

TESTING TIMES

UBS FINANCIAL SERVICES CONFERENCE

CAPE TOWN, OCTOBER 2013

17 October 2013

David Marshall, OMEM Strategy Director

INSURANCE | INVESTMENT | SAVINGS | BANKING



OLDMUTUAL

DISCLAIMER

This presentation may contain certain forward-looking statements with respect to certain of Old Mutual plc's plans and its current goals and expectations relating to its future financial condition, performance and results. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Old Mutual plc's control including amongst other things, international 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 plc and its affiliates operate. As a result, Old Mutual plc's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Old Mutual plc's forward looking statements. Old Mutual plc undertakes no obligation to update the forward-looking statements contained in this presentation or any other forward-looking statements it may make.

WHO IS OLD MUTUAL?

Who we are

- Established in 1845
 - Global long-term savings & investments, protection and banking Group
 - 14 million customers
 - 54,000 employees
 - AuM of \$440 billion
 - Operating profit of \$2.6 billion in 2012
-

What we do

- Emerging Markets – South Africa
 - Mass Foundation
 - Retail Affluent
 - Corporate
 - OMIG
 - Rest of Africa
 - Latin America & Asia
 - Property & Casualty
 - Mutual & Federal
 - Banking
 - Nedbank
 - Old Mutual Wealth
 - US Asset Management
-

OLD MUTUAL: STRONG FUNDAMENTALS

- **Strong operational & financial performance in 2012 and H1 2013**
- **A transformed business – successful execution of 3 year strategy**
- **Financial and capital strength**
- **Clear strategy**
- **Real and sustainable growth opportunities**

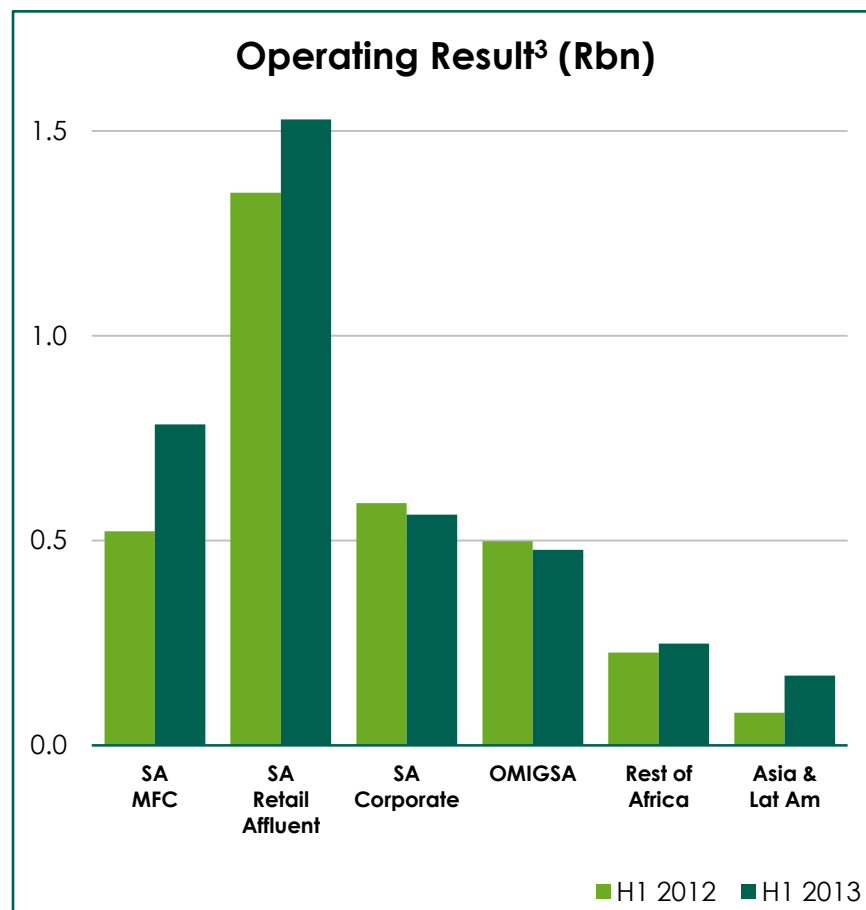
Delivering increasing value for shareholders & customers

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

PROFITS - OLD MUTUAL EMERGING MARKETS

AOP (Rm)	H1 2012 ¹	H1 2013
South Africa		
Life & Savings	2,462	2,874
OMIGSA	498	477
LTIR	643	599
South Africa	3,603	3,950
Rest of Africa		
Operating profit	226	248
LTIR	141	184
Rest of Africa²	367	432
Asia & Latin America	79	170
Central costs	(388)	(437)
Total AOP (pre-tax)	3,661	4,115



1. Comparatives restated to reflect the move of iWyzé to Property & Casualty (previously 50% was reported in OMEM) and the move of SYMMETRY from OMIGSA to Retail Affluent
2. Rest of Africa P&C is included in Rest of Africa target (15% by 2015) but is not shown in these figures: H1 2013 is R35m
3. Pre-tax, excluding LTIR and central costs

SOUTH AFRICA – ENTRY POINT FOR 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

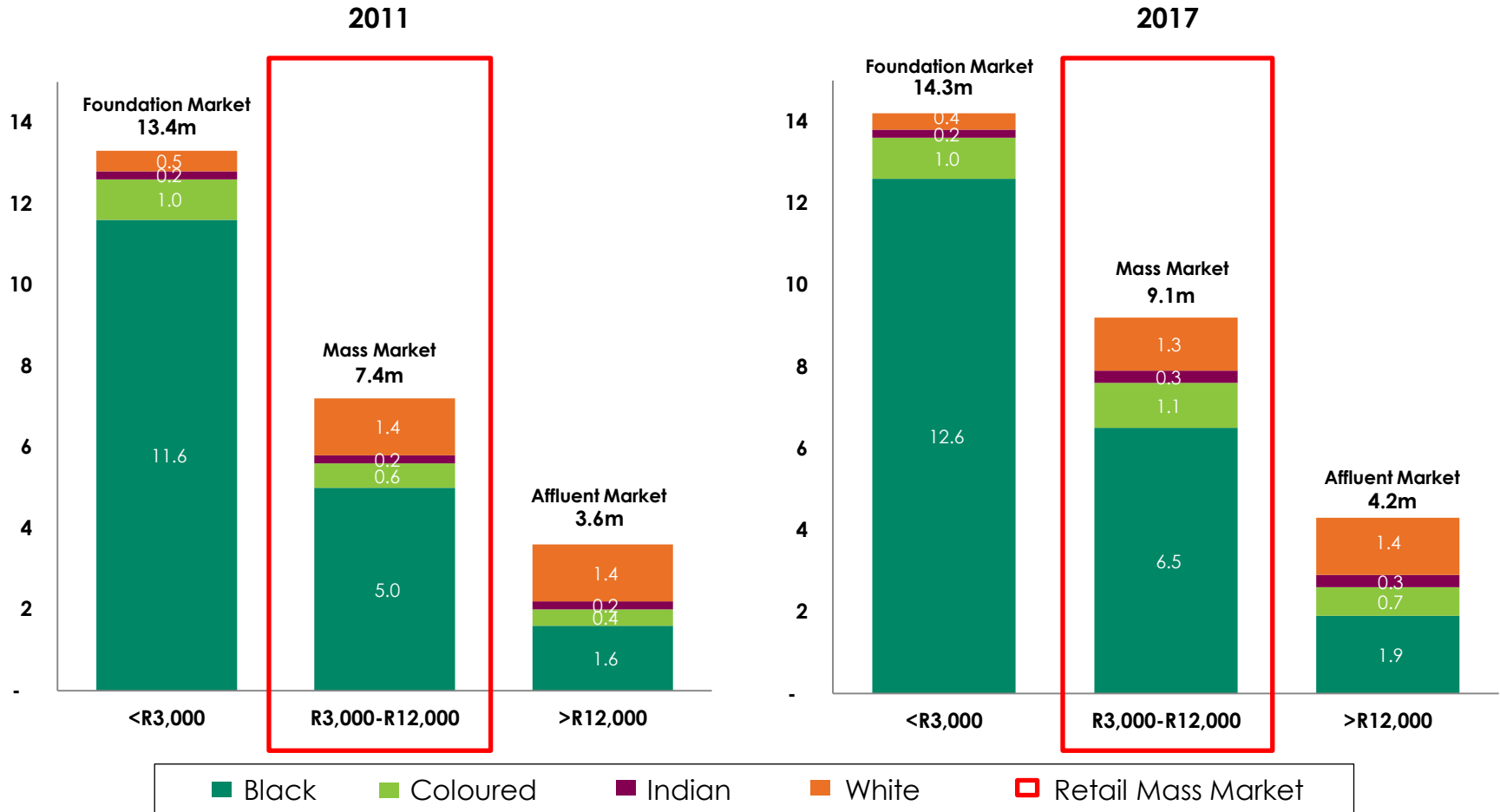
Positive economics

- Steady GDP growth
- Low debt to GDP ratio

Emerging middle class

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

EXPECTED GROWTH IN MASS SEGMENT



1. Source: Deutsche Bank, ASSA, AMPS (All Media Product Survey)

AFRICA: GROWING MIDDLE CLASS



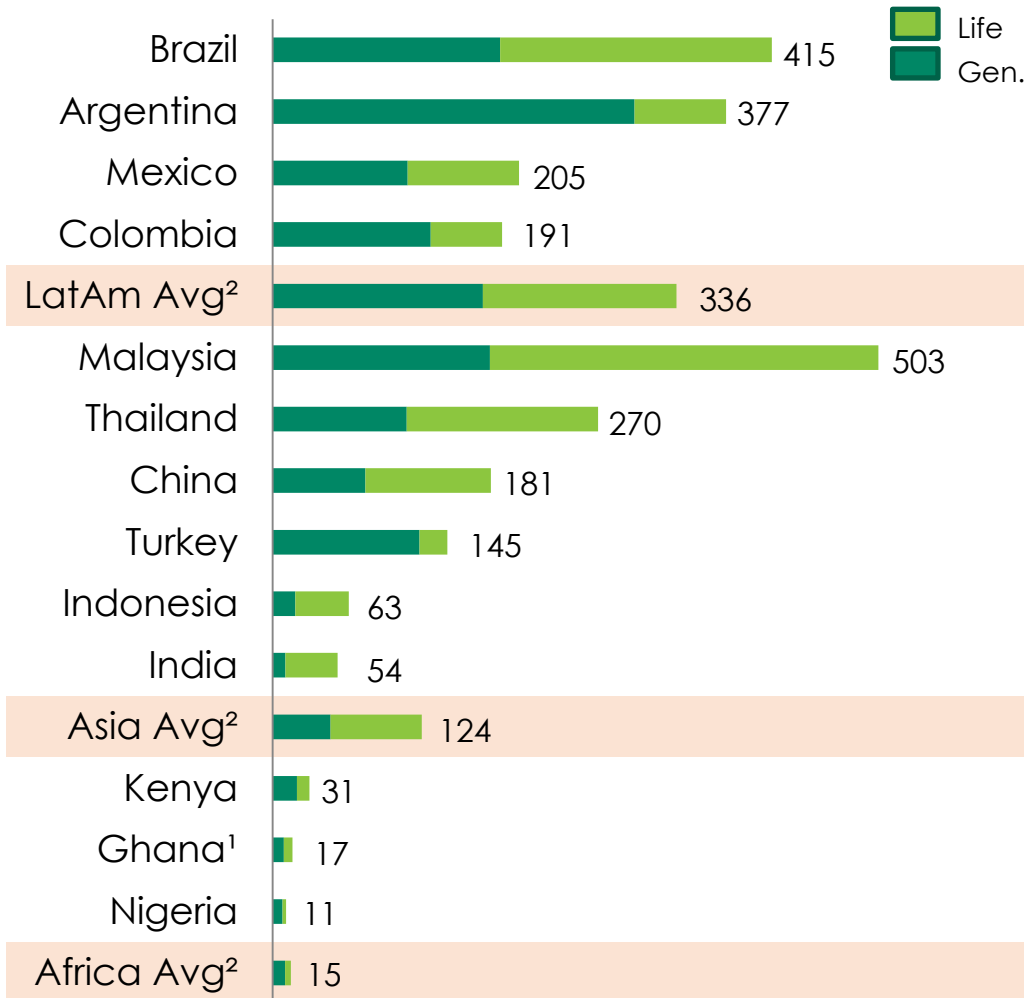
- Rapidly growing middle class of consumers
- Equal in size to India
- 27 countries have already attained middle income status
- World's largest workforce by 2035

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

DECADE LONG DOUBLE DIGIT GROWTH IS POSSIBLE

Insurance spend per capita, 2012, USD



Implied CAGRs to “catch-up”³, %

Years	Asia – Gen.	Asia – Life	LatAm – Gen.	LatAm – Life
10 years	16.4%	32.1%	32.4%	42.4%
15 years	10.6%	20.4%	20.6%	26.6%
20 years	7.9%	14.9%	15.1%	19.3%
25 years	6.3%	11.8%	11.9%	15.2%

1 2011 data
 2 Weighted average by population (2012)
 3 “Catch-up” refers to required Years to reach regional average benchmark in current USD figures
 Source: IMF, SwissRe

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 (e.g. 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

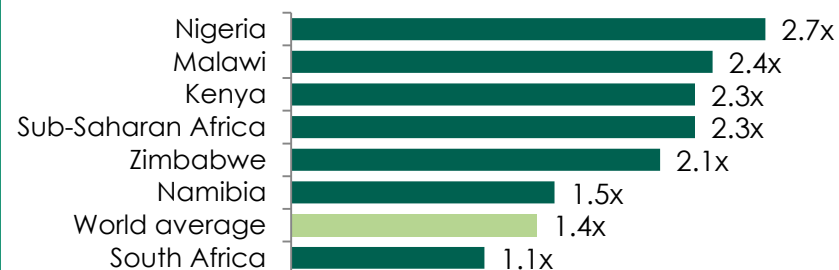
OLD MUTUAL'S GROWTH IN REST OF AFRICA

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

HOW WE THINK ABOUT MARKETS IN AFRICA

Established Markets	Core Growth Markets	Network Markets	Exposure Markets
<ul style="list-style-type: none"> • Retain our top 1-2 status + drive digital distribution 	<ul style="list-style-type: none"> • “Must win” markets – in the top 3 in the medium term 	<ul style="list-style-type: none"> • Phase II markets to focus on once established in Core Growth markets 	<ul style="list-style-type: none"> • Consider establishing foothold
Market characteristics			
<ul style="list-style-type: none"> – Established OM market (Banking, Life and General) – Focus on expanding penetration & reducing costs through innovation / management control 	<ul style="list-style-type: none"> – Key to the “African Story” – Large + growing consumer base – Strong GDP per capita growth rates over coming decade – Growing savings pool 	<ul style="list-style-type: none"> – Smaller consumer base – Potential to run as spokes to Core Growth markets – Currently limited ability to pursue economies of scale in the Insurance sector 	<ul style="list-style-type: none"> – Markets outside of Sub-Saharan Africa – Markets with significant difference in product / language expertise

OUR INVESTMENT CRITERIA

Strategic Fit

Does the investment build on our aim to be top 3 in our markets?



Financial Assessment

Is the financial investment attractive for Old Mutual?



Operational Assessment

What are the key non-financial metrics we need to consider?



Cultural Fit

Is there a strong cultural fit between the target and Old Mutual?



EXPANSION IN AFRICA: PROGRESS TO DATE

Nigeria

- Completed acquisition of **Oceanic Life**: gaining new customers under Old Mutual brand
- Acquiring¹ a majority stake in Ecobank's property & casualty business

Ghana

- Acquired a majority stake in **Provident Life Assurance Company**
- Life & investment products
- Customer base mostly retail mass

Kenya

- Acquiring¹ a majority stake in **Faulu Kenya**
- Extensive retail distribution network
- Customer base has similar demographic to Mass Foundation market in SA

Mozambique

- Nedbank acquiring¹ a 36.4% stake in **Banco Unico**
- Innovative banking product, including mobile banking applications

Total spent¹ R925m (incl Nedbank); R700m of OMEM's R5bn allocation

1. Subject to regulatory approval

EMERGING MARKETS SHOWCASE

Cape Town, 4-6 December 2013

**OM Emerging Markets, Nedbank,
Property & Casualty (incl. M&F)**



To register for this event please email omg-ir@omg.co.uk



SUMMARY

Strong first half

Good financial performance

Continued to build our business in emerging and developed markets

Further progress on the strategy

Right shape, right markets, right strategy

Continued delivery of growth and shareholder value



THANK YOU

INSURANCE | INVESTMENT | SAVINGS | BANKING

