

DRIVING PERFORMANCE DIFFERENTIATION IN CHALLENGING MARKETS

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INSURANCE | INVESTMENT | SAVINGS | BANKING



OLDMUTUAL

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GROUP HIGHLIGHTS 2012¹

Strong financial performance

Pre-tax AOP up 18%² at £1.6bn

Earnings per share up 9%^{2,3} at 17.5 pence

Group NCCF £5.0bn positive

Funds under management up 3%² at £262bn

Financial targets delivered

23% increase in full year ordinary dividend (in cash terms)

Further business transformation

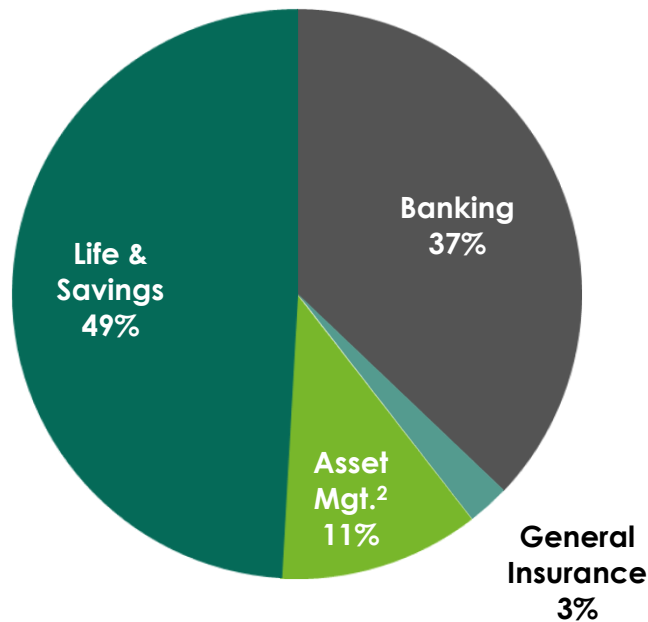
Disposal of Nordic, Finland and 7 US affiliates

Closed Germany and Austria to new business

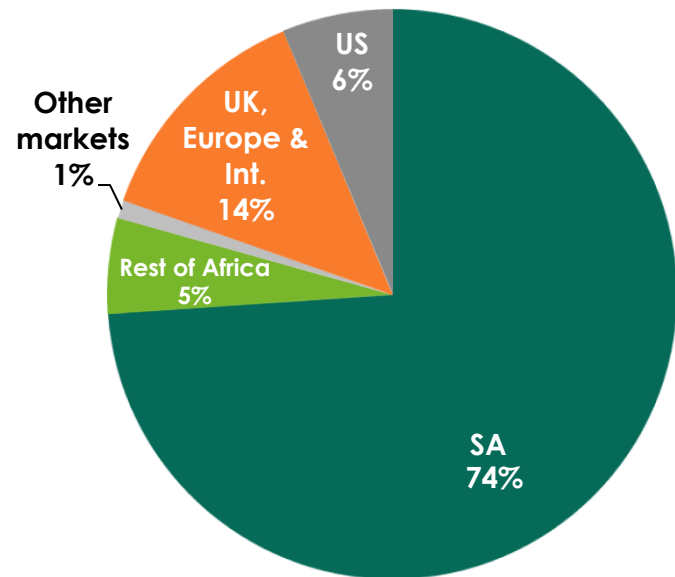
1. AOP and EPS based on core continuing businesses only.
NCCF is as reported, including the 7 US affiliates disposed of as at 31 Dec 2012.
2. Movements based on constant currency.
3. 2011 EPS adjusted to reflect the share consolidation.

EARNINGS BY LINE OF BUSINESS AND GEOGRAPHY¹

2012 AOP by line of business
(pre-tax, post NCI)



2012 AOP by geography
(pre-tax, post NCI)



1. Core continuing operations, excluding GHO net central costs.
2. Includes the results of USAM, OMIGSA and OMGI.

THE CHANGING WORLD AROUND US

Drivers

1. Demographics
2. Funding of social provision and the private sector opportunity
3. Economic power shifts
4. Regulatory pressures
5. Technology developments empowering customers

Outcome

Population growth mainly in Africa & Asia; Elderly population growing in Europe

Old World social security net is not sustainable. New World provision by private sector

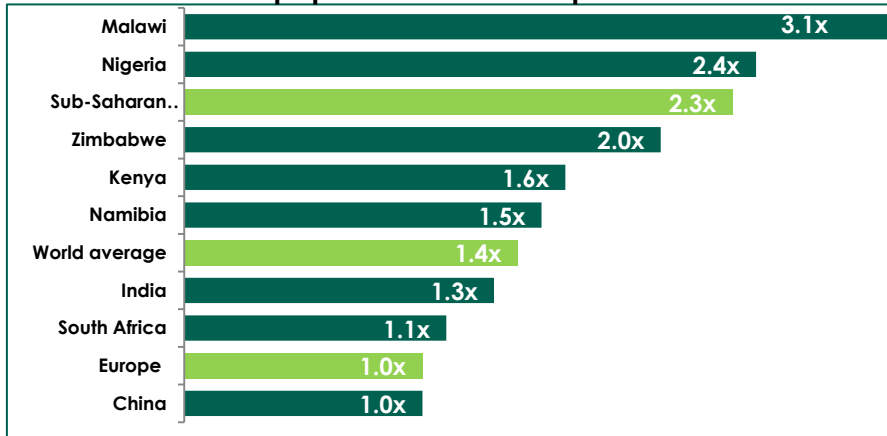
Intra BRIC trade and intra Africa trade poised to rise; Trading Blocks still substantial

Costly, complex and politicised; Basel 3, Solvency II, SAM

Customer liberation through online choice, but confusion in too much choice; Advice and digital connectivity

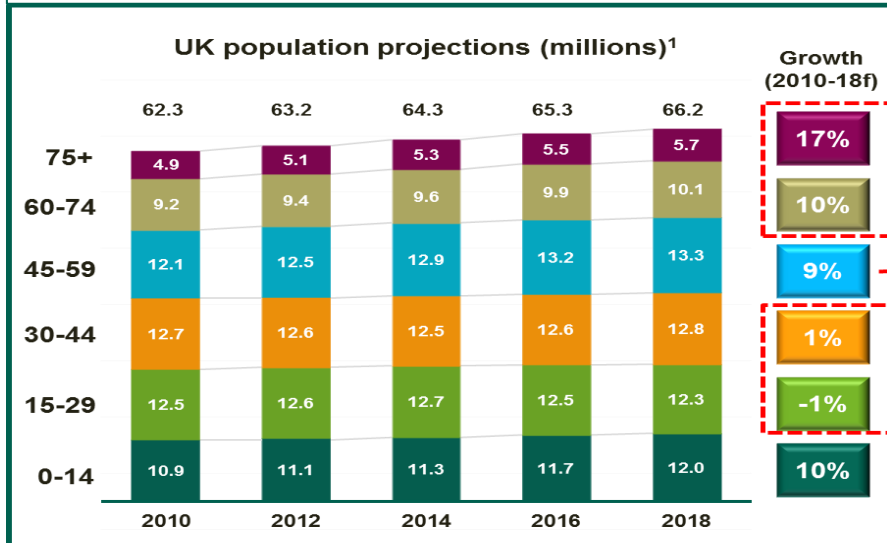
POPULATION TRENDS

2050 forecast population as a multiple of 2012²



- Sub Saharan population grows to 2.1bn(Nigeria to 402m, Kenya to 71m)
- Europe marginally down at 732m & UK over 45's increases to c44% of population by 2018 (currently 42%)

UK population projections (millions)¹



- (60+): Looking to maximise income to help subsidise retirement: Solutions for inheritance planning & income drawdown are critical
- (45-59): Looking for products that maximise capital growth to finance large outgoings eg. children's university fees
- (15-44): Looking to make mortgage decisions and for pension and investment solutions: Large buyers of financial advice

1. Source: Navigant / Office for National Statistics, 2010 based projections
 2. Source: Population Reference Bureau, 2012 World Population data sheet

OLD MUTUAL RESPONSE TO THESE CHANGES

Drivers

1. Demographics

Response

Focus on growth of retail customers – MFC, Nedbank, iWYZE

GROWTH IN SOUTH AFRICAN RETAIL MASS MARKETS

	2009	2012	3 year CAGR%
Mass Foundation Cluster			
APE sales (Rm)	1,454	2,443	19%
Customer numbers	1.5m	2.0m	10%
AOP (Rm)	1,236	1,621	9%
Nedbank Retail			
Entry-level banking clients ¹	2.2m	3.0m	11%
Headline earnings (Rm)	(27)	2,552	n/a
iWYZE			
Number of policies	-	51k	n/a

1. Represents clients earning less than R100,000 per year

OLD MUTUAL RESPONSE TO THESE CHANGES

Drivers

Response

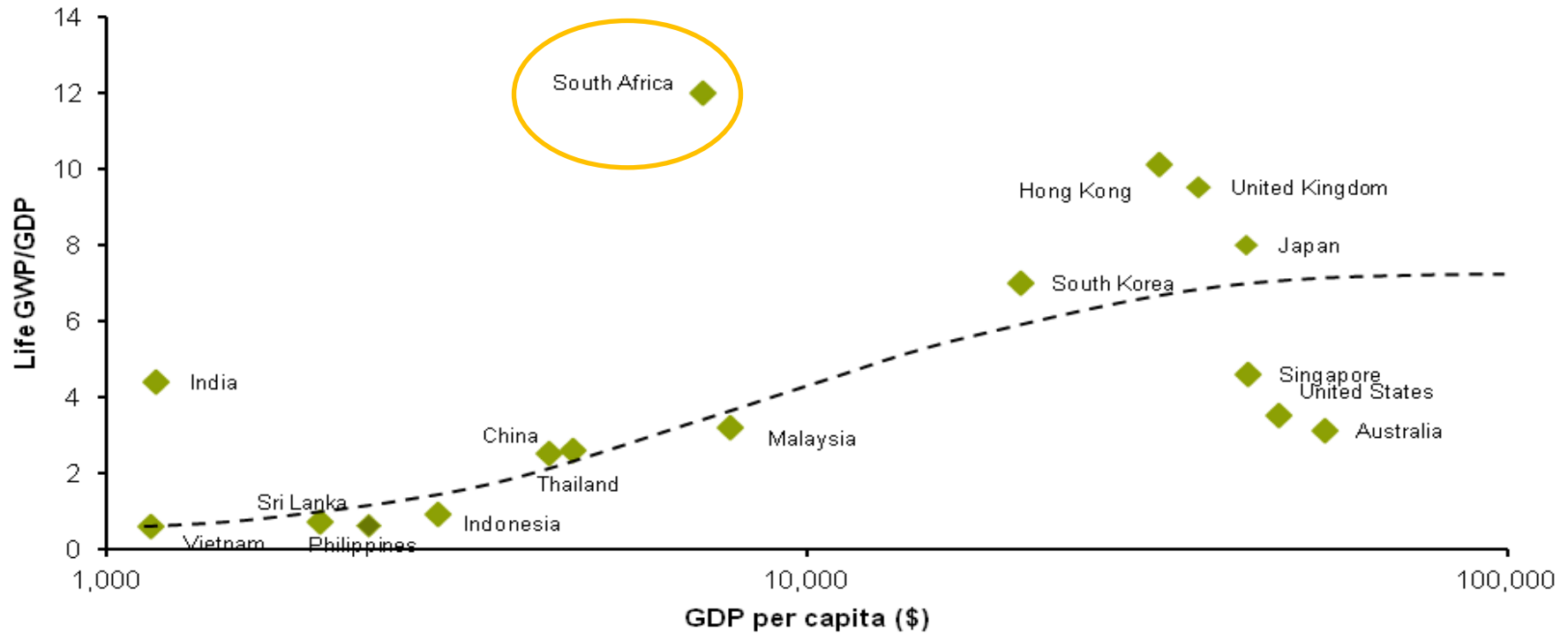
2. Funding of social provision and private sector opportunity



Low insurance penetration in emerging markets, asset management capabilities key to serving customer needs

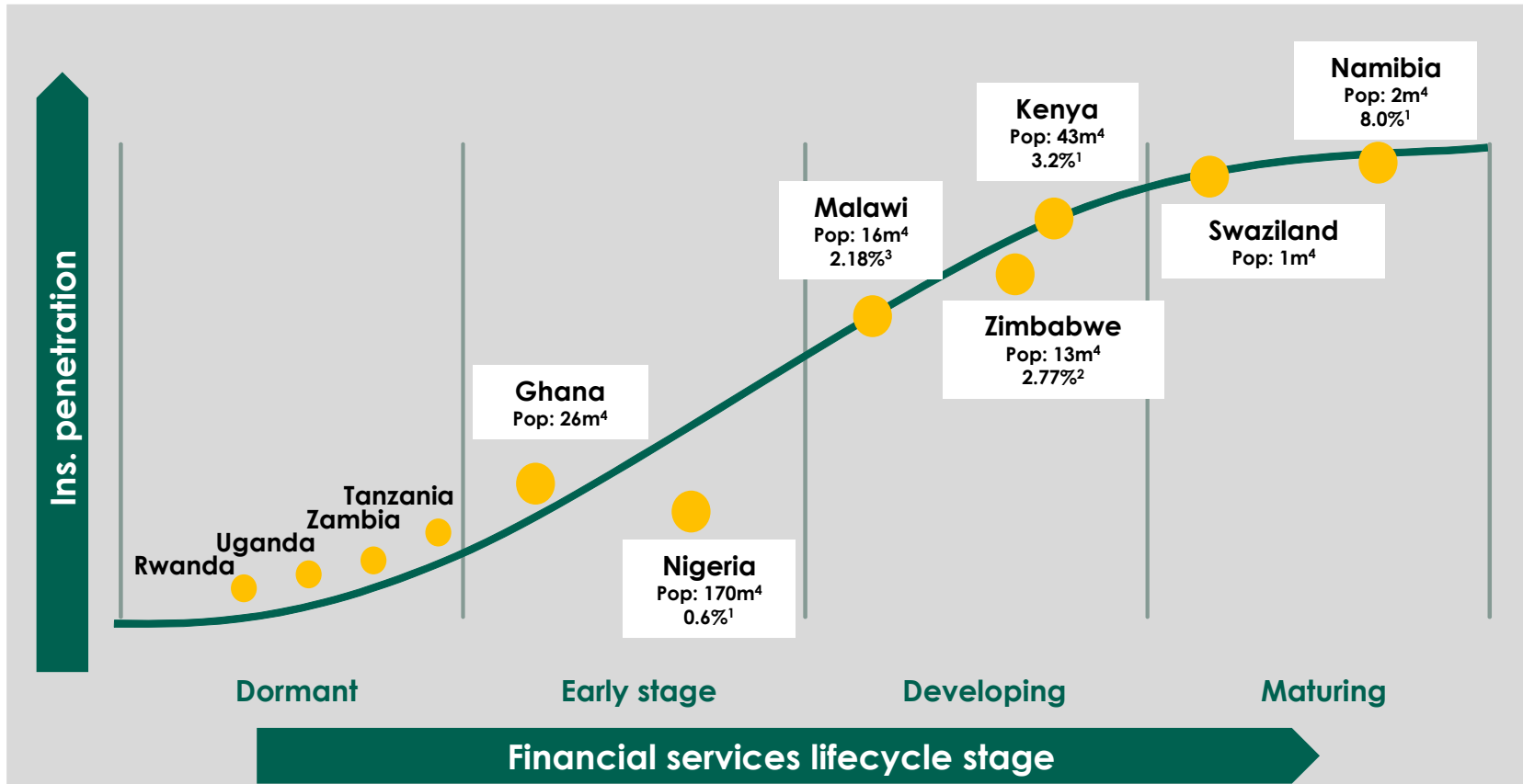
HIGH PENETRATION IN SA BUT GROWING EMERGING MIDDLE CLASS

Life Insurance S-Curve



1. Source: Swiss Re (2010); Bernstein Research

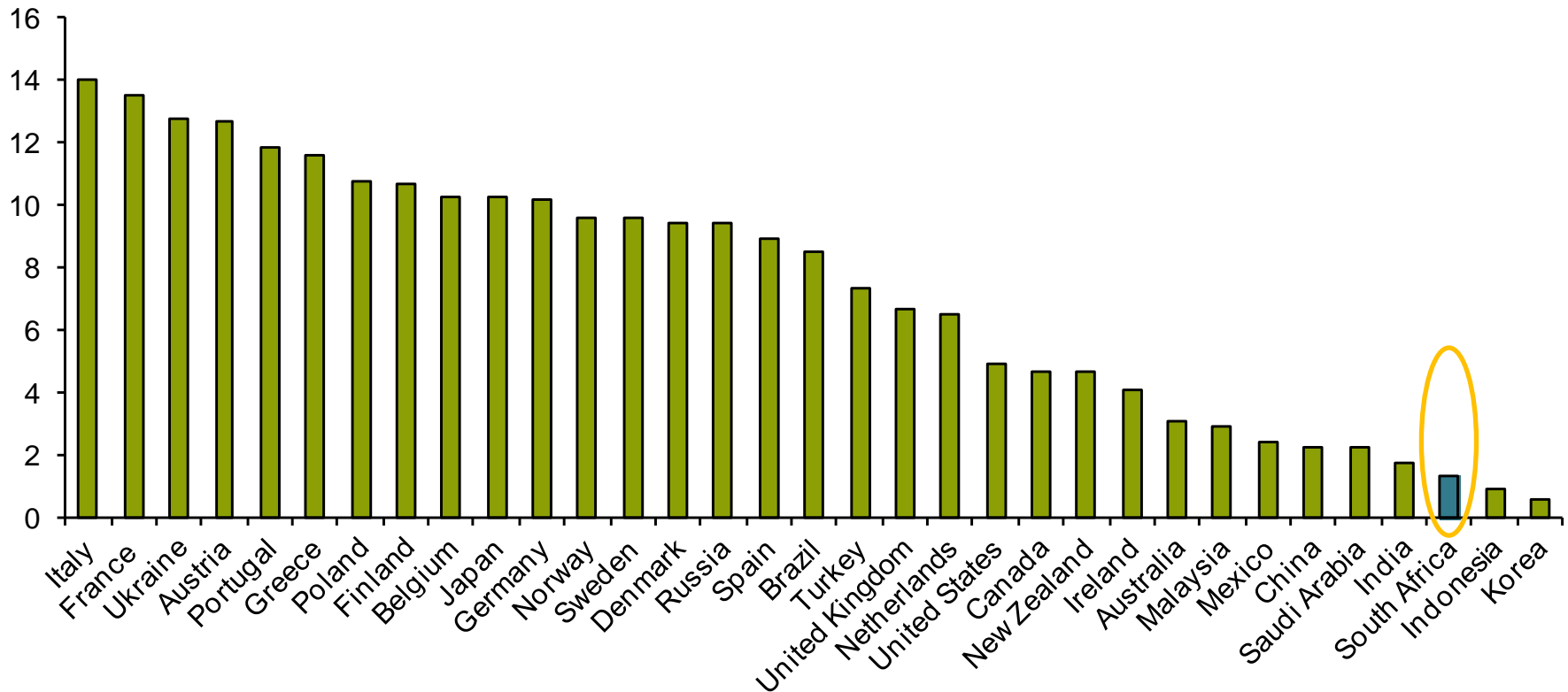
GDP AND POPULATION GROWTH IN AFRICA, LOW PENETRATION



1. Insurance penetration 2011 (Swiss Re Sigma report) – includes Life and Non-Life business
2. Source: AXCO Insurance Market Report, Mar 2011, 2007 data presented
3. Source: AXCO Insurance Market Report, Mar 2011, 2008 data presented
4. Source: Population Reference Bureau, 2012 World Population data sheet

PUBLIC PENSION SPENDING AS A % OF GDP¹

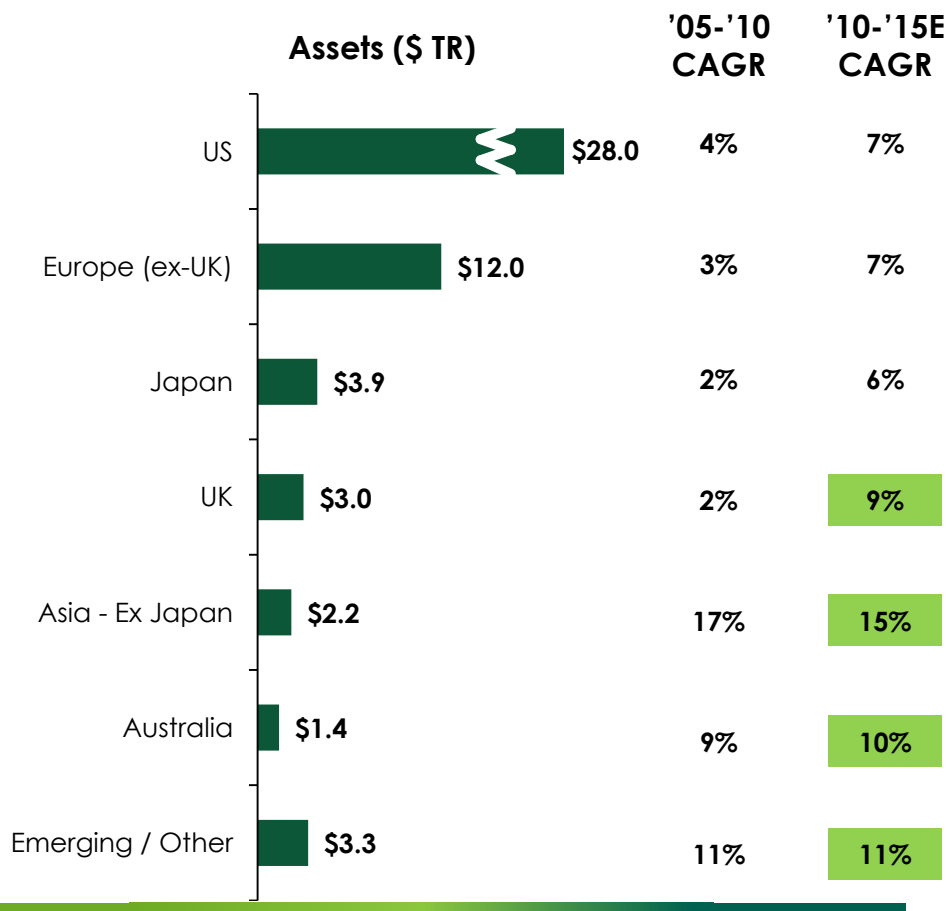
2010 Public Pension Spending as % of GDP (IMF)



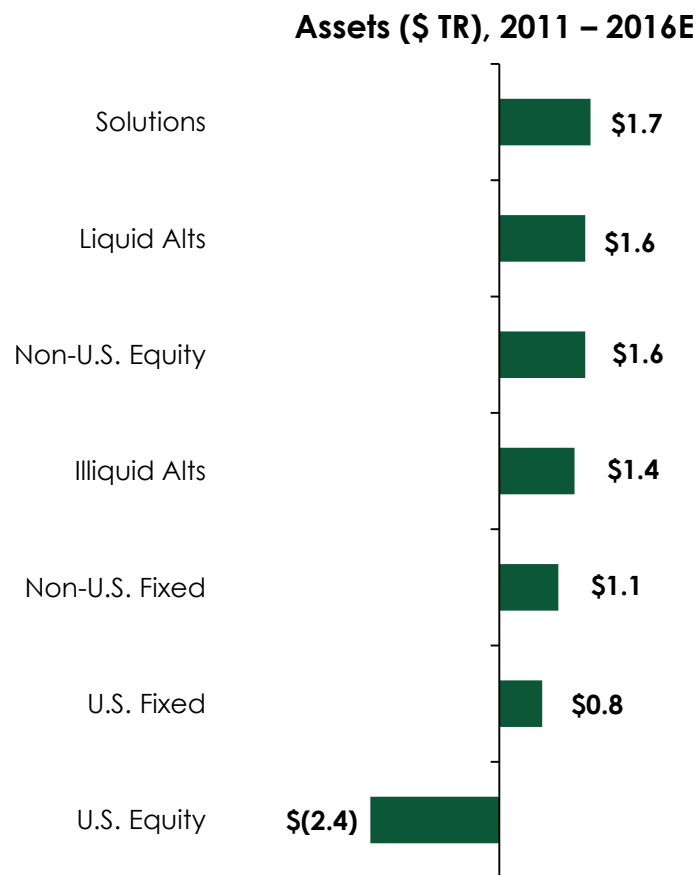
1. Source: IMF; Bernstein Research

NON-U.S. ASSET GROWTH SHOWS THAT PRIVATE PROVISION IS ALREADY HAPPENING

Asset Mix by Geography of Client¹



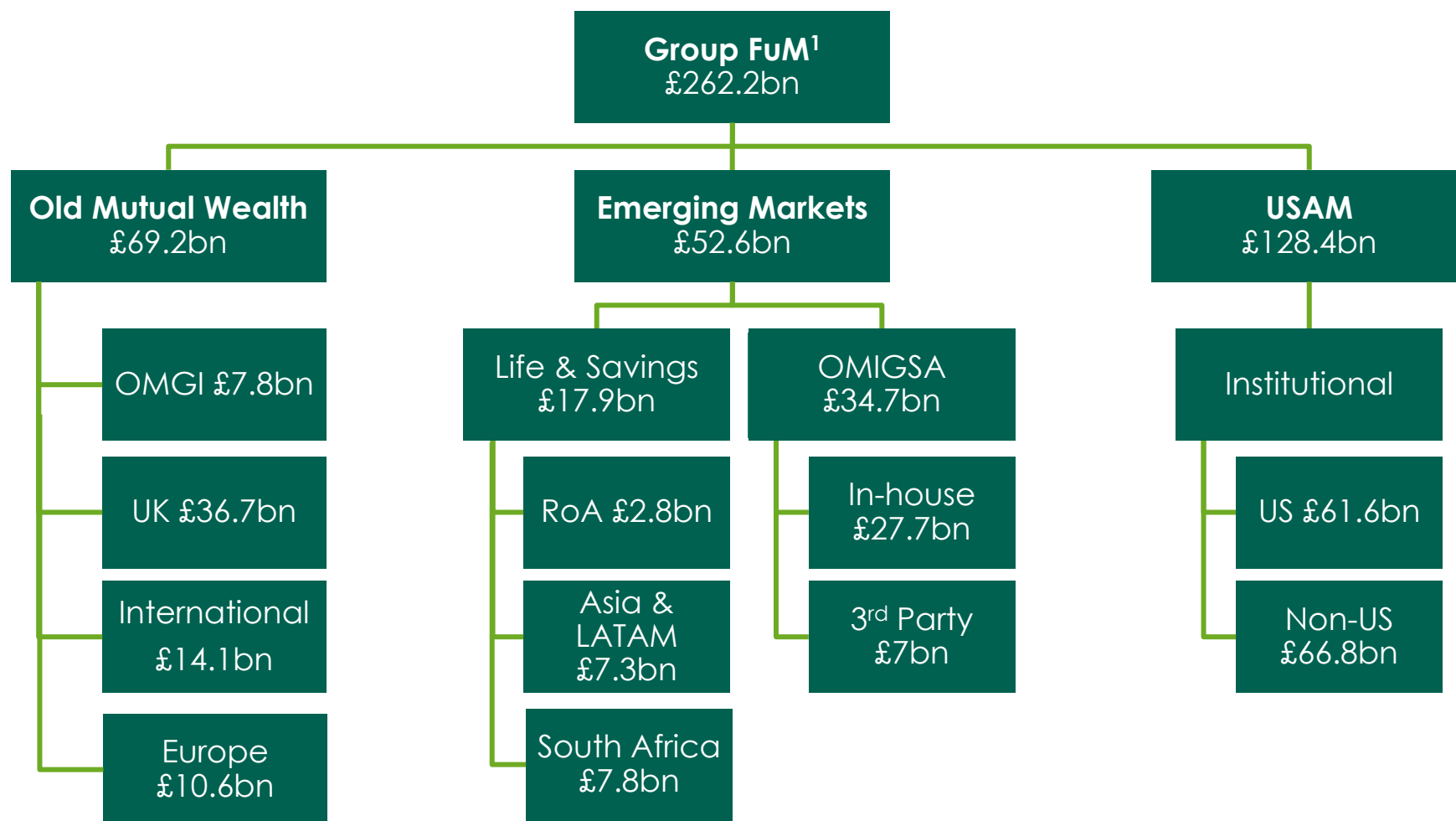
Worldwide Net New Flows by Product²



1. Source: Cerulli (excludes institutional insurance and non-profit assets)
Note: Includes retail assets.

2. Source: Casey Quirk. Note: Solutions include Unconstrained, LDI, Investment Outsourcing and Target Date. Liquid Alts includes Non-Distressed HF, FoHF and Commodities. Illiquid includes PE, FoPE, Real Estate and Distressed Debt HF

ASSET MANAGEMENT CAPABILITY



1. Group FuM from core operations includes Nedbank and M&F (£12.0bn at FY 2012).

IMPROVING & GROWING US ASSET MANAGEMENT

Turn-round

	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

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.

OLD MUTUAL RESPONSE TO THESE CHANGES

Drivers

Response

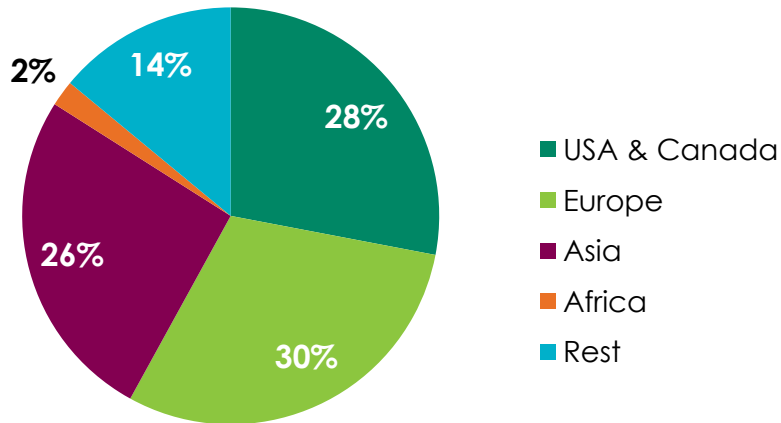
3. Economic power shifts



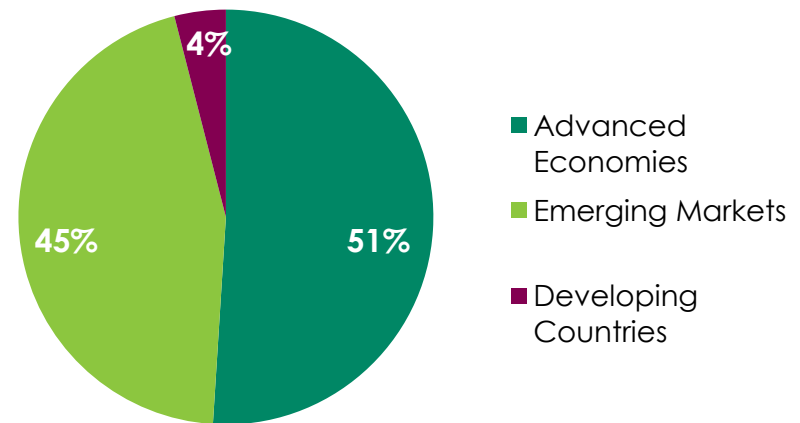
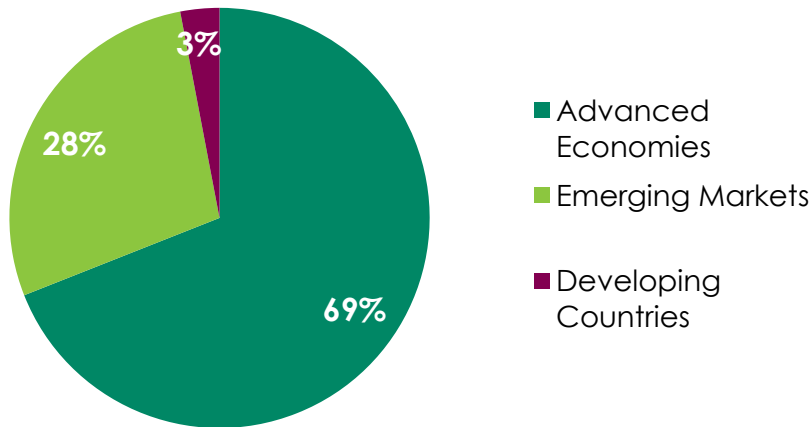
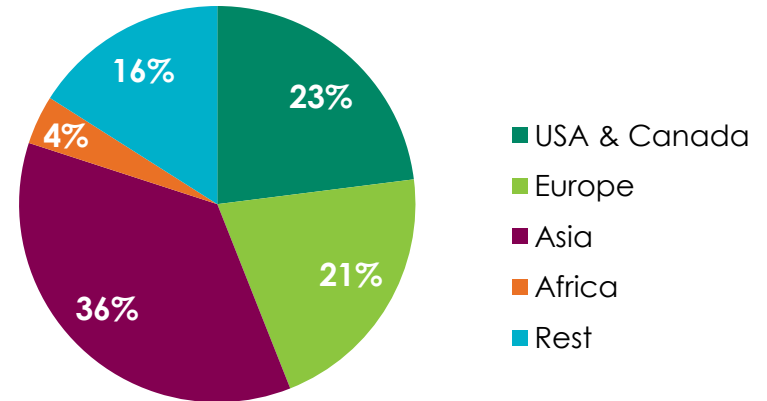
Power shifting towards the east & Africa;
Allocation of new capital of R5bn for
investment in Africa

ECONOMIC POWER SHIFTS¹

Relative size of GDP (2012)



Relative size of GDP (2040)



1. Source: Global Insights World Overview 15 February 2013

OLD MUTUAL'S R5bn EXPANSION IN REST OF AFRICA

- R5bn(c. \$550m)of investment in Africa over 3-5 years
 - Investment in operating businesses, new business, distribution routes and strategic stakes
- East and West Africa and SADC (Southern African Development Community)
- Expansion of economic capacity
 - Infrastructure, agricultural and housing
 - Debt and local equity capital markets
- Free trade areas and customs unions
 - Higher added value goods
 - Consumer goods
 - Intra African rather than with the Old World
- Use OM business in a box and risk management

OLD MUTUAL RESPONSE TO THESE CHANGES

Drivers

Response

4. Regulatory pressures



Develop capital light products, be ahead of the changes, spend less but early



REGULATOR ACTIVITY IS HIGH

Events:

- Solvency II in Europe for insurers
- Basel 3 for banks
- SAM in SA for insurers
- Burden of regulation on global financials

Problems:

- Timetable shift
- Scope drift
- Political influence
- “Some thing must be done after taxpayers have paid so much”

OLD MUTUAL RESPONSE TO THESE CHANGES

Drivers

Response

5. Technology developments empowering customers



Wealth Interactive, 'Connect', platforms, mobile payment and advice systems

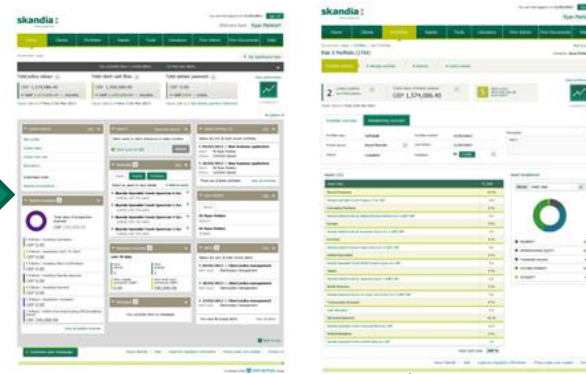


TECHNOLOGY AND CUSTOMER DEVELOPMENT

- Mobile/internet disintermediation unless clear value added by advice

- 'My Financial Life', 22Seven

- Wealth Interactive – 5 days to 30 minutes



- Connect – Online statements, asset allocation shifts



- Mobile payment collection and contract creation supports margins

- Lower “leakage” with no cash payments

- Less paper

- Lower maintenance costs and less time to serve

DRIVING PERFORMANCE DIFFERENTIATION IN CHALLENGING MARKETS

- **Strong operational & financial performance in 2012**
- **A transformed business**
- **Financial strength**
- **Clear strategy**
- **Sustainable growth opportunities**

Delivering increasing value for shareholders & customers



CONTACTS

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