



European Embedded Value Principles (EEV)

Analyst and Investor Briefing
20 June 2005

Strength of diversity, power of focus



Julian Roberts

Group Finance Director

Strength of diversity, power of focus

Agenda

- Overview Julian Roberts
- Key EEV Principles Impacting Old Mutual Gary Palser
- Closing remarks Julian Roberts
- Q&A

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Old Mutual plc – EEV Analyst and Investor Briefing – 20 June 2005



Overview

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Overview

■ EEV principles

■ Key financial impacts

Key EEV Principles

Closing remarks

Q&A

- Inclusion of an appropriate allowance for risk is a key requirement within the EEV Principles
 - We have adopted a 'bottom-up' market-consistent approach, based upon robust principles
 - We have worked with Tillinghast in developing the approach
- We will continue to use return on equity and embedded value as key performance measures for the business
- EEV impacts reduce the value of in-force business and the value of new business
- These are offset by IFRS impacts on shareholders equity
- Overall adjusted embedded value of the Group has increased marginally at 31 December 2004
- 31 December 2004 EEV results have been audited by KPMG

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Old Mutual plc – EEV Analyst and Investor Briefing – 20 June 2005



European Embedded Value (EEV) Principles

- Agenda
- Overview
 - EEV principles
 - Key financial impacts
- Key EEV Principles
- Closing remarks
- Q&A

EEV PRINCIPLES	RELEVANCE TO OLD MUTUAL
1 Introduction – What is embedded value (EV)	
2 Covered business	✓
3 EV definitions	
4 Free surplus	
5 Required capital and the cost of holding that capital	✓
6 Value of the in-force business	
7 Financial options and guarantees	✓
8 New business and renewals	
9 Projection assumptions	✓
10 Economic assumptions	✓
11 Participating business	
12 Disclosure	✓

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Components of Adjusted Embedded Value

- Agenda
- Overview
 - EEV principles
 - Key financial impacts
- Key EEV Principles
- Closing remarks
- Q&A

Component of embedded value	Basis of Valuation	Impacted by EEV	Geographic spread		
			Africa	North America	UK & ROW
Life business	■ Adjusted net worth & VIF	66%	✓	✓	✓
Asset Management	■ IFRS	18%	✗	✓	✓
Banking	■ Market value	27%	✗	✓	✓
General Insurance	■ Market value	9%	✗	✓	✓
Less: Debt	■ IFRS	(20%)	✗		
Adjusted embedded value		£5,384m			

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Key Financial Impacts – 31 December 2004

Agenda	£m Adjusted embedded value	Achieved Profits	EEV	Change %
Overview	Adjusted embedded value	5,359	5,384	0.5%
EEV principles	Adjusted net worth *	3,769	3,910	3.7%
Key financial impacts	Value of in-force business	1,590	1,474	(7.3%)
Key EEV Principles	Adjusted embedded value per share	139.1p	139.7p	0.5%
Closing remarks				
Q&A				

* includes adjustments to bring subsidiaries to market value and adjustment for own shares held in policy-holder funds

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Key Financial Impacts – 31 December 2004

Agenda	£m Adjusted EV operating profit	Achieved Profits	EEV	Change %
Overview	Adjusted EV operating profit before tax	1,111	1,139	3%
EEV principles	Covered (Life) business (EEV)	749	733	(2%)
Key financial impacts	Other business (IFRS)	362	406	12%
Key EEV Principles	Return on embedded value (ROEV)	19.4%	19.9%	N/A
Closing remarks				
Q&A				

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Key Financial Impacts – 31 December 2004

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■ EEV principles

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Key EEV

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£m	Achieved Profits	EEV	Change %
Value of new business (after tax)	127	108	(15%)
New business margin (APE) %	23%	18%	(5%)
New business margin (PVNBP) %	N/A	2.4%	N/A

- Reduction in VNB, mainly as a result of the more specific allowance for risk
- New business margin nevertheless still within our target range

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Key EEV Principles Impacting Old Mutual

Gary Palser
Group Actuary

Strength of diversity, power of focus

European Embedded Value (EEV) Principles

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Key EEV Principles

- Allowance for risk
- Required capital
- FOGs
- Risk discount rate
- Other impacts
- Reconciliations

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EEV PRINCIPLES	RELEVANCE TO OLD MUTUAL
1 Introduction – What is embedded value (EV)	
2 Covered business	✓
3 EV definitions	
4 Free surplus	
5 Required capital and the cost of holding that capital	✓
6 Value of the in-force business	
7 Financial options and guarantees	✓
8 New business and renewals	
9 Projection assumptions	✓
10 Economic assumptions	✓
11 Participating business	
12 Disclosure	✓

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Allowance for Risk

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- Allowance for risk
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- Other impacts
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Closing remarks

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- EEV Principles require a comprehensive allowance for risk:
 - level and cost of required capital
 - stochastic cost of financial options and guarantees
 - nature of projected profits (underlying liability valuation basis)
 - risk discount rate
- EEV Principles also require sufficient disclosure to enable users to understand the methods employed

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Required Capital

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Key EEV Principles

■ Allowance for risk

■ Required capital

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■ Risk discount rate

■ Other impacts

■ Reconciliations

Closing remarks

Q&A

- EEV Principles define required capital as the assets attributable to the covered business whose distribution to shareholders is restricted. We have based our required capital on:
 - minimum local and Group statutory requirements
 - capital allocated for internal capital management purposes
 - the % Risk Based Capital (RBC) required by rating agencies in our North American business to maintain our desired credit rating
- No change to amount of capital actually held

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Required Capital

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Q&A

£m	Africa	North America
Required capital	1,595	451
Minimum statutory requirements	1,016	160
Required capital as a % of minimum statutory requirements	157%	282%

- Significant increase in capital included for EEV, and hence cost of holding that capital

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Financial Options and Guarantees (FOGs)

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■ Allowance for risk

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Closing remarks

Q&A

- EEV Principles require stochastic allowance for the time-value of all financial options and guarantees

Allowance for FOGs

Africa

North America

Statutory reserves

- Allow for intrinsic value
- Some allowance for time-value

- Allow for intrinsic value
- No allowance for time-value

EEV

- Allow fully for time-value
- Allow fully for time-value

- The cost of FOGs is calculated on a real world basis

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Risk Discount Rate (RDR)

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■ Allowance for risk

■ Required capital

■ FOGs

■ Risk discount rate

■ Other impacts

■ Reconciliations

Closing remarks

Q&A

- Having determined:
 - required capital; and
 - shareholder cost of FOGs

- The Risk Discount Rate is the lever to ensure that appropriate total allowance is made for all the risks in the business

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Risk Discount Rate (RDR)

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■ Allowance for risk

■ Required capital

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■ Risk discount rate

■ Other impacts

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Closing remarks

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- We estimated the value of the in-force business using a “bottom up” market-consistent approach – advised by Tillinghast
- Each risk is allowed for in a way that is consistent with the way the market is expected to allow for such risks
- The risk discount rate is derived as the rate that would produce a similar value to the market-consistent value, using our EEV assumptions, allowing for the cost of financial options and guarantees and the cost of capital

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Risk Discount Rate (RDR)

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Key EEV Principles

■ Allowance for risk

■ Required capital

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■ Risk discount rate

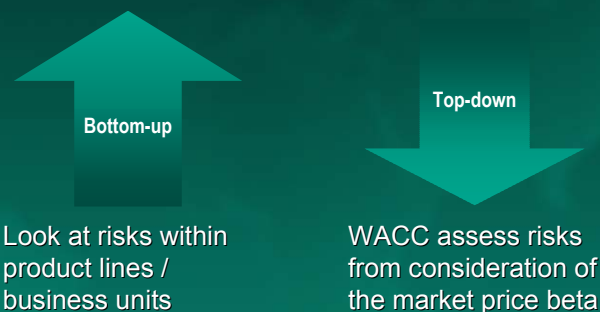
■ Other impacts

■ Reconciliations

Closing remarks

Q&A

Two possible approaches:



Old Mutual has adopted the “bottom-up” approach

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Risk Discount Rate (RDR)

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Reasons for choosing the “bottom-up” market-consistent approach

- Better link to risks associated with each business
- Better link to pricing and risk management in each business
- Unique risk discount rate for each geographic life business

Reasons for rejecting the WACC approach

- Old Mutual is a very diverse financial services business – adjustments to exclude the non-life businesses would be highly subjective
- Old Mutual has two very different life businesses: determining appropriate discount rates for the two businesses would also be subjective

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Risk Discount Rate for In-force Business – South Africa

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■ Allowance for risk

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■ FOGs

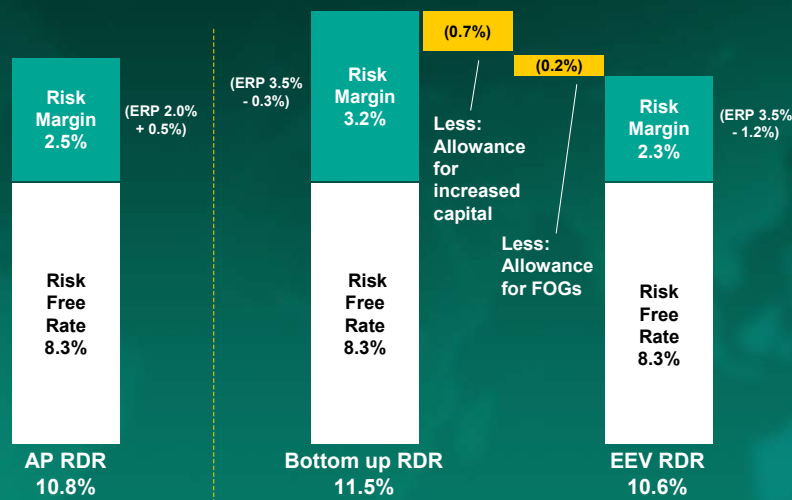
■ Risk discount rate

■ Other impacts

■ Reconciliations

Closing remarks

Q&A



(Not to scale)

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Insights – South Africa

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Key EEV Principles

■ Allowance for risk

■ Required capital

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■ Risk discount rate

■ Other impacts

■ Reconciliations

Closing remarks

Q&A

- Profit stream generated by the South African life business is more stable than equity returns
 - premium and Rand based product charges
 - liability margins
 - product mix
- Main risks reflected in cost of capital and cost of financial options and guarantees
- Historical earnings volatility has been low

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Risk Discount Rate for In-force Business – North America

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Overview

Key EEV Principles

■ Allowance for risk

■ Required capital

■ FOGs

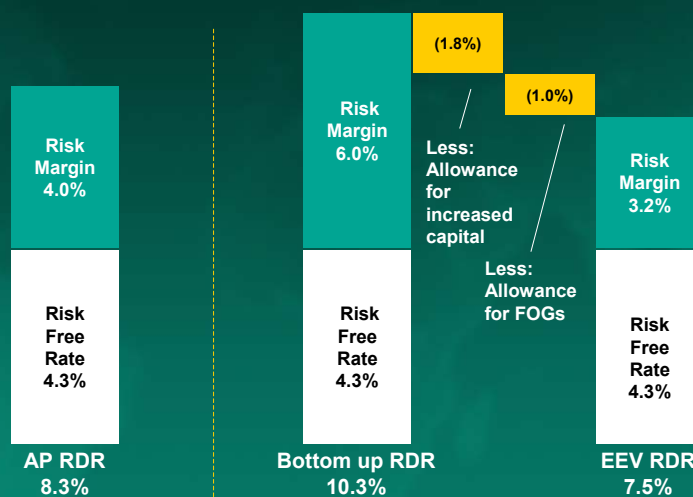
■ Risk discount rate

■ Other impacts

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(Not to scale)

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Insights – North America

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■ Allowance for risk greater than under Achieved Profits method

- Profit stream generated by the US business includes investment (credit) risk margins which accrue to shareholders
- Because of market-consistent calibration, these margins are not capitalised in our EEV
- These margins will emerge over time when earned
- Stochastic cost of policyholder options and guarantees greater than previous implicit allowance in Achieved Profits discount rate

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Financial Impacts of the Allowance for Risk

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		Africa		North America	
	£m	VIF	VNB	VIF	VNB
2004 AP		1,050	66	512	62
Capital		(113)	(7)	(49)	(15)
FOGs		(49)	(1)	(25)	(7)
RDR		138	3	24	4
2004 EEV		1,026	61	462	44
% change		(2%)	(8%)	(10%)	(29%)

Results shown after tax

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Other Impacts – Business Coverage

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- EEV principles require that the business covered be clearly identified and disclosed
 - covered business has been defined to be consistent with the long-term business in the primary financial statements
 - this means that a VIF and VNB have now been calculated for Healthcare

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Other Impacts – Experience Assumptions

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Closing remarks

Q&A

- EEV Principles require appropriate assumptions, as follows:
 - best estimate assumptions
 - consistency between assumptions
 - active review
 - allocation of holding company expenses to the covered business
 - “look through” to profits and losses incurred within service companies
- Allocation of £6.6m head-office expenses to the covered business
- Allocation of US expenses reviewed
- SA expenses now also include an annual allowance for one-off project expenses
- Any asset management profits in respect of life businesses continue to emerge in the asset management businesses

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Other Impacts – Disclosure

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Closing remarks

Q&A

- Reconciliation of embedded value of the long term covered business with the group adjusted embedded value
 - details the segmental adjusted net-worth by business
- Analysis of embedded value shows separately the sources of value in both adjusted net worth and value of in-force business
- More sensitivities
- New business margins additionally disclosed on the new basis
- Product analysis of new business premiums

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Reconciliation of Geographic Value of In-force – 2004

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Q&A

£m	Africa	North America	Group*
As reported on an Achieved Profits basis	1,050	512	1,590
Adjustments for:			
Allowance for risk (see slide 24)	(24)	(50)	(77)
Impact of extending the covered business to include Healthcare	14	0	14
Expenses	(35)	(18)	(53)
As reported on an EEV basis	1,005	444	1,474
% change	(4%)	(13%)	(7%)

* Group also includes UK & ROW

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Reconciliation of Geographic Value of New Business (after tax) – 2004

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■ Allowance for risk

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■ Risk discount rate

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Q&A

£m	Africa	North America	Group
As reported on an Achieved Profits basis	66	62	127
Adjustments for:			
Allowance for risk	(5)	(18)	(23)
Impact of extending the covered business to include Healthcare	4	-	4
Expenses	(1)	1	-
As reported on an EEV basis	64	45	108
% change	(3%)	(27%)	(15%)

* Group also includes UK & ROW

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Reconciliation of Geographic Adjusted EEV Operating Profit (pre-tax) – 2004

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Q&A

£m	Africa	North America	Group*
As reported on an Achieved Profits basis	640	104	749
Adjustments to:			
Value of New Business	(3)	(24)	(27)
Operating assumption changes	16	-	16
Other	(1)	(3)	(5)
As reported on an EEV basis	652	77	733
% change	2%	(26%)	(2%)

* Group also includes UK & ROW

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Key Financial Impacts – 31 December 2004

Agenda	£m	Adjusted embedded value	Achieved Profits	EEV	Change %
Overview		Adjusted embedded value	5,359	5,384	0.5%
Key EEV Principles		Adjusted net worth *	3,769	3,910	3.7%
■ Allowance for risk		Value of in-force business	1,590	1,474	(7.3%)
■ Required capital					
■ FOGs					
■ Risk discount rate					
■ Other impacts					
■ Reconciliations		Adjusted embedded value per share	139.1p	139.7p	0.5%
Closing remarks					
Q&A					

* includes adjustments to bring subsidiaries to market value and adjustment for own shares held in policy-holder funds

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Closing Remarks

Julian Roberts
Group Finance Director

Strength of diversity, power of focus

Looking Forward

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- We continue to embed EEV into the management of our covered business
 - product design and pricing
 - risk management
 - internal capital management
- Our 2005 interim results will comply with EEV Principles

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Summary

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■ Summary
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- The implementation of EEV and IFRS has been a major initiative for Old Mutual
- A robust approach to risk has allowed a better link to the risks associated with each business
- Minimal overall impact on embedded value per share
 - increase in adjusted net worth due to IFRS impacts
 - decrease in value of in-force due to EEV impacts

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Questions & Answers

Strength of diversity, power of focus



Appendix 1

EEV Analyst and Investor Briefing in SA Rand

Strength of diversity, power of focus



Julian Roberts

Group Finance Director

Strength of diversity, power of focus

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- Overview Julian Roberts
- Key EEV Principles Impacting Old Mutual Gary Palser
- Closing remarks Julian Roberts
- Q&A

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- EEV principles
- Key financial impacts

Key EEV Principles

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Q&A

- Inclusion of an appropriate allowance for risk is a key requirement within the EEV Principles
 - We have adopted a 'bottom-up' market-consistent approach, based upon robust principles
 - We have worked with Tillinghast in developing the approach
- We will continue to use return on equity and embedded value as key performance measures for the business
- EEV impacts reduce the value of in-force business and the value of new business
- These are offset by IFRS impacts on shareholders equity
- Overall adjusted embedded value of the Group has increased marginally at 31 December 2004
- 31 December 2004 EEV results have been audited by KPMG

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European Embedded Value (EEV) Principles

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EEV PRINCIPLES	RELEVANCE TO OLD MUTUAL
1 Introduction – What is embedded value (EV)	
2 Covered business	✓
3 EV definitions	
4 Free surplus	
5 Required capital and the cost of holding that capital	✓
6 Value of the in-force business	
7 Financial options and guarantees	✓
8 New business and renewals	
9 Projection assumptions	✓
10 Economic assumptions	✓
11 Participating business	
12 Disclosure	✓

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Components of Adjusted Embedded Value

Agenda Overview	Component of embedded value	Basis of Valuation	Impacted by EEV	Geographic spread		
				Africa	North America	UK & ROW
<ul style="list-style-type: none"> ■ EEV principles ■ Key financial impacts 	Life business	<ul style="list-style-type: none"> ■ Adjusted net worth & VIF 	66%	✓	✓	✓
Key EEV Principles	Asset Management	<ul style="list-style-type: none"> ■ IFRS 	18%	✗	✓	✓
Closing remarks	Banking	<ul style="list-style-type: none"> ■ Market value 	27%	✗	✓	
Q&A	General Insurance	<ul style="list-style-type: none"> ■ Market value 	9%	✗	✓	
	Less: Debt	<ul style="list-style-type: none"> ■ IFRS 	(20%)	✗		
	Adjusted embedded value		58,407Rm			

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Key Financial Impacts – 31 December 2004

Agenda Overview	Rm	Adjusted embedded value	Achieved Profits	EEV	Change %
<ul style="list-style-type: none"> ■ EEV principles ■ Key financial impacts 		Adjusted embedded value	58,134	58,407	0.5%
Key EEV Principles		Adjusted net worth *	40,887	42,417	3.7%
Closing remarks		Value of in-force business	17,247	15,990	(7.3%)
Q&A		Adjusted embedded value per share	1,508c	1,516c	0.5%

* includes adjustments to bring subsidiaries to market value and adjustment for own shares held in policy-holder funds

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Key Financial Impacts – 31 December 2004

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Rm Adjusted EV operating profit	Achieved Profits	EEV	Change %
Adjusted EV operating profit before tax	13,129	13,439	3%
Covered (Life) business (EEV)	8,836	8,648	(2%)
Other business (IFRS)	4,293	4,791	12%
Return on embedded value (ROEV)	19.4%	19.9%	N/A

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Key Financial Impacts – 31 December 2004

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Rm	Achieved Profits	EEV	Change %
Value of new business (after tax)	1,498	1,274	(15%)
New business margin (APE) %	23%	18%	(5%)
New business margin (PVNBP) %	N/A	2.4%	N/A

- Reduction in VNB, mainly as a result of the more specific allowance for risk
- New business margin nevertheless still within our target range

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Key EEV Principles Impacting Old Mutual

Gary Palser
Group Actuary

Strength of diversity, power of focus

European Embedded Value (EEV) Principles

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- Allowance for risk
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EEV PRINCIPLES	RELEVANCE TO OLD MUTUAL
1 Introduction – What is embedded value (EV)	
2 Covered business	✓
3 EV definitions	
4 Free surplus	
5 Required capital and the cost of holding that capital	✓
6 Value of the in-force business	
7 Financial options and guarantees	✓
8 New business and renewals	
9 Projection assumptions	✓
10 Economic assumptions	✓
11 Participating business	
12 Disclosure	✓

Allowance for Risk

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■ Allowance for risk

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■ Other impacts

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Q&A

- EEV Principles require a comprehensive allowance for risk:
 - level and cost of required capital
 - stochastic cost of financial options and guarantees
 - nature of projected profits (underlying liability valuation basis)
 - risk discount rate

- EEV Principles also require sufficient disclosure to enable users to understand the methods employed

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Required Capital

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Q&A

- EEV Principles define required capital as the assets attributable to the covered business whose distribution to shareholders is restricted. We have based our required capital on:
 - minimum local and Group statutory requirements
 - capital allocated for internal capital management purposes
 - the % Risk Based Capital (RBC) required by rating agencies in our North American business to maintain our desired credit rating

- No change to amount of capital actually held

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Required Capital

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■ Allowance for risk

■ **Required capital**

■ FOGs

■ Risk discount rate

■ Other impacts

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Closing remarks

Q&A

Rm	Africa	North America
Required capital	17,303	4,893
Minimum statutory requirements	11,020	1,736
Required capital as a % of minimum statutory requirements	157%	282%

- Significant increase in capital included for EEV, and hence cost of holding that capital

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Financial Options and Guarantees (FOGs)

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■ **FOGs**

■ Risk discount rate

■ Other impacts

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Closing remarks

Q&A

- EEV Principles require stochastic allowance for the time-value of all financial options and guarantees

Allowance for FOGs	Africa	North America
Statutory reserves	<ul style="list-style-type: none"> ■ Allow for intrinsic value ■ Some allowance for time-value 	<ul style="list-style-type: none"> ■ Allow for intrinsic value ■ No allowance for time-value
EEV	<ul style="list-style-type: none"> ■ Allow fully for time-value 	<ul style="list-style-type: none"> ■ Allow fully for time-value

- The cost of FOGs is calculated on a real world basis

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Old Mutual plc – EEV Analyst and Investor Briefing – 20 June 2005



Risk Discount Rate (RDR)

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■ Allowance for risk

■ Required capital

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■ Risk discount rate

■ Other impacts

■ Reconciliations

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Q&A

- Having determined:
 - required capital; and
 - shareholder cost of FOGs

- The Risk Discount Rate is the lever to ensure that appropriate total allowance is made for all the risks in the business

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Risk Discount Rate (RDR)

Agenda

Overview

Key EEV Principles

■ Allowance for risk

■ Required capital

■ FOGs

■ Risk discount rate

■ Other impacts

■ Reconciliations

Closing remarks

Q&A

- We estimated the value of the in-force business using a “bottom up” market-consistent approach – advised by Tillinghast

- Each risk is allowed for in a way that is consistent with the way the market is expected to allow for such risks

- The risk discount rate is derived as the rate that would produce a similar value to the market-consistent value, using our EEV assumptions, allowing for the cost of financial options and guarantees and the cost of capital

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Risk Discount Rate (RDR)

Agenda

Overview

Key EEV

Principles

■ Allowance for risk

■ Required capital

■ FOGs

■ Risk discount rate

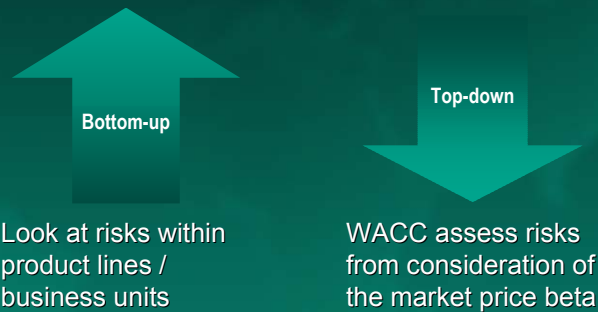
■ Other impacts

■ Reconciliations

Closing remarks

Q&A

Two possible approaches:



Old Mutual has adopted the “bottom-up” approach

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Risk Discount Rate (RDR)

Agenda

Overview

Key EEV

Principles

■ Allowance for risk

■ Required capital

■ FOGs

■ Risk discount rate

■ Other impacts

■ Reconciliations

Closing remarks

Q&A

Reasons for choosing the “bottom-up” market-consistent approach

- Better link to risks associated with each business
- Better link to pricing and risk management in each business
- Unique risk discount rate for each geographic life business

Reasons for rejecting the WACC approach

- Old Mutual is a very diverse financial services business – adjustments to exclude the non-life businesses would be highly subjective
- Old Mutual has two very different life businesses: determining appropriate discount rates for the two businesses would also be subjective

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Risk Discount Rate for In-force Business – South Africa

Agenda

Overview

Key EEV

Principles

■ Allowance for risk

■ Required capital

■ FOGs

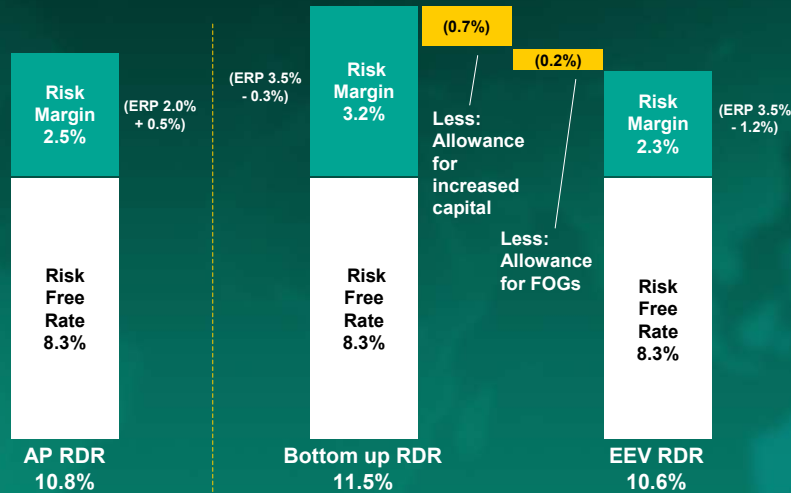
■ Risk discount rate

■ Other impacts

■ Reconciliations

Closing remarks

Q&A



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Old Mutual plc – EEV Analyst and Investor Briefing – 20 June 2005



Insights – South Africa

Agenda

Overview

Key EEV

Principles

■ Allowance for risk

■ Required capital

■ FOGs

■ Risk discount rate

■ Other impacts

■ Reconciliations

Closing remarks

Q&A

- Profit stream generated by the South African life business is more stable than equity returns
 - premium and Rand based product charges
 - liability margins
 - product mix
- Main risks reflected in cost of capital and cost of financial options and guarantees
- Historical earnings volatility has been low

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Risk Discount Rate for In-force Business – North America

Agenda

Overview

Key EEV Principles

■ Allowance for risk

■ Required capital

■ FOGs

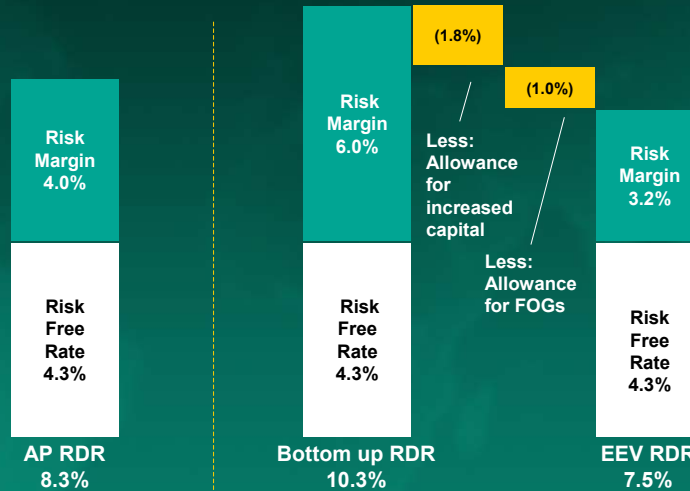
■ Risk discount rate

■ Other impacts

■ Reconciliations

■ Closing remarks

Q&A



(Not to scale)

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Old Mutual plc – EEV Analyst and Investor Briefing – 20 June 2005



Insights – North America

Agenda

Overview

Key EEV Principles

■ Allowance for risk

■ Required capital

■ FOGs

■ Risk discount rate

■ Other impacts

■ Reconciliations

■ Closing remarks

Q&A

- Allowance for risk greater than under Achieved Profits method
 - Profit stream generated by the US business includes investment (credit) risk margins which accrue to shareholders
 - Because of market-consistent calibration, these margins are not capitalised in our EEV
 - These margins will emerge over time when earned
 - Stochastic cost of policyholder options and guarantees greater than previous implicit allowance in Achieved Profits discount rate

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Old Mutual plc – EEV Analyst and Investor Briefing – 20 June 2005



Financial Impacts of the Allowance for Risk

Agenda

Overview

Key EEV

Principles

■ Allowance for risk

■ Required capital

■ FOGs

■ Risk discount rate

■ Other impacts

■ Reconciliations

Closing remarks

Q&A

	Africa		North America	
Rm	VIF	VNB	VIF	VNB
2004 AP	11,391	779	5,554	732
Capital	(1,226)	(82)	(531)	(177)
FOGs	(532)	(12)	(271)	(83)
RDR	1,497	35	260	47
2004 EEV	11,130	720	5,012	519
% change	(2%)	(8%)	(10%)	(29%)

Results shown after tax

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Other Impacts – Business Coverage

Agenda

Overview

Key EEV

Principles

■ Allowance for risk

■ Required capital

■ FOGs

■ Risk discount rate

■ Other impacts

■ Reconciliations

Closing remarks

Q&A

- EEV principles require that the business covered be clearly identified and disclosed
 - covered business has been defined to be consistent with the long-term business in the primary financial statements
 - this means that a VIF and VNB have now been calculated for Healthcare

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Other Impacts – Experience Assumptions

Agenda

Overview

Key EEV

Principles

■ Allowance for risk

■ Required capital

■ FOGs

■ Risk discount rate

■ Other impacts

■ Reconciliations

Closing remarks

Q&A

- EEV Principles require appropriate assumptions, as follows:
 - best estimate assumptions
 - consistency between assumptions
 - active review
 - allocation of holding company expenses to the covered business
 - “look through” to profits and losses incurred within service companies
- Allocation of 78Rm head-office expenses to the covered business
- Allocation of US expenses reviewed
- SA expenses now also include an annual allowance for one-off project expenses
- Any asset management profits in respect of life businesses continue to emerge in the asset management businesses

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Old Mutual plc – EEV Analyst and Investor Briefing – 20 June 2005



Other Impacts – Disclosure

Agenda

Overview

Key EEV

Principles

■ Allowance for risk

■ Required capital

■ FOGs

■ Risk discount rate

■ Other impacts

■ Reconciliations

Closing remarks

Q&A

- Reconciliation of embedded value of the long term covered business with the group adjusted embedded value
 - details the segmental adjusted net-worth by business
- Analysis of embedded value shows separately the sources of value in both adjusted net worth and value of in-force business
- More sensitivities
- New business margins additionally disclosed on the new basis
- Product analysis of new business premiums

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Old Mutual plc – EEV Analyst and Investor Briefing – 20 June 2005



Reconciliation of Geographic Value of In-force – 2004

Agenda

Overview

Key EEV

Principles

■ Allowance for risk

■ Required capital

■ FOGs

■ Risk discount rate

■ Other impacts

■ Reconciliations

Closing remarks

Q&A

Rm	Africa	North America	Group*
As reported on an Achieved Profits basis	11,391	5,554	17,247
Adjustments for:			
Allowance for risk (see slide 59)	(261)	(542)	(835)
Impact of extending the covered business to include Healthcare	152	-	152
Expenses	(380)	(195)	(574)
As reported on an EEV basis	10,902	4,817	15,990
% change	(4%)	(13%)	(7%)

* Group also includes UK & ROW

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Old Mutual plc – EEV Analyst and Investor Briefing – 20 June 2005



Reconciliation of Geographic Value of New Business (after tax) – 2004

Agenda

Overview

Key EEV

Principles

■ Allowance for risk

■ Required capital

■ FOGs

■ Risk discount rate

■ Other impacts

■ Reconciliations

Closing remarks

Q&A

Rm	Africa	North America	Group
As reported on an Achieved Profits basis	779	732	1,498
Adjustments for:			
Allowance for risk	(59)	(213)	(271)
Impact of extending the covered business to include Healthcare	47	-	47
Expenses	(12)	12	-
As reported on an EEV basis	755	531	1,274
% change	(3%)	(27%)	(15%)

* Group also includes UK & ROW

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Old Mutual plc – EEV Analyst and Investor Briefing – 20 June 2005



Reconciliation of Geographic Adjusted EEV Operating Profit (pre-tax) – 2004

Agenda

Overview

Key EEV

Principles

■ Allowance for risk

■ Required capital

■ FOGs

■ Risk discount rate

■ Other impacts

■ Reconciliations

Closing remarks

Q&A

Rm	Africa	North America	Group*
As reported on an Achieved Profits basis	7,551	1,227	8,836
Adjustments to:			
Value of New Business	(35)	(283)	(319)
Operating assumption changes	189	-	189
Other	(12)	(36)	(58)
As reported on an EEV basis	7,693	908	8,648
% change	2%	(26%)	(2%)

* Group also includes UK & ROW

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Old Mutual plc – EEV Analyst and Investor Briefing – 20 June 2005



Key Financial Impacts – 31 December 2004

Agenda

Overview

Key EEV

Principles

■ Allowance for risk

■ Required capital

■ FOGs

■ Risk discount rate

■ Other impacts

■ Reconciliations

Closing remarks

Q&A

Rm	Adjusted embedded value	Achieved Profits	EEV	Change %
	Adjusted embedded value	58,134	58,407	0.5%
	Adjusted net worth *	40,887	42,417	3.7%
	Value of in-force business	17,247	15,990	(7.3%)
	Adjusted embedded value per share	1,508c	1,516c	0.5%

* includes adjustments to bring subsidiaries to market value and adjustment for own shares held in policy-holder funds

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Old Mutual plc – EEV Analyst and Investor Briefing – 20 June 2005





Closing Remarks

Julian Roberts
Group Finance Director

Strength of diversity, power of focus

Looking Forward

Agenda

Overview

Key EEV

Principles

Closing remarks

■ Summary

Q&A

- We continue to embed EEV into the management of our covered business
 - product design and pricing
 - risk management
 - internal capital management

- Our 2005 interim results will comply with EEV Principles

Summary

Agenda
Overview
Key EEV
Principles
Closing remarks
■ Summary
Q&A

- The implementation of EEV and IFRS has been a major initiative for Old Mutual
- A robust approach to risk has allowed a better link to the risks associated with each business
- Minimal overall impact on embedded value per share
 - increase in adjusted net worth due to IFRS impacts
 - decrease in value of in-force due to EEV impacts

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Old Mutual plc – EEV Analyst and Investor Briefing – 20 June 2005



Questions & Answers

Strength of diversity, power of focus