capital Manufactured capital
Information Technology	Intellectual capital Manufactured capital
Talent and Reward	Human capital
Assurance	Financial capital
Actuarial	Financial capital
Risk	Financial capital Manufactured capital
Compliance	Financial capital Societal and relationship capital
Responsible Business	Societal and relationship capital Natural capital Human capital

BOARD COMMITTEE FEEDBACK



“The Old Mutual Group Audit committee is pleased to present its report for the 2018 financial year. This report has been prepared based on the requirements of the SA Companies Act, 71 of 2008, as amended (‘Companies Act’), the King Code of Governance for SA (King IV™), the JSE Listings Requirements and other applicable regulatory requirements.”

Nosipho Molohe
Chairperson

AUDIT COMMITTEE REPORT

13

Meetings

87%

Committee meeting Attendance

5

Members

Expertise



Areas of focus during the year

- Reviewed and approved the financial disclosures, including the historical financial information, in the Old Mutual Limited Pre-Listing Statement, which was approved in April 2018.
- The Audit committee oversaw the appointment of Deloitte and Touche as joint auditor. Following this, the audit scope and approach for 2018 and the related auditors' fees were reviewed and approved.
- Reviewed and debated key judgements and analysed financial information included in the Group's interim and 2018 year end results announcement to ensure the accuracy and integrity of financial data provided externally.
- Review and assessed the 2018 audited financial statements and found the controls underpinning its compilation to be appropriate and effective.
- Reviewed and recommended for approval the 2018 Integrated Report.
- Oversaw the implementation of IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers, both standards effective 1 January 2018.
- Reviewed the interim and special dividend proposals to ensure that the Group had sufficient resources to

make these distributions, ahead of recommending these distributions to the Board.

- Evaluated the adequacy and effectiveness of the internal control environment.
- Ensured that the internal audit function, which is outsourced to EY, is equipped to perform in accordance with appropriate professional standards and has the appropriate authority and status within the Group.
- Considered the appropriateness and effectiveness of the Chief Financial Officer, Casper Troskie.

Areas of focus for 2019

- Overseeing the implementation of IFRS 16, effective 1 January 2019.
- Monitoring and evaluating the internal project constituted to prepare the business for the implementation of IFRS 17 – Insurance Contracts, effective 1 January 2022.
- Monitoring the economic situation in Zimbabwe and considering the appropriate accounting treatment in the Group financial statements and disclosure.
- Monitoring of the developments of the independent review of KPMG SA led by SAICA, and assessing the impact on Old Mutual and our auditors.

The Audit committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Associated Stakeholders

- Regulators
- Investors



“The Corporate Governance and Nominations committee played a crucial role in determining the application of best practice corporate governance for the Group during 2018, thereby facilitating a governance environment which will stand Old Mutual in good stead going forward.”

Trevor Manuel
Chairman

CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE REPORT



Areas of focus during the year

- Reviewed and approved the governance related disclosures in the Old Mutual Limited Pre-Listing Statement, which was approved in April 2018.
- Reviewed and approved the Memorandum of Incorporation and the Diversity policy ahead of the listing of the Company in June 2018.
- Oversaw and approved the appointment of members to the Board, including the initial appointment of directors to the Board of Old Mutual Limited on 5 March 2018. Key appointments also included Casper Troskie as Chief Financial Officer on 27 March 2018 and the appointment of Nosipho Molope as Chairperson of the Audit committee on 15 November 2018.
- Drove continued simplification in the Board, committee and legal entity structures of the Group.
- Established procedures to ensure that the selection of individuals appointed to the Board was transparent.

- Established limits and procedures in terms of additional board appointments for Board members, taking into account best practice around management of time constraints and conflicts of interest.

Areas of focus for 2019

- Board and senior leadership succession planning.
- Considering skills matrix of board members of key subsidiaries, effecting changes where required.
- Considering tenure of certain long serving subsidiary directors to ensure implementation of corporate governance best practice.
- Filling marketing and digital distribution skills gaps on the Board. Female directors will be sought for these roles, which will facilitate the achievement of the Board gender target of 30% female representation.
- Ensuring that the Group Governance Framework delivers the outcomes as agreed by the Board across all subsidiaries.

The Corporate Governance and Nominations committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Associated Stakeholders

- Investors
- Employees
- Customers



“The Technology and Platforms committee played a key oversight role in the drive to ensure the Group is not only future fit, but ahead of our peers when it comes to the application and leveraging of technology across our operations.”

Nombulelo Moholi
Chairperson

TECHNOLOGY AND PLATFORMS COMMITTEE REPORT



Areas of focus during the year

- Reviewed and approved the technology related disclosures in the Old Mutual Limited Pre-Listing Statement, which was approved in April 2018.
- The committee considered and reviewed the information technology (IT) strategy for the Group, with particular focus on the strategic investment in technology to refresh the Group's IT estate.
- Provided input into business resilience programmes.
- Monitored key strategic IT initiatives, aimed at mitigating cyber risk, and showcasing the use of robotics and artificial intelligence (AI) within the business.
- Reviewed management's assessment of the performance of critical applications and provided input into remedial actions identified.
- The committee provided oversight over the IT governance model through the monitoring of key performance indicators for the five IT governance pillars.
- Governance oversight and making recommendations to the Board in respect of strategic technology projects, information and data management, strategic technology related acquisitions and disposals, technology suppliers, technology contractual

arrangements involving services, developments, licences, maintenance, support, hosting, networking, data protection and other technology arrangements.

- Approved key technology initiatives and projects within the prescribed limits.
- Reviewed the Group's cyber security strategy and identified enhancements to be put in place to strengthen the defense against and increase responsiveness to cyber incidents. These enhancements included the delivery of organisation wide campaigns to raise awareness around cyber risk and phishing activities and how employees should respond to these risks.

Areas of focus for 2019

- Monitoring the execution of our IT refresh to ensure on time and in scope delivery.
- Monitoring of continued enhanced Information Technology governance.
- Monitoring the management of key IT risks relating to information and cyber security and continuity of certain systems.
- Continue to oversee the execution of the IT strategy, as supported by the committee.

The Technology and Platforms committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Associated Stakeholders

- Investors
- Employees
- Customers



“The Remuneration committee continues to review and monitor the Group’s remuneration policies and practices to ensure we reward our employees fairly and responsibly.”

Thoko Mokgosi-Mwantembe
Chairperson

REMUNERATION COMMITTEE REPORT



Areas of focus during the year

- Reviewed and approved the remuneration related disclosures in the Old Mutual Limited Pre-Listing Statement, which was approved in April 2018.
- Set the Old Mutual Limited remuneration philosophy and policy.
- Reviewed current remuneration practices in order to consider whether they are fit for purpose, competitive and supported the sustainability of the Group.
- Reviewed executive remuneration and benefits, including the approval of MSIP payments to qualifying members of the executive committee.
- Reviewed and approved with the Board the remuneration for the CEO, the executive committee and senior management, ensuring they are fairly and responsibly rewarded for their individual contributions to the Group’s overall performance.
- Reviewed and approved the overall annual increase pool awarded to Group employees, with particular focus on the increases awarded to senior management.

- Reviewed and monitored the implementation of the Group’s incentive, benefits and equity-based remuneration plans.
- Reviewed potential risks in respect of the Group’s remuneration and benefit programmes and policies.
- Approved the 2018 Remuneration Report and incentive outcomes for employees.

Areas of focus for 2019

- Reviewing the reward framework to drive consistency in remuneration and the benefits structures across the Group, particularly in Rest of Africa.
- Managing Group remuneration philosophy and implementation in accordance with best practice, and ensuring the requisite engagements with all stakeholders are in place.
- Delivering oversight over the themes as set out in the Committee’s terms of reference.

Associated Stakeholders

- Investors
- Employees

The Remuneration committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.



“The Risk committee provided extensive oversight over a range of risk management initiatives during the year, ensuring that the Group is able to timeously identify, and effectively manage and mitigate all material risks it faces.”

John Lister
Chairperson

RISK COMMITTEE REPORT



Areas of focus during the year

- Reviewed and approved the risk related disclosures in the Old Mutual Limited Pre-Listing Statement, which was approved in April 2018.
- Monitored the adequacy, efficiency and appropriateness of the Group’s risk, capital and liquidity management processes and systems.
- Approved and implemented the revised risk policy framework.
- Reviewed the Group’s risk strategy and risk appetite, particularly considering the appropriateness of the application of the Group strategy and risk appetite to Zimbabwe given significant deterioration in the economic environment during 2018.
- Monitored and reviewed the regulatory compliance processes and procedures.
- East Africa, Business Continuity, Retail Banking Credit and Market Conduct risks were key areas of focus, with increased activity around cyber and information security.

- Considered and approved the Own Risk and Solvency assessment (ORSA).
- Monitored material legislation and compliance thereto.
- Approved the combined assurance plan.
- Regularly reviewed risks in subsidiary entities.

Areas of focus for 2019

- Monitoring the economic situation in Zimbabwe and putting in place measures to reduce operational and economic risk.
- Continue to monitor strategic execution risk.
- Continue to monitor retail credit risk exposure.
- Conduct risk to remain an area of focus, specifically the ability to evidence good outcomes for customers.
- From an operational perspective, the Information Security Program’s maturity and remediation roadmap will be a key focus during 2019.

Associated Stakeholders

- Regulators
- Investors
- Customers

The Risk committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.



“ The Responsible Business committee has made significant progress this year in ensuring that enhancements in Responsible Business goals and behaviours are embedded in all aspects of our business. ”

Sizeka Magwentshu-Rensburg
Chairperson

**RESPONSIBLE BUSINESS COMMITTEE
(INCORPORATING SOCIAL AND ETHICS)**



Areas of focus during the year

- Reviewed and approved the responsible business related disclosures in the Old Mutual Limited Pre-Listing Statement, which was approved in April 2018.
- Reviewed and recommended to the Board for approval the terms of the Framework Agreement with the Department of Economic Development, which was signed on 9 January 2018.
- Monitored and reviewed the outcomes of the Old Mutual Entrepreneurship Ecosystem pilot programme involving Mass and Foundation Cluster, Old Mutual Corporate, Personal Finance, Old Mutual Insure, Masisizane Fund and Black Distributors Trust.
- Reviewed the impact of the amended FSC on the calculation of Old Mutual Limited's BBBEE contributor status and drove actions to improve the score.
- Received updates on and provided input into the culture change programme implemented by management.
- Oversaw and considered the experience and outcomes for customers across the Group, including the ongoing monitoring of Treating Customers Fairly (TCF) initiatives.

- Steered the development of the Group's current responsible business programme, holding executives accountable for the effective planning, resourcing, implementation and delivery of the programme.
- Renewed and approved the Stakeholder Relations Policy to formalise how the Group addresses its sponsorship, donations and charitable giving.

Areas of focus for 2019

- Reviewing the 2018 BBBEE effective shareholding and identifying actions to improve the shareholding to the levels agreed to in the Framework Agreement.
- Oversee the programme responsible for TCF across the Group and ensure delivery by management.
- Ensuring that governance processes around the R500 million Enterprise Development Fund is established.
- Continue with monitoring initiatives to enhance the customer proposition.

The Responsible Business committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Associated Stakeholders

- Investors
- Regulators
- Communities
- Employees
- Customers



“ The role of the Related Party Transaction committee was particularly important in 2018. We reviewed and evaluated a number of complex related party transactions required to execute Managed Separation, in order to ensure these transactions were in the best interests of Old Mutual Limited. ”

Thys du Toit
Chairperson

RELATED PARTY TRANSACTION COMMITTEE REPORT



Areas of focus during the year

- Reviewed and approved the related party disclosures in the Old Mutual Limited Pre-Listing Statement, which was approved in April 2018.
- Provided monitoring and oversight of any potential undue influence on Old Mutual Limited that could arise during the execution of Managed Separation which included:
 - The review and approval of the shareholding, governance and commercial arrangements relating to Nedbank, which resulted in the signing of the Nedbank Relationship Agreement and;
 - Ensuring conflicts of interest between Old Mutual Limited and Old Mutual plc were appropriately managed, especially in dealing with liabilities resulting from the wind down of Residual plc activities.
- Ensured accurate disclosure of the IAS 24 related-party transactions in the annual financial statements, which included disclosure around the CEO's financial interest in the NMT Group.

Areas of focus for 2019

- The committee meets when relevant and will continue to ensure the requisite governances are in place in respect of related party transactions and any disclosures required in this regard.

The Related Party Transaction committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Associated Stakeholders

- Investors
- Regulators

05

REMUNERATION

96 ✦

OVERVIEW AND GOVERNANCE

98 ✦

2019 REMUNERATION PRINCIPLES

100 ✦

2018 REMUNERATION OUTCOMES



FULL REMUNERATION REPORT

 This section is summarised from the full remuneration report, which complies with the principles of King IV™ and can be found online at www.oldmutual.com/investor-relations/reporting-centre/reports

Shareholders are requested to cast their votes on part 2 and part 3 of the full remuneration report. This section should be read in conjunction with the full remuneration report.

OVERVIEW AND GOVERNANCE



“The Remuneration committee continues to review and monitor the Group’s remuneration policies and practices to ensure we reward our employees fairly and responsibly.”

Thoko Mokgosi-Mwantembe
Chairperson of the Remuneration committee

Overview

The Remuneration committee has a strong emphasis on remuneration that underpins a future fit reward philosophy that supports the delivery of the Group’s strategic objectives.

While the core elements of the Remuneration Policy were disclosed in the Pre-listing Statement, we continue to monitor investor feedback and local and global developments in remuneration practices that support business strategy and encourage superior performance.

Efforts have been concentrated on linking reward to performance, optimising existing share based payment remuneration structures and creating a long term ownership orientation. We are committed to these efforts while still maintaining a careful focus on costs and upholding our policy of fair and responsible remuneration.

Looking back over 2018

The Remuneration committee focused on winning the war for talent, one of our strategic priorities, and conducted strategic workshops with the Board in order to translate this into key remuneration principles.

Other focus areas for the Remuneration committee included:

- A market review of remuneration for executive management and non-executive directors
- Determined the outcome of the 2018 Short Term Incentive (STI) scheme and guaranteed pay increases for 2019
- Ensured that the Managed Separation Incentive Plan (MSIP) was implemented in line with approvals

- Reviewed the structure, targets and metrics for the 2019 STI and Long Term Incentive (LTI) schemes
- Approved the remuneration of executives appointed during the year
- Approved the exit arrangements of executives leaving the Group during the year

As a newly listed entity, there has been increased focus on our 2018 remuneration, reinforcing the need to ensure that the remuneration outcomes are fair and responsible, and align with the interests of our investors and stakeholders.

A detailed review of our remuneration policy and practices across the Group as well as performance against our identified Key Performance Indicators (KPIs) and a careful focus on costs, resulting in moderate increases in Total Guaranteed Packages (TGP), all had an impact on 2018 remuneration.

Focus for 2019

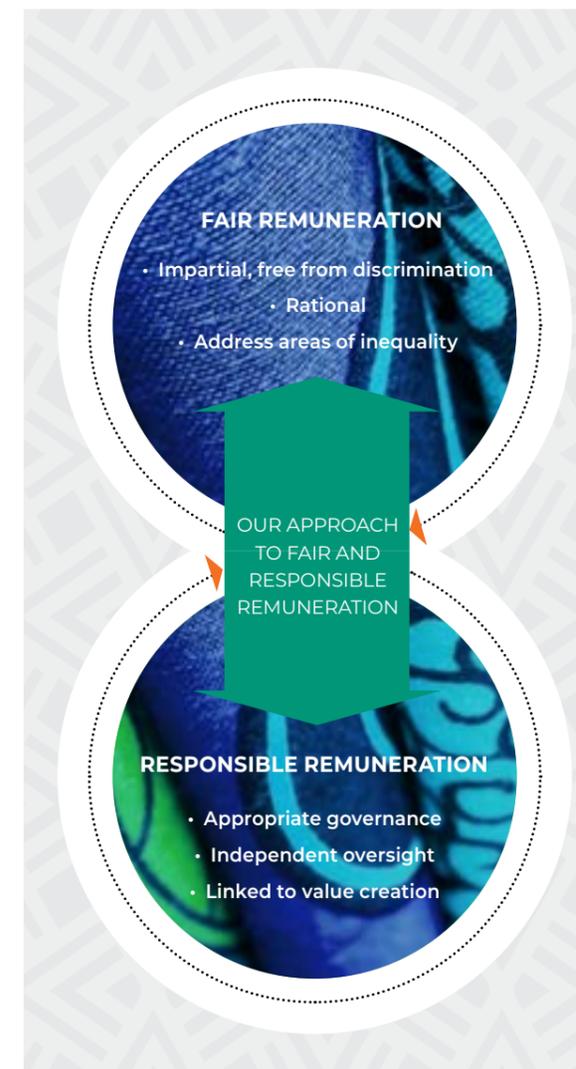
The focus areas for 2019 that will guide our reward journey are the following:

- Identifying performance measures and targets, that drive a culture of delivery and execution to create shareholder value
- Determine specific and measurable non financial KPIs for inclusion in the determination of the 2020 bonus pool
- Embedding our refreshed remuneration policy, outlined on page 98

Fair and responsible remuneration

We remain committed to fair and responsible remuneration, considering the impact on all levels of employees when defining the future fit reward model. Based on our stated commitment and an increased focus from external stakeholders, we have concluded that additional analysis will be required to meet this commitment.

As a first step, in order to eliminate inequality through pay increases, our Remuneration committee ensured that employees in more junior roles received higher increases in fixed remuneration than those in more senior roles. Executive increases were inflation linked, averaging at 5.5% (except where rates are positioned below market level). At management level and below, increases were above inflation, averaging at 6.2%.



Shareholder engagement and voting

With our first Annual General Meeting (AGM) as a listed entity approaching, we have actively engaged with shareholders to identify and understand areas of concern.

Our Chairman held a shareholder roadshow in November 2018, discussing the remuneration votes for the upcoming AGM. In particular, performance targets and the linkages to executive director remuneration were discussed. There was general consensus from the shareholders that the proposed targets were acceptable and that the overlap between STI and LTI incentive metrics were appropriate. The treatment of earnings from Zimbabwe was a significant matter that was discussed.

We remain committed to engaging openly with our shareholders on remuneration matters, and invite them to provide their feedback on the remuneration policy and remuneration outcomes on an ongoing basis.

We will annually table the forward-looking overview of the Remuneration Policy (Part 2 of the full Remuneration Report), as well as the Implementation Report (Part 3 of the full Remuneration Report) for separate non-binding advisory votes at the AGM. In the event that 25% or more of the votes exercised are against either report, our Remuneration committee will take measures to engage proactively with shareholders and ascertain their reasons for the dissenting votes.

Our Remuneration committee shall disclose the results of any shareholder engagement in the Background Statement of the subsequent Remuneration Report. In the event that one or more of the remuneration related resolutions are voted against by 25% or more of the shareholders, additional disclosure will be provided on such engagement and the nature of steps taken to address the shareholders’ feedback.

Where appropriate, our Remuneration committee may consider amending elements of the Remuneration Policy, informed by relevant market practice and shareholder value creation considerations.

Remuneration governance

We comply with all legislative and regulatory provisions and applicable governance codes that determine and manage remuneration and related matters. Our Remuneration committee oversees and governs our remuneration environment in accordance with its Terms of Reference. Our Chairperson reports to the Board after each committee meeting, and will be present at the AGM to answer questions from shareholders.

2019 REMUNERATION PRINCIPLES

Remuneration policy for 2019

Remuneration is one of our key pillars in winning the war for talent. With the correct remuneration strategy and future-fit incentive pay structures, we can acquire and retain our top talent while remaining externally competitive, encouraging employees to execute and deliver on customer led solutions.

The Group manages remuneration on a Total Remuneration basis, which incorporates a combination of financial and non financial reward elements. This approach allows us to attract, motivate and retain appropriately skilled and experienced individuals who will enable us to meet our strategic objectives, and ensures alignment of the Group's interests and those of our executives and stakeholders over the long term.

This section is a summary of part 2 of the full Remuneration Report which can be found at www.oldmutual.com/investor-relations/reporting-centre/reports



Alignment of stakeholder and executive interests, and pay for performance by rewarding delivery of the chosen strategy and sustained performance against agreed financial and non financial goals that create long term stakeholder value.

Remuneration supportive of culture and values aligned to the Group's corporate culture, reinforcing wider people management practices in a simple, clear and transparent manner.

Appropriate risk and regulatory alignment with a robust quantitative and qualitative approach to reflecting risk metrics and risk management in the outcome of remuneration plans, as well as compliance with applicable regulatory and legal requirements.

Fair and responsible total reward to ensure that executive remuneration is fair and responsible in the context of overall employee remuneration and in compliance with country specific legislation relating to a national or sectoral minimum wage.

Alignment of reward with our business objectives drivers, corporate vision, and strategic priorities of the Group, supporting prudent decision making, consistent with our risk appetite, not inducing excessive or inappropriate risk taking and incentive schemes incorporating our economic, social and environmental impact, supporting a "pay for performance" culture.

Principle remuneration elements

Our remuneration mix reflects the composition of total remuneration, comprised of guaranteed remuneration, and both STI, (including deferrals), and LTI schemes, where applicable.

With our focus on rewarding for substantial performance, executive remuneration structures are weighted towards performance based remuneration, achieving a total remuneration potential which is strongly tilted toward performance based pay

in instances of substantial performance. As is best practice within our industry, we incorporate deferral practices in terms of STI schemes. When determining which employees should participate in the LTI schemes, consideration is given to the ability of a role to influence our share price and create value for investors in the long term. The pay mix should not encourage excessive risk taking.



Executive remuneration

Remuneration for our executive directors and prescribed officers is structured to ensure alignment with the creation of shareholder value and the strategic objectives of the Group. This is intended to encourage outperformance of objectives within appropriate risk parameters.

Non-executive directors fees

Non-executive directors' do not participate in long term incentive schemes and fees are reviewed at least every two years.

Fees consist of an annual fee for Board membership, and annual fees for committee membership, with premia applying in respect of payments made to Chairpersons of committees.

Fees are subject to approval in advance by shareholders at the AGM, exclusive of VAT. Changes to fees, where appropriate, become effective on 1 July following the AGM. The proposed fees for Non-executive directors for 2019/20 are set out in the Notice of AGM.

2018 REMUNERATION OUTCOMES

Total guaranteed pay

Total guaranteed pay for all employees reflects the nature of the role, individual skills and competence, and market practice in each of our operating environments. The amounts are reviewed annually, including a review of benefit costs, that consider internal equity and external competitiveness.

As a general principle, the average TGP increase applied for executives should not be higher than that applied for other employees.

2018 STI Outcomes

The total STI pool in respect of the 2018 financial year that was approved by the Remuneration committee on 7 March 2019 is R905.3 million compared with R778 million in 2017. This equates to a payout percentage of 63.2%. The STI spend represents 9.1% of results from operations, compared with 7.5% in 2017. The portion of the STI pool attributable to the executive committee amounted to 6.9%.

LTIP performance outcomes

The long term incentive awards granted in March 2016, vested on 14 March 2019, in terms of the legacy Old Mutual plc Group PSP rules at a 50.2% vesting percentage. This is applied to the number of shares awarded, reflecting the level of achievement against the selected performance measures during the applicable three year performance period.

One off share awards granted in 2018

As outlined below, 2018 Remuneration outcomes have been impacted by one off events, including the vesting of MSIP awards and the accelerated vesting due to the distribution of Nedbank and unbundling of Quilter.

Broad-based share award

We granted a one off share award in September 2018 to all permanent employees, including executive directors and prescribed officers, who were in permanent employment at the time of listing on the JSE and were still in service on the date of grant. This was in recognition of each employee's contribution to the smooth transition to listing, and the anticipated future contribution they will make to the Group.

Employees were granted shares to the value of R10 000 (or local currency equivalent). The awards, granted under the ESOP rules, will vest in full on the second anniversary of the date of award, subject to continued employment until then, with participants receiving dividends in the normal course as and when declared and paid.

Old Mutual Emerging Markets Managed Separation Incentive Plan (OMEM MSIP)

To align the senior management team with the completion of the Management Separation of the Old Mutual plc Group within a specified period, with the overall objective of unlocking value for shareholders, a one off Long Term Incentive plan (the OMEM MSIP) was implemented. The OMEM MSIP was linked to the delivery of specifically agreed performance targets for each participant.

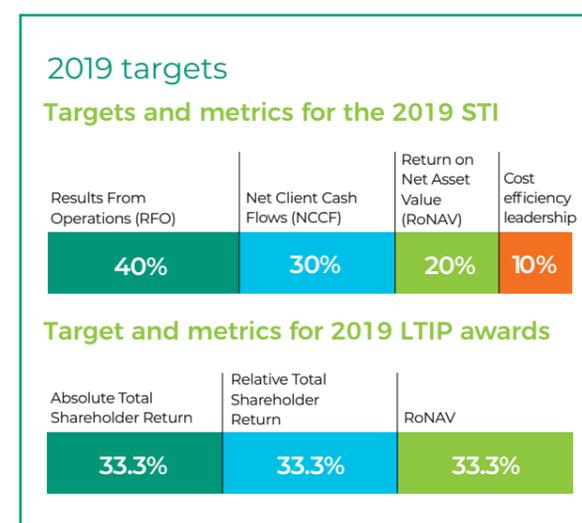
An assessment against those targets was conducted following the listing of Old Mutual Limited, with the Remuneration committee approving the outcomes, 50% of the OMEM MSIP awards were delivered in cash, and 50% were deferred as forfeitable shares under the terms of the ESOP. The deferred shares will vest in full on the first anniversary of the date of award, subject to continued employment until then, with participants receiving dividends in the normal course as and when a dividend is declared and paid.

Nedbank and Quilter Distributions

We noted that the settlement of the Nedbank and Quilter dividends as a result of the distribution of Nedbank and unbundling of Quilter was a consequence of the Old Mutual plc Group share scheme rules for our employees, which led to early vesting.

We have ensured that our new share scheme rules, implemented since listing do not permit early settlement.

 This section is a summary of part 3 of the full Remuneration Report which can be found at www.oldmutual.com/investor-relations/reporting-centre/reports



Performance outcomes

We have set out below the single figure remuneration outcomes and performance outcomes of the Executive Directors and Prescribed Officers. This summary includes, on an individual basis, commentary regarding each individual's achievement against his/her personal KPIs and their remuneration mix.

Graphs presented below may not cast due to rounding.

PETER MOYO Executive Director

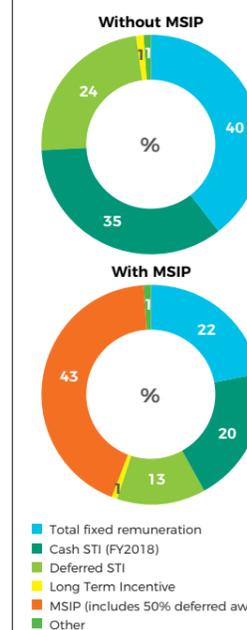
Peter's personal KPIs and achievements for the 2018 financial year included:

- Delivering the successful listing of Old Mutual Limited
- Determining the medium term strategy and targets of the Group
- Delivering the eight strategic priorities by improving the competitiveness of the Group and the segments as well as cost efficiency leadership
- Leading Responsible Business efforts and embedding throughout the organisation

Key outcomes in 2018 included delivery of good sales and NCCF in a tough economic environment, with five of the six medium term targets delivered including approximately R750 million of recurring costs of the R1 billion target saved in 2018.

2018 Remuneration outcomes

Remuneration mix



Actual Remuneration

	ZAR
Fixed remuneration	8,000,000
Cash STI	7,145,732
Deferred STI	4,763,821
LTI	12,829
Total Remuneration	19,922,383
MSIP	15,433,460
Other	209,745
Total Remuneration received	35,565,588

CASPER TROSKIE Executive Director

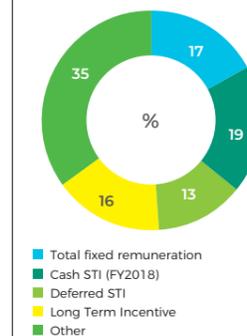
Casper's personal KPIs and achievements for the 2018 financial year included:

- Delivering the successful listing of Old Mutual Limited
- Delivering of the supplementary pre-listing statement and analyst presentation
- Establishing an External Reporting Finance function
- Transitioning Treasury activities from Residual plc
- Driving cost efficiency leadership
- Delivering interim and year end financial results
- Managing the wind down of Residual plc

Key outcomes in 2018 included substantially improved external disclosures. Simplification of the Group's balance sheet, including the settlement of remaining international debt and progress made on capital management.

2018 Remuneration outcomes

Remuneration mix



Actual Remuneration

	ZAR
Fixed remuneration	3,443,182
Cash STI	3,894,472
Deferred STI	2,596,314
LTI	3,213,122
Total Remuneration	13,147,090
Other	7,128,134
Total Remuneration received	20,275,224

Performance outcomes (continued)

CLARENCE NETHENGWE
Prescribed Officer

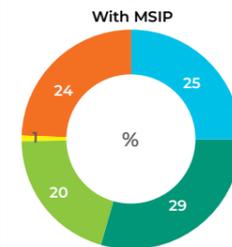
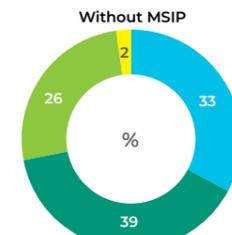
Clarence's personal KPIs and achievements for the 2018 financial year included:

- Delivering the successful listing of Old Mutual Limited
- Defending and growing the life insurance market share
- Growing the lending and transactional account book
- Enhancing the distribution capability through growing tied adviser channel and branch network
- Delivering of financial targets in line with guidance
- Driving cost efficiency leadership
- Defending our market share in a tough environment by growing new business volumes by 12% and gross sales by 14%

Key outcomes in 2018 included opened 25 branches, increasing the branch footprint to 348 branches. Growth in loan book, with low credit losses.

2018 Remuneration outcomes

Remuneration mix



■ Total fixed remuneration
■ Cash STI (FY2018)
■ Deferred STI
■ Long Term Incentive
■ MSIP (includes 50% deferred award)

Actual Remuneration

	ZAR
Fixed remuneration	3,600,000
Cash STI	4,205,793
Deferred STI	2,803,862
LTI	186,825
Total Remuneration	10,796,479
MSIP	3,487,994
Total Remuneration received	14,284,473

Performance outcomes (continued)

IAIN WILLIAMSON
Prescribed Officer

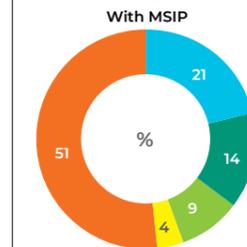
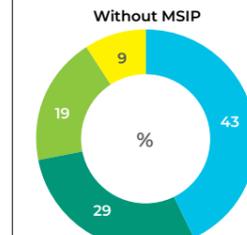
Iain's personal KPIs and achievements for the 2018 financial year included:

- Delivering the successful listing of Old Mutual Limited
- Achieving business results
- Progress in the delivery of SAT
- Delivering financial efficiencies and enhance customer experience through exploitation of robotics process automation
- Key focus on IT, digital and data transformation in order to reduce cost and improve agility
- Transferring of Residual Plc operations and manage wind down of the business
- Driving cost efficiency leadership

Key outcomes in 2018 included protection solutions for Mass and Foundation Cluster and Personal Finance segments expected to be activated during 2019. Introduction of robotics processes and system automations which have improved customer service turnaround time.

2018 Remuneration outcomes

Remuneration mix



■ Total fixed remuneration
■ Cash STI (FY2018)
■ Deferred STI
■ Long Term Incentive
■ MSIP (includes 50% deferred award)

Actual Remuneration

	ZAR
Fixed remuneration	4,500,000
Cash STI	3,041,260
Deferred STI	2,027,506
LTI	889,379
Total Remuneration	10,458,146
MSIP	11,022,156
Total Remuneration received	21,480,302

KARABO MORULE
Prescribed Officer

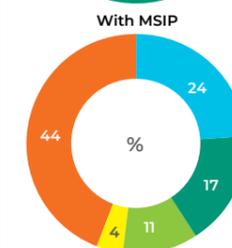
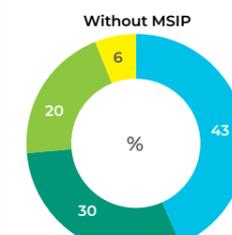
Karabo's personal KPIs and achievements for the 2018 financial year included:

- Delivering the successful listing of Old Mutual Limited
- Achieving financial targets for the business
- Future fit the business and ensure advisers are ready for retail distribution review (RDR)
- Focusing on customer experience and maximising business effectiveness
- Collaborating with the other businesses to help with the successful achievement of their targets
- Driving cost efficiency leadership

Key outcomes in 2018 included distribution channels contributed a total of R69.2 billion in gross flows, R37.2 billion to Wealth and Investments. A number of initiatives launched to meet customer needs and enhance product offering, including the launch of Old Mutual Rewards.

2018 Remuneration outcomes

Remuneration mix



■ Total fixed remuneration
■ Cash STI (FY2018)
■ Deferred STI
■ Long Term Incentive
■ MSIP (includes 50% deferred award)

Actual Remuneration

	ZAR
Fixed remuneration	3,800,000
Cash STI	2,650,548
Deferred STI	1,767,032
LTI	567,955
Total Remuneration	8,785,535
MSIP	6,854,694
Total Remuneration received	15,640,229

DAVID MACREADY
Prescribed Officer

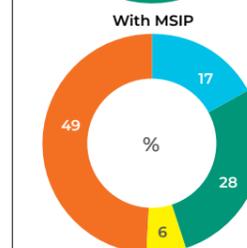
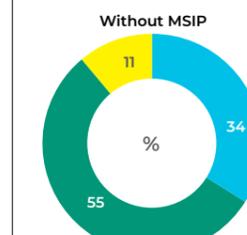
David's personal KPIs and achievements for the 2018 financial year included:

- Delivering the successful listing of Old Mutual Limited
- Building the investment case for the newly established Wealth and Investments business and capitalising the capability to expand into the continent
- Growing the market share of the business, profit and assets under management
- Driving business delivery to deep succession pipeline
- Driving cost efficiency leadership

Key outcomes in 2018 included appointment of Khaya Gobodo as Managing Director of Wealth and Investments effective 1 January 2019, ensuring a seamless leadership transition for the Wealth and Investments Cluster. Improved investment performance across diversified asset base.

2018 Remuneration outcomes

Remuneration mix



■ Total fixed remuneration
■ Cash STI (FY2018)
■ Deferred STI
■ Long Term Incentive
■ MSIP (includes 50% deferred award)

Actual Remuneration

	ZAR
Fixed remuneration	5,159,700
Cash STI	8,327,898
Deferred STI	-
LTI	1,668,755
Total Remuneration	15,156,353
MSIP	14,382,614
Total Remuneration received	29,538,967

Performance outcomes (continued)

CLEMENT CHINAKA
Prescribed Officer

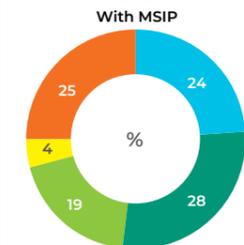
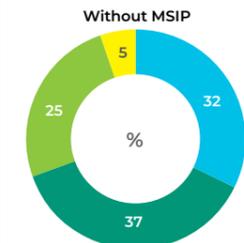
Clement's personal KPIs and achievements for the 2018 financial year included:

- Delivering the successful listing of Old Mutual Limited
- Achieving financial targets in a difficult economic environment
- Growing the customer and asset base of the business
- Improving the customer experience
- Driving cost efficiency leadership

Key outcomes in 2018 included launch of self-service portal for retirement members. Good traction on management actions to improve Group Risk Underwriting experience.

2018 Remuneration outcomes

Remuneration mix



■ Total fixed remuneration
■ Cash STI (FY2018)
■ Deferred STI
■ Long Term Incentive
■ MSIP (includes 50% deferred award)

Actual Remuneration

	ZAR
Fixed remuneration	3,500,000
Cash STI	4,045,978
Deferred STI	2,697,318
LTI	576,445
Total Remuneration	10,819,741
MSIP	3,623,730
Total Remuneration received	14,443,471

GARTH NAPIER
Prescribed Officer

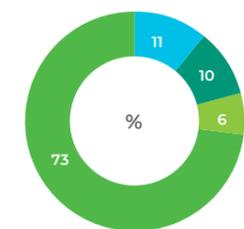
Garth's personal KPIs and achievements for the 2018 financial year included:

- Settling into the Old Mutual Insure business
- Alignment and creation of linkages between Old Mutual Limited and Old Mutual Insure
- Focusing on understanding key processes including claims and procurement optimisation
- Driving the quality of the book and focusing on the brokers
- Driving cost efficiency leadership

Key outcomes in 2018 included substantial completion of remediation and claims management processes.

2018 Remuneration outcomes

Remuneration mix



■ Total fixed remuneration
■ Cash STI (FY2018)
■ Deferred STI
■ Other

Actual Remuneration

	ZAR
Fixed remuneration	720,833
Cash STI	648,750
Deferred STI	432,500
LTI	-
Total Remuneration	1,802,083
Other	4,990,000
Total Remuneration received	6,792,083

Performance outcomes (continued)

JONAS MUSHOSHO
Prescribed Officer

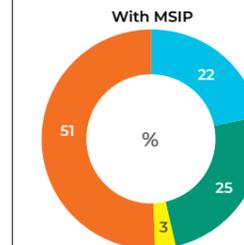
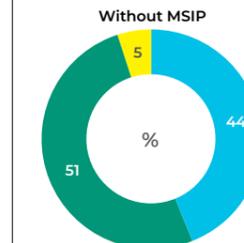
Jonas's personal KPIs and achievements for the 2018 financial year included:

- Delivering the successful listing of Old Mutual Limited
- Appointment of a Managing Director for West Africa
- Completion of the staff reorganisation in East Africa and alignment of East Africa management structure to the CEO
- Turnaround of the East African business
- Managing the Zimbabwe business during a period of economic instability
- Driving cost efficiency leadership

Positive results from operations delivered by East Africa for the first time since acquisition. Southern Africa continues to generate strong profit growth.

2018 Remuneration outcomes

Remuneration mix



■ Total fixed remuneration
■ Cash STI (FY2018)
■ Deferred STI
■ Long Term Incentive
■ MSIP (includes 50% deferred award)

Actual Remuneration

	USD
Fixed remuneration	315,000
Cash STI	359,600
Deferred STI	-
LTI	37,399
Total Remuneration	711,999
MSIP	734,110
Total Remuneration received	1,446,109

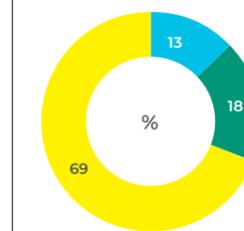
INGRID JOHNSON
Executive Director

For part of the year, Ingrid was an executive director of Old Mutual Limited in addition to her role as Group Finance Director of Old Mutual plc. In relation to her executive role for Old Mutual Limited, her personal KPIs and achievements for the 2018 financial year included:

- Finalising Day 1 balance sheet outcomes in preparation for listing (in order to support the regulatory approval process and Shareholder investment case KPIs);
- Delivering the listing documentation (including the pre-listing statement) and related reporting obligations/sign-offs;
- Overseeing efficient production and integrity of all financial information and reporting to fulfil internal, statutory, listing, investor messaging and regulatory solvency requirements;
- Ensuring business readiness of the finance function for listing;
- The seamless transition of Old Mutual Limited related accountabilities to Casper Troskie.

2018 Remuneration outcomes

Remuneration mix



■ Total fixed remuneration
■ Cash STI H1 2018
■ Long Term Incentive

Actual Remuneration

	GBP
Fixed remuneration ¹	495,508
Cash STI ¹	679,892
Deferred STI	-
LTI ¹	2,664,981
Total Remuneration received	3,840,381

¹ The values shown are in respect of Ingrid's role as Group Finance Director of Old Mutual plc. Ingrid did not receive any additional remuneration from Old Mutual Limited as an executive of Old Mutual Limited, nor any fees for her role as a non-executive director. Earnings in relation to Ingrid's employment with Old Mutual plc for the period 1 July to 31 December 2018 are not included, other than in relation to the vesting and exercise of LTI awards.

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