

AFRICA: RAPID RISE OF THE MIDDLE CLASS

11 June 2013

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INSURANCE | INVESTMENT | SAVINGS | BANKING



OLDMUTUAL

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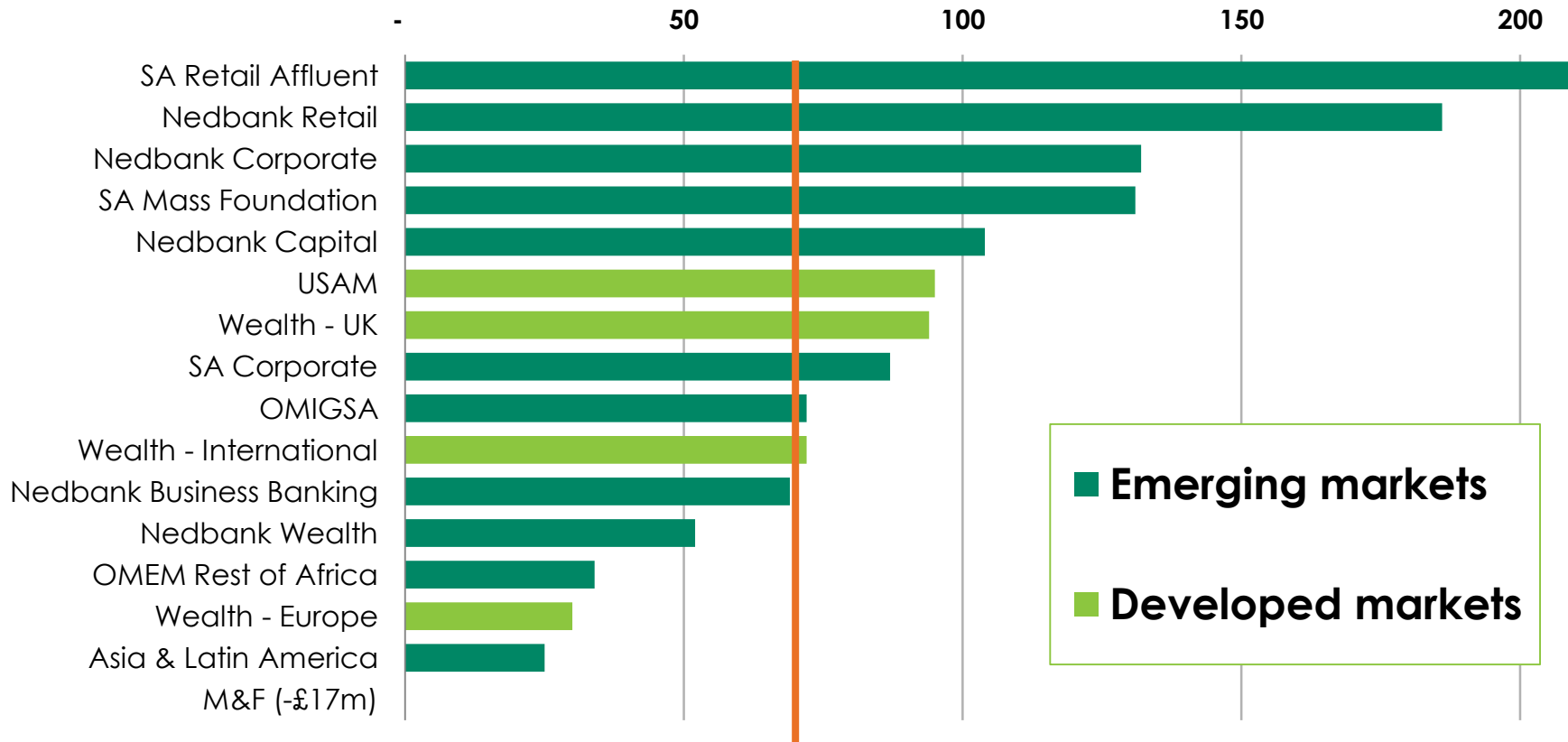
OLD MUTUAL: STRONG FUNDAMENTALS

- **Strong operational & financial performance in 2012**
- **A transformed business – successful execution of 3 year strategy**
- **Financial and capital strength**
- **Clear strategy**
- **Real and sustainable growth opportunities**

Delivering increasing value for shareholders & customers

DIVERSITY OF OPERATING EARNINGS

2012 “operating earnings” (£m, pre-tax, post NCI) ¹



5% of “operating earnings”

1. “Operating earnings” exclude OMEM central costs, LTIR (OMEM and M&F) and USAM disposed affiliates.

A CLEAR STRATEGY FOR GROWTH

| | |
|--------------------------|---|
| Emerging Markets | Expand in growth markets of South Africa |
| | Expand footprint in Africa & selected other emerging markets |
| Developed Markets | Grow Old Mutual Wealth |
| | Improve & grow US Asset Management |
| Group Wide | Unlock value through efficiency & appropriate simplification |

SOUTH AFRICA – THE POWERHOUSE ECONOMY OF AFRICA

Attractive destination for investment

- Largest and most advanced economy in Africa
- Gateway to rest of Africa
- Advanced banking and finance sectors; underlying strength despite sovereign credit ratings downgrades

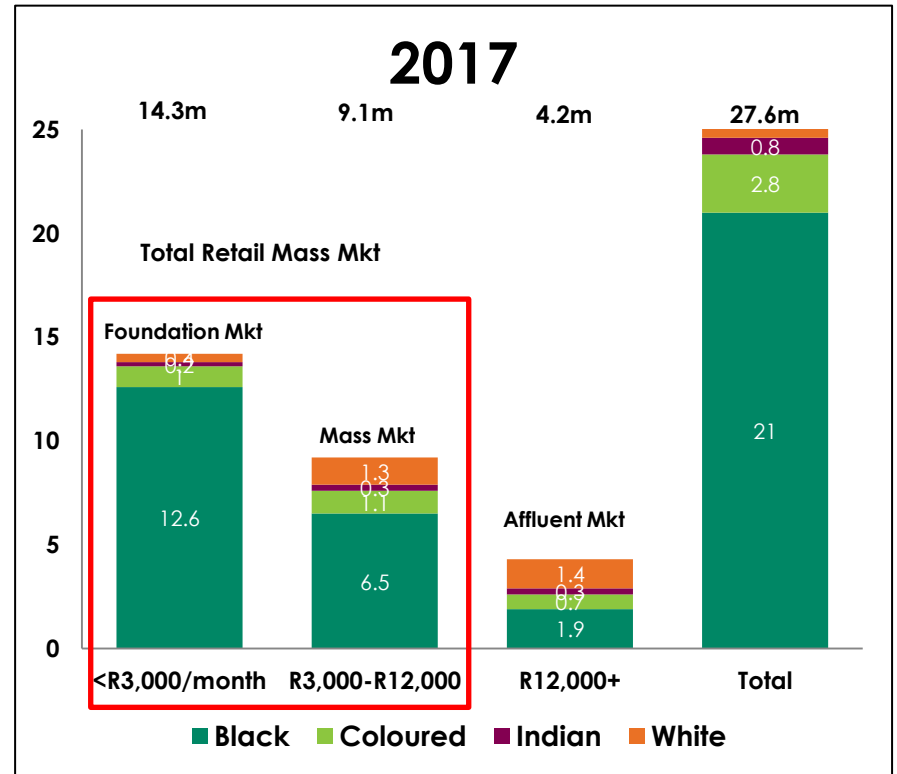
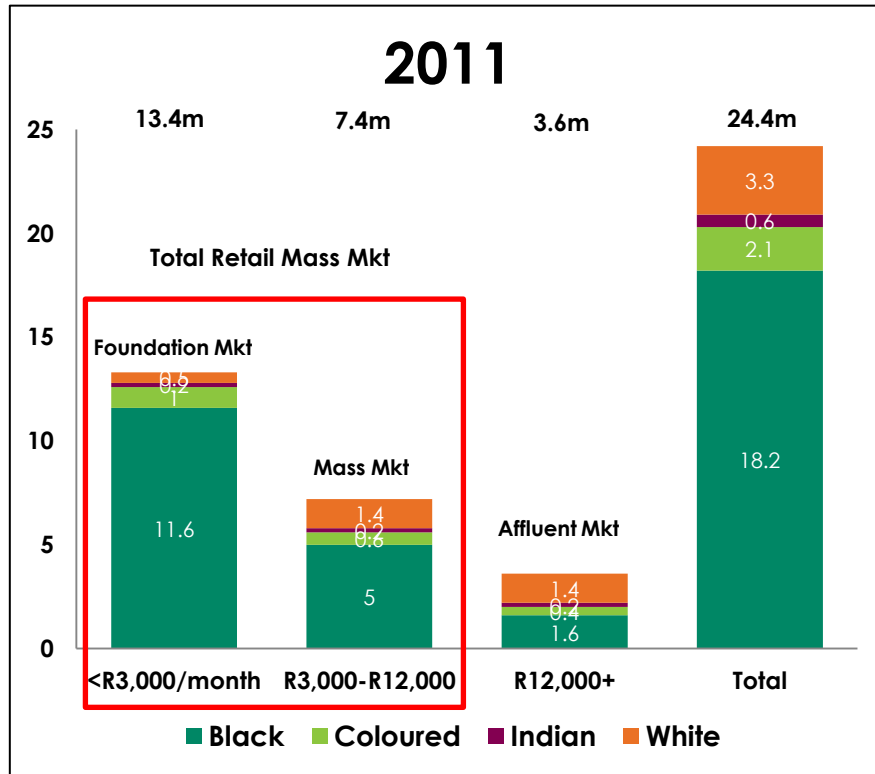
Positive economics

- Steady GDP growth, ahead of developed economies
- Low debt to GDP ratio

Emerging middle class

- Fast-growing black middle class
- Increased spending power/accumulating assets
- Significant future growth potential

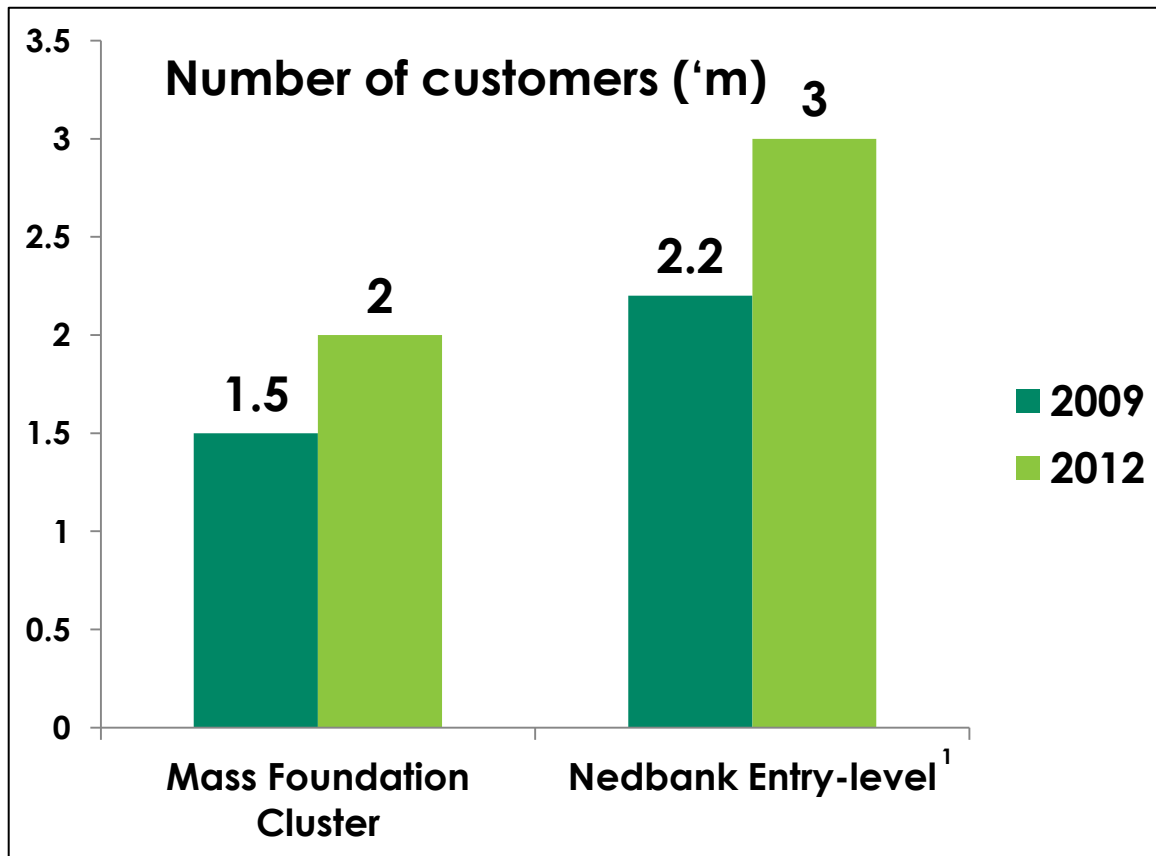
POPULATION OF SOUTH AFRICA BY INCOME LEVEL/RACE¹ (# PERSONS, 'M)



- The total population of South Africa in 2012 was 51.1m²

1. Source: Deutsche Bank, ASSA, AMPS (All Media Product Survey).
 2. Source: Population Reference Bureau, 2012 World Population data sheet.

OLD MUTUAL'S GROWTH IN SOUTH AFRICAN RETAIL MASS MARKETS



- Old Mutual and Nedbank focused on fast growing mass/entry-level markets
- iWYZE direct general insurance offering

FOUNDATION MARKET CUSTOMER



Name: Maria Modipa

Age: 40

Current Financial Products:

Bank account, Funeral cover through a Burial Society

Market Overview

- High potential market segment
- Customers have hopes and dreams for a better quality of life.
- There is a strong sense of community and extended family support and obligations.

Customer Detail

- Domestic worker earning R2,500 per month
- Lives in an informal settlement and has 3 children
- Ambitions beyond being a domestic worker
- Member of church burial society as important to have a dignified funeral
- Wants to save for her children's education
- Wants protection for herself and her savings
- Community meeting at the church hall where an old mutual advisor will provide information on financial matters in the local language

MASS MARKET CUSTOMER



Name: Tembi Ntuli

Age: 30

Current Financial

Products: Bank account, Personal loans, Funeral Plan, Education Plan, Retail credit accounts

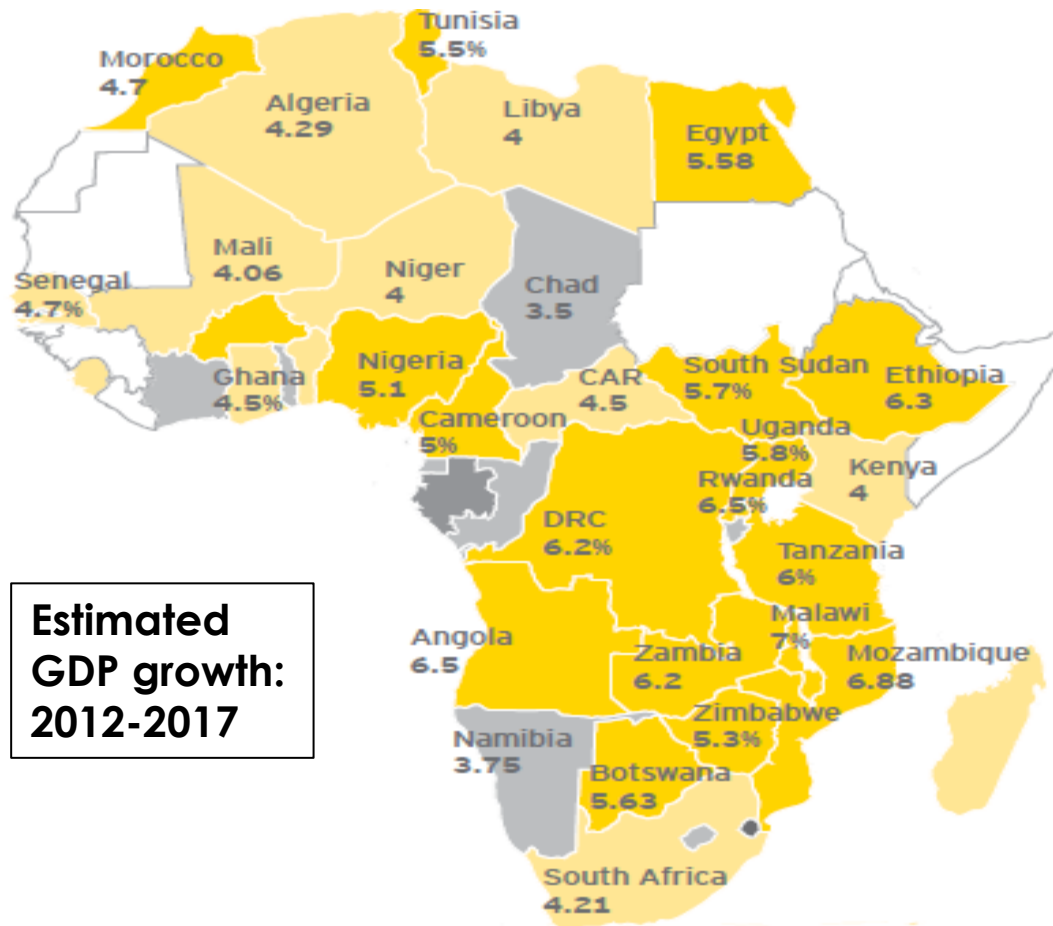
Market Overview

- Limited resources, desires a better quality of life
- Access to basic financial products but financial literacy is limited
- Need financial education and sound financial advice
- Financial product uptake is biased towards risk but there is a real need for investment products at different life stages.

Customer Detail

- Nurse in the public sector, earning R10,000 every month
- Lives in a 2-bedroom flat with her 2 daughters and mother and dreams of one day owning her own home and her own car, seeing her daughters graduate with degrees and providing for her mother
- 2 unsecured personal loans to furnish her flat - no credit record
- Aware of the necessity to save but never seems to have enough disposable income
- Purchased family funeral cover and education plans through Old Mutual advisor at work– intends to meet to discuss a financial plan and basic budgeting including options to consolidate her debts

REAL AND SUSTAINABLE GDP GROWTH



- African economy has trebled in last 10 years
- 11 of the world's 20 fastest-growing economies through 2017 will be African
- Inflation on a downward trend
- Improved governance and political stability

GROWING MIDDLE CLASS



- Rapidly growing middle class of consumers
- Equal in size to India
- 27 countries have already attained middle income status
- World's largest workforce by 2035

Source: Ernst & Young Africa Attractiveness Survey 2013

Note: The World Bank's criterion for classifying economies is gross national income (GNI) per head. A country is classified as "middle income" if it has GNI of between US\$1,026 and US\$12,475

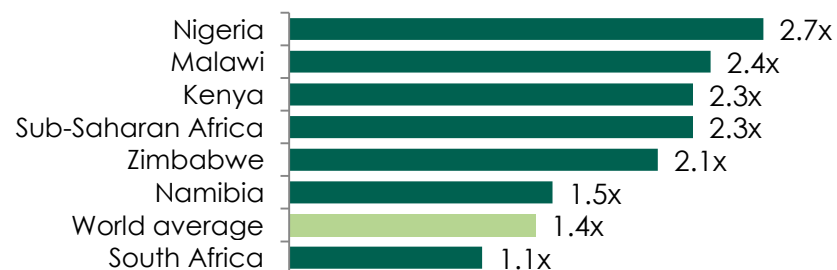
OLD MUTUAL'S GROWTH IN REST OF AFRICA

| Customer numbers (000's) | | 2009 | 2012 | 3yr CAGR |
|--------------------------|-------------------------------------|------|--------------|----------|
| Namibia | Life, Asset Mgt. | 168 | 259 | 16% |
| Zimbabwe | Life, Asset Mgt., Banking (CABS) | 543 | 862 | 17% |
| Kenya | Life, Asset Mgt. | 24 | 97 | 59% |
| Swaziland | Life | 9 | 23 | 37% |
| Malawi | Life, Asset Mgt. | 47 | 83 | 21% |
| TOTAL | | 791 | 1,324 | |

Large populations & low insurance penetration

| | Population ² | Insurance % |
|-----------------------|-------------------------|-------------|
| Nigeria ³ | 170m | 0.7% |
| Malawi ⁴ | 16m | 2.2% |
| Zimbabwe ⁴ | 13m | 2.8% |
| Kenya ³ | 43m | 3.1% |
| Namibia ³ | 2m | 8.0% |

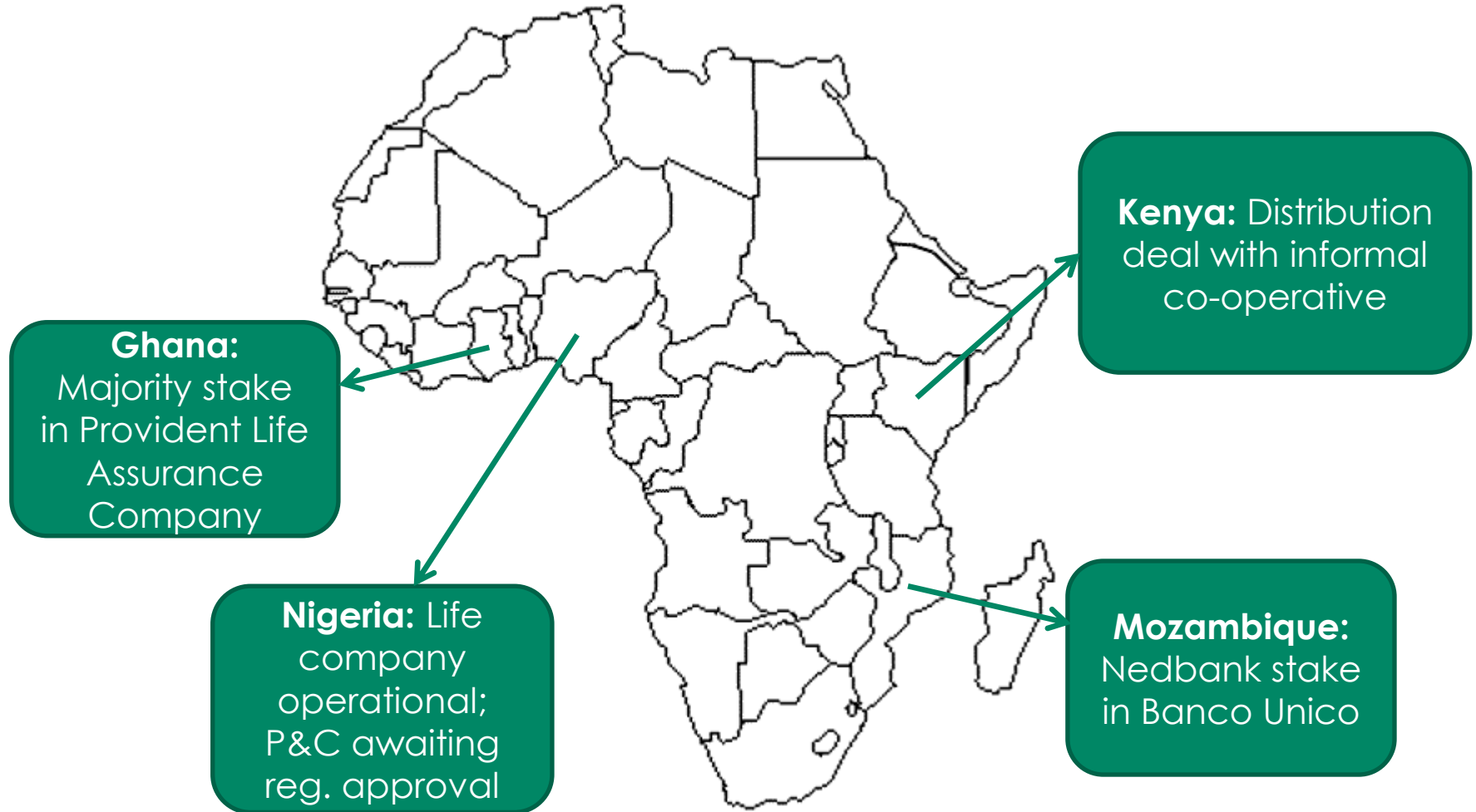
Growing populations¹



2050 forecast population as a multiple of 2011

1. Source: Population Reference Bureau, 2011 World Population data sheet.
2. Source: Population Reference Bureau, 2012 World Population data sheet.
3. Insurance penetration 2011 (Swiss Re Sigma report Jan 2013)
– Includes Life & Non-Life business.
4. Insurance penetration: AXCO Insurance Market Report, Mar 2011.

GOOD PROGRESS ON EAST AND WEST AFRICAN EXPANSION



OLD MUTUAL'S UNIQUE SKILLS & POSITIONING IN AFRICA

Brand strength

- Local heritage
- International brand
- Trust

Market understanding

- Understand economic, demographic & market trends
- Understand circumstances, needs & business models needed to serve mass and middle income customers

Distribution skills

- Skilled at building and managing tied agency forces
- Using new world distribution (eg. mobile telephony) to complement conventional models

Cost leverage

- Scale advantage facilitates low unit-cost service
- Industrial approach to operational efficiency
- Low admin cost per policy

Financial position

- Growth can be funded by existing local cash and profit generation

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Delivering increasing value for shareholders & customers

APPENDIX

INSURANCE | INVESTMENT | SAVINGS | BANKING



Q1 2013: GOOD OPERATIONAL PERFORMANCE

| | Q1 2012 ¹ | Q1 2013 | % Change (constant currency) |
|---|----------------------|----------------|------------------------------------|
| Net client cash flow (£bn) ^{3,4} | 3.7 | 3.9 | 5% ¹ |
| Funds under management (£bn) ^{3,4} | 262.2 ² | 288.4 | 7% |
| Gross sales (£m) ^{3,5} | 5,218 | 5,597 | 14% |
| Covered sales (APE) (£m) | 269 | 269 | 6% |
| Non-covered sales (£m) ³ | 3,402 | 3,316 | 5% |

1. As reported; no adjustment for currency.

2. As at 31 December 2012.

3. From Q2 2012 OMAM (UK) has been reported within OM Wealth rather than USAM. Comparatives for Q1 2012 have not been restated.

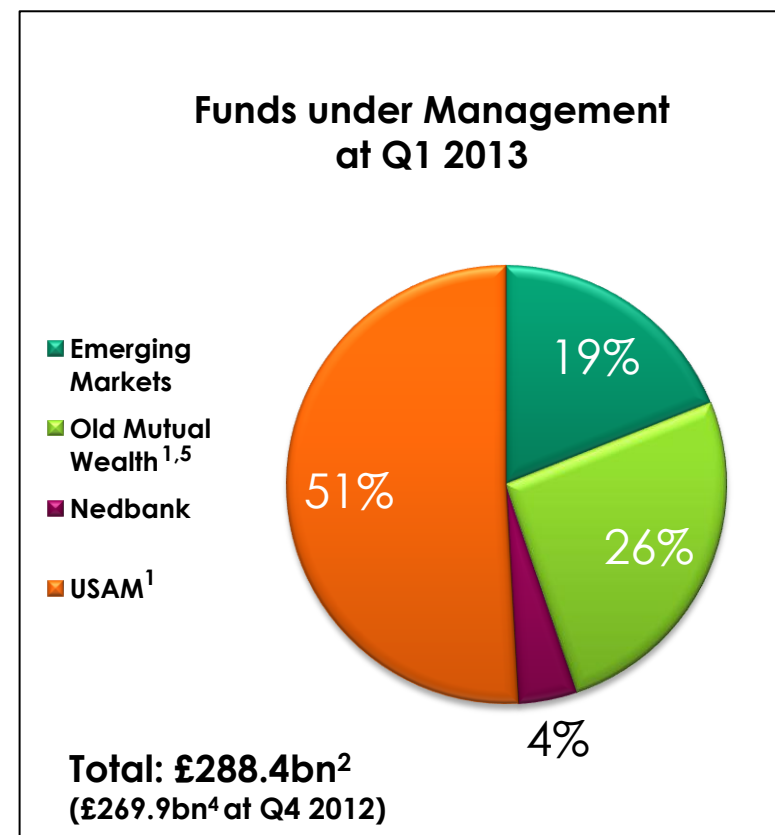
4. Based on core continuing businesses only.

5. Represents Life & Savings business only.



GROUP OVERVIEW – NCCCF AND FUM

| Net Client Cash Flow (£bn) | | |
|-------------------------------------|-------------------------|------------|
| | Q1 2012 ³ | Q1 2013 |
| Emerging Markets | 0.3 | 0.4 |
| Old Mutual Wealth ¹ | 0.5 | 0.4 |
| Nedbank | 0.4 | 0.5 |
| US Asset Management ¹ | 2.5 | 2.6 |
| Group core ops | 3.7 | 3.9 |



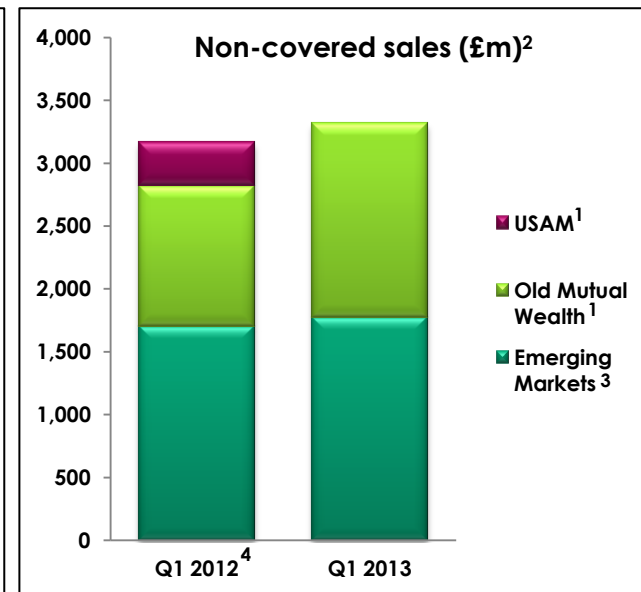
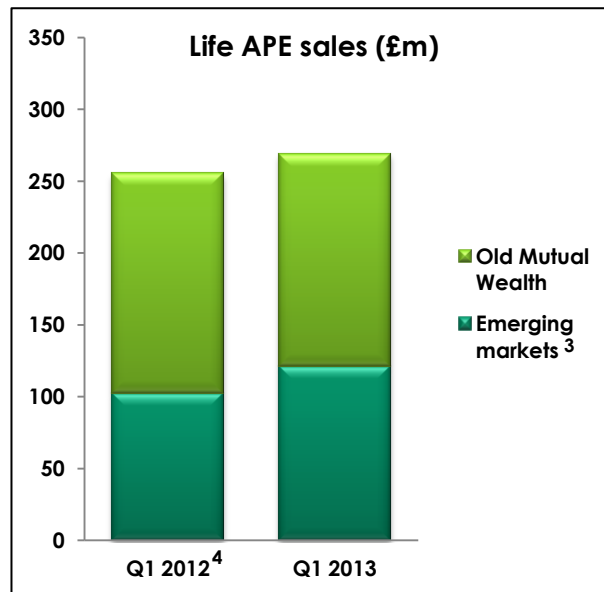
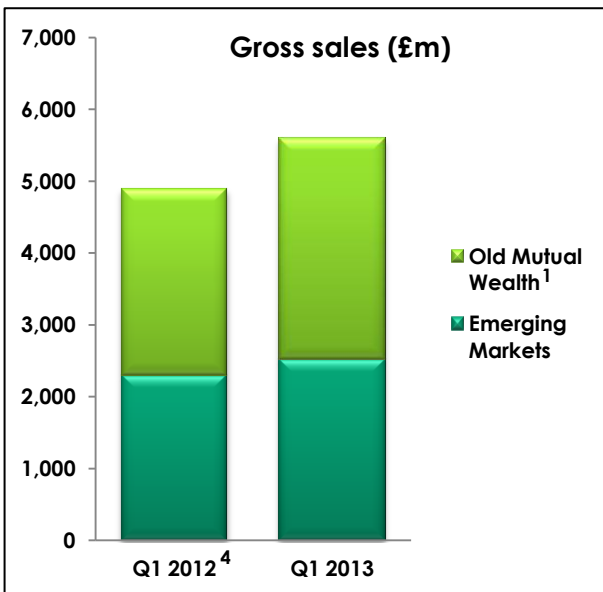
1. From Q2 2012 OMAM (UK) has been reported within Old Mutual Wealth (OM Global Investors) rather than USAM. Comparatives for Q1 2012 have not been restated.
2. Includes £0.2bn of FuM for Mutual & Federal.
3. As reported.
4. On a constant currency basis.
5. From Q1 2013, the Lichtenstein business has been reported within OMW Europe (closed book) rather than International. Comparatives for 2012 have been restated.

MOVEMENT IN FuM (£bn)



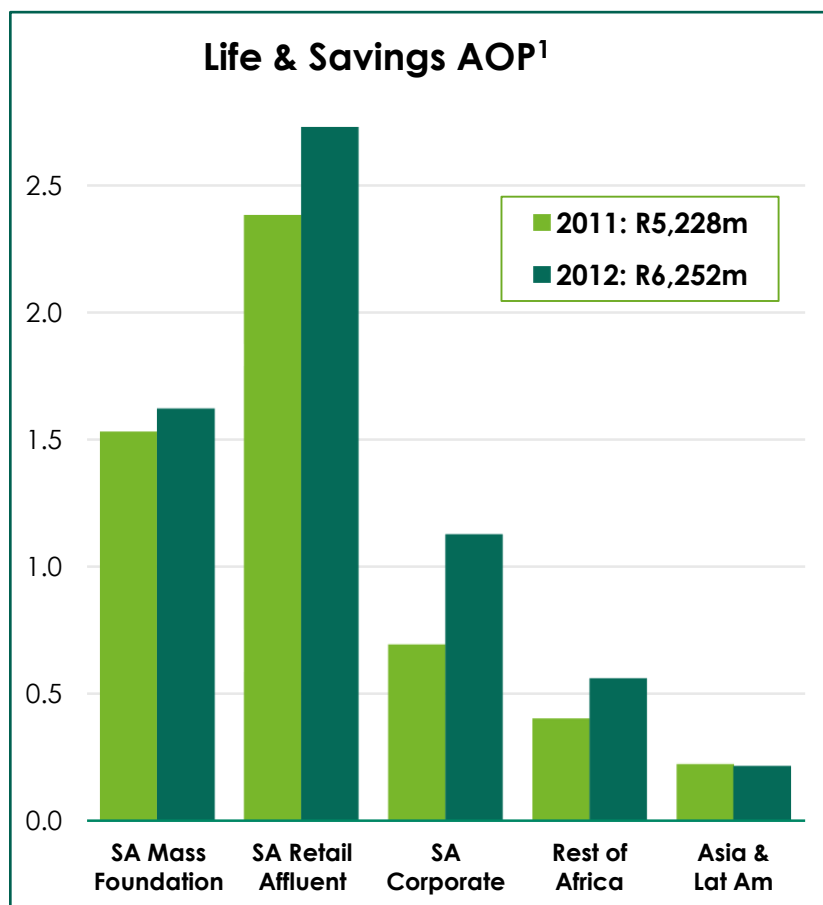
1. As reported.

GROUP OVERVIEW – SALES



1. From Q2 2012 OMAM (UK) has been reported within Old Mutual Wealth (OM Global Investors) rather than USAM. Comparatives for Q1 2012 have not been restated in respect of £270m of sales recognised within USAM in Q1 2012.
2. Non-covered sales include unit trust/mutual fund sales as well as other non-covered sales.
3. From Q1 2013 sales by the Asian businesses (India and China) have been disclosed as life APE sales rather than non-covered sales. Comparatives have not been restated.
4. On a constant currency basis.

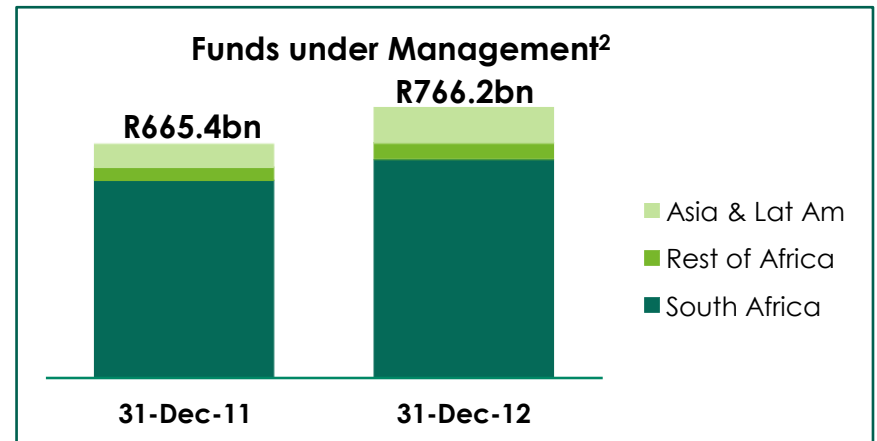
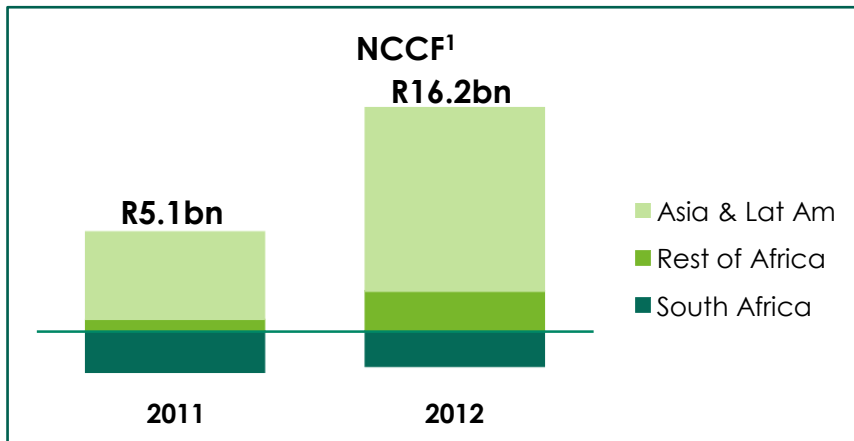
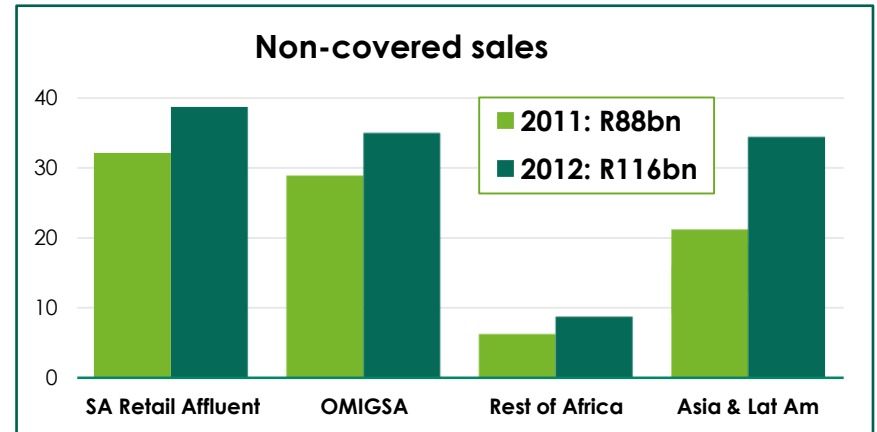
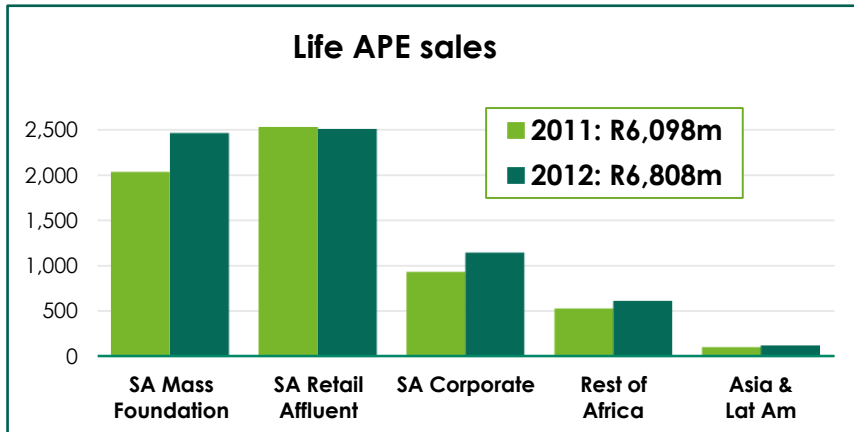
2012: EMERGING MARKETS PROFIT SPLIT BY SEGMENT



| Emerging Markets AOP | | |
|----------------------|-------|--------------|
| Rm | 2011 | 2012 |
| South Africa | | |
| Life & Savings | 4,599 | 5,473 |
| OMIGSA | 723 | 933 |
| LTIR | 1,140 | 1,317 |
| South Africa | 6,462 | 7,723 |
| Rest of Africa | | |
| Operating profit | 404 | 561 |
| LTIR | 168 | 296 |
| Rest of Africa | 572 | 857 |
| Asia & Latin America | 225 | 218 |
| Central costs | (618) | (924) |
| Total AOP (pre-tax) | 6,641 | 7,874 |

1. Pre-tax, excluding LTIR and central costs.

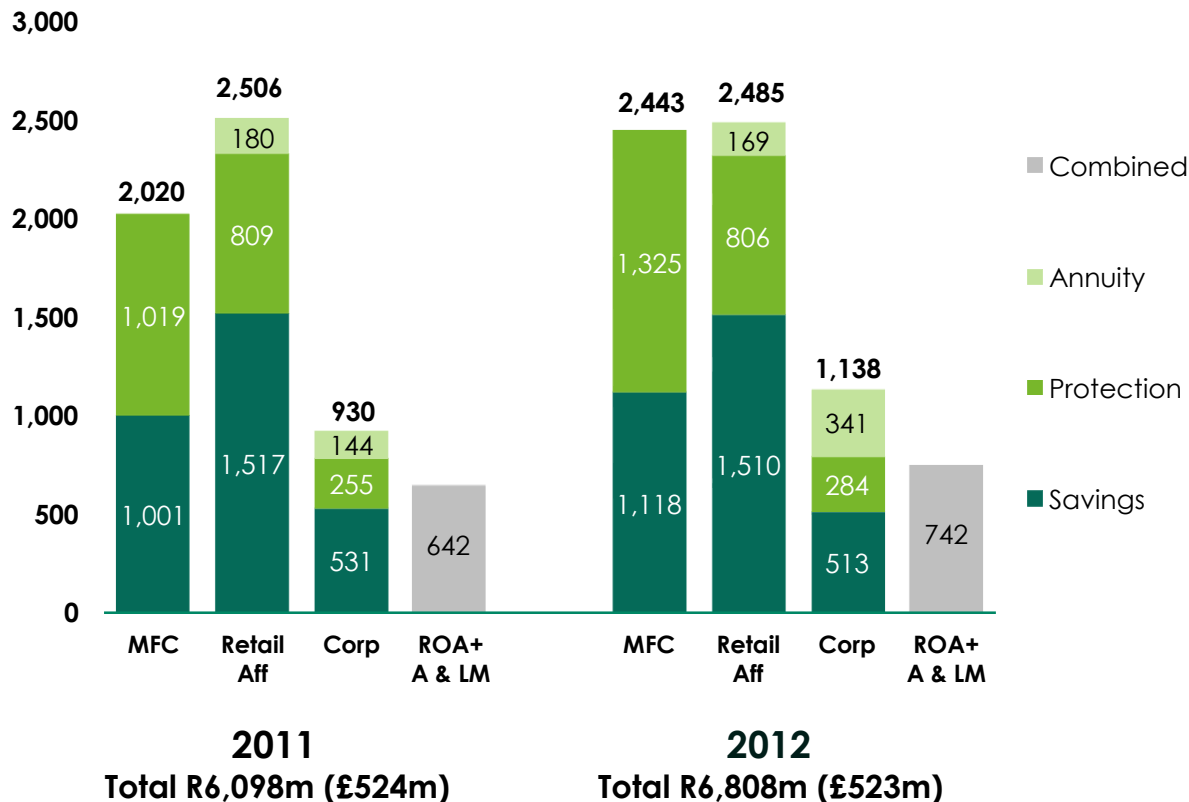
2012: EMERGING MARKETS OPERATIONAL METRICS BY SEGMENT



1. Excluding PIC outflows (R12.6bn), NCCF in South Africa would have been R9.5bn inflow (2011: R1.2bn outflow).

2. On a start-manager basis.

2012: EMERGING MARKETS APE SALES BY SEGMENT (Rm)¹



- South Africa sales:
 - 15% growth in regular premiums driven by MFC's increased advisor headcount and first time inclusion of OMF Credit Life sales.
 - Marginal single premium growth (3%) due to large annuity deals in Corporate, partly offset by lower Retail Affluent fixed bond and annuity sales.
- RoA, Asia and Latin America sales:
 - Steady double-digit growth of 15% in RoA and 17% in Mexico.

1. Segments are Mass Foundation Cluster, Retail Affluent, Corporate, Rest of Africa (RoA) and Asia + Latin America (Colombia, Mexico, India and China). The graph above reflects Mexico sales only within the Asia + Latin America segment.

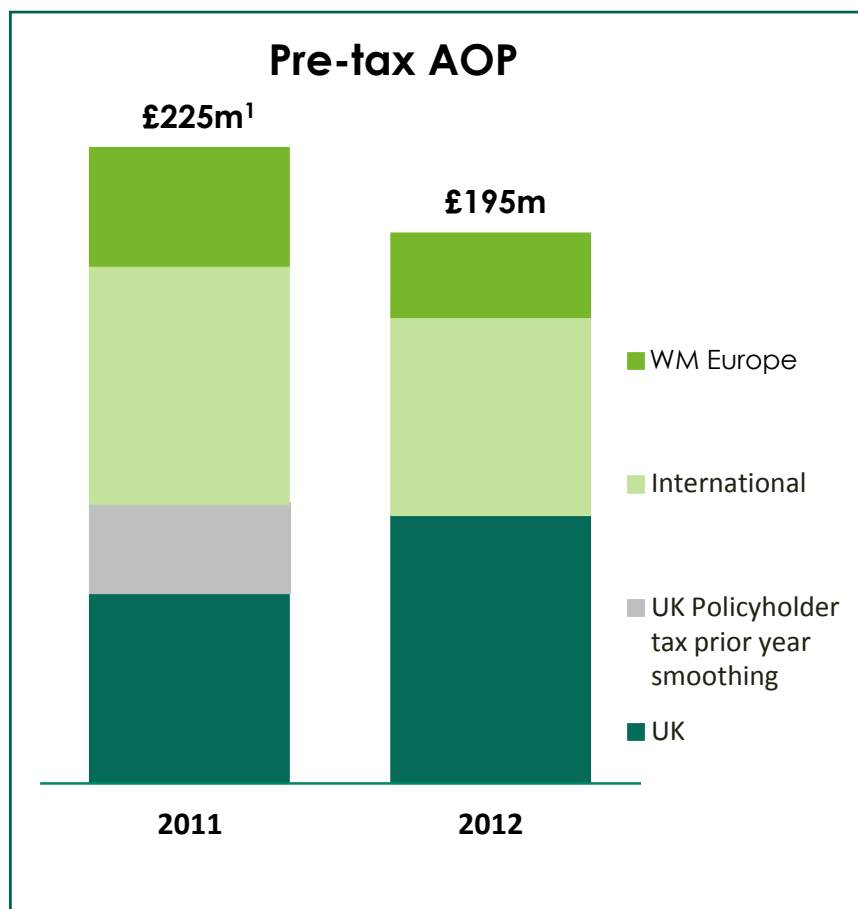
2012: NEDBANK KEY FACTS

| Rm | 2011 | 2012 |
|---|-----------|------------------|
| IFRS adjusted operating profit | 8,791 | 10,773 |
| Non Interest Revenue | 15,412 | 17,324 |
| Net Interest Income | 18,034 | 19,680 |
| Net Interest Margin | 3.48% | 3.53% |
| Impairments | 5,331 | 5,199 |
| Credit loss Ratio | 1.13% | 1.05% |
| Common Equity Tier 1 Capital Ratio ¹ | 10.5% | 11.4% |
| Return on Equity (exc. Goodwill) | 15% | 16% |
| FY dividend per share declared | 605 cents | 752 cents |
| Nedbank Retail | | |
| Number of primary clients (000's) | 1,931 | 2,081 |
| Headline earnings | 2,091 | 2,552 |

- Strong improvement in Non Interest Revenue and Net Interest Income.
- Net Interest margin improved due to portfolio tilt to higher interest earning Advances.
- Impairment levels marginally lower but positive move in credit loss ratio.

1. Both periods are based on Basel II.5 capital asset requirements, and include unappropriated profits.

2012: OLD MUTUAL WEALTH



| £m | 2011 | 2012 |
|--------------------------|------|------|
| Invest & Grow markets | | |
| UK platform | (4) | 2 |
| International | 79 | 68 |
| OM Global Investors | 9 | 3 |
| Invest & Grow | 84 | 73 |
| Manage for value markets | | |
| UK Heritage | 100 | 92 |
| Continental Europe | 41 | 30 |
| Manage for value | 141 | 122 |
| Total AOP (pre-tax) | 225 | 195 |

1. Includes £2m relating to OMAM (UK).

IMPROVING & GROWING US ASSET MANAGEMENT

Turnaround

| | 2009 | 2012 |
|--|--------|-------------|
| AOP (pre-tax) (\$m) ² | 111 | 151 |
| Operating margin, pre NCI ² | 17% | 29% |
| NCCF (\$bn) | (7.1) | 1.4 |
| FuM at year end (\$bn) | 261 | 209 |
| NCCF as % of opening FuM | (3.0%) | 0.8% |
| No. of affiliates | 18 | 9 |

Improve & Grow

- Improve investment performance
- Maintain operating margin
- Positive NCCF on a continuing basis
- Expand product proposition
- Enhance global distribution
- Organic growth complemented with bolt-on acquisitions where appropriate

Eventual partial IPO

1. Continuing operations; excludes 7 affiliates disposed of and OMAM (UK) which has been transferred to Old Mutual Wealth.
2. Excluding seed capital gains/losses.

CONTACTS

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