



OLD MUTUAL EMERGING MARKETS

AFRICA UPDATE

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DO GREAT THINGS



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AGENDA

Old Mutual Emerging Markets

Our rest of Africa strategy

Progress on execution of our strategy in rest of Africa

Financial update

Conclusion

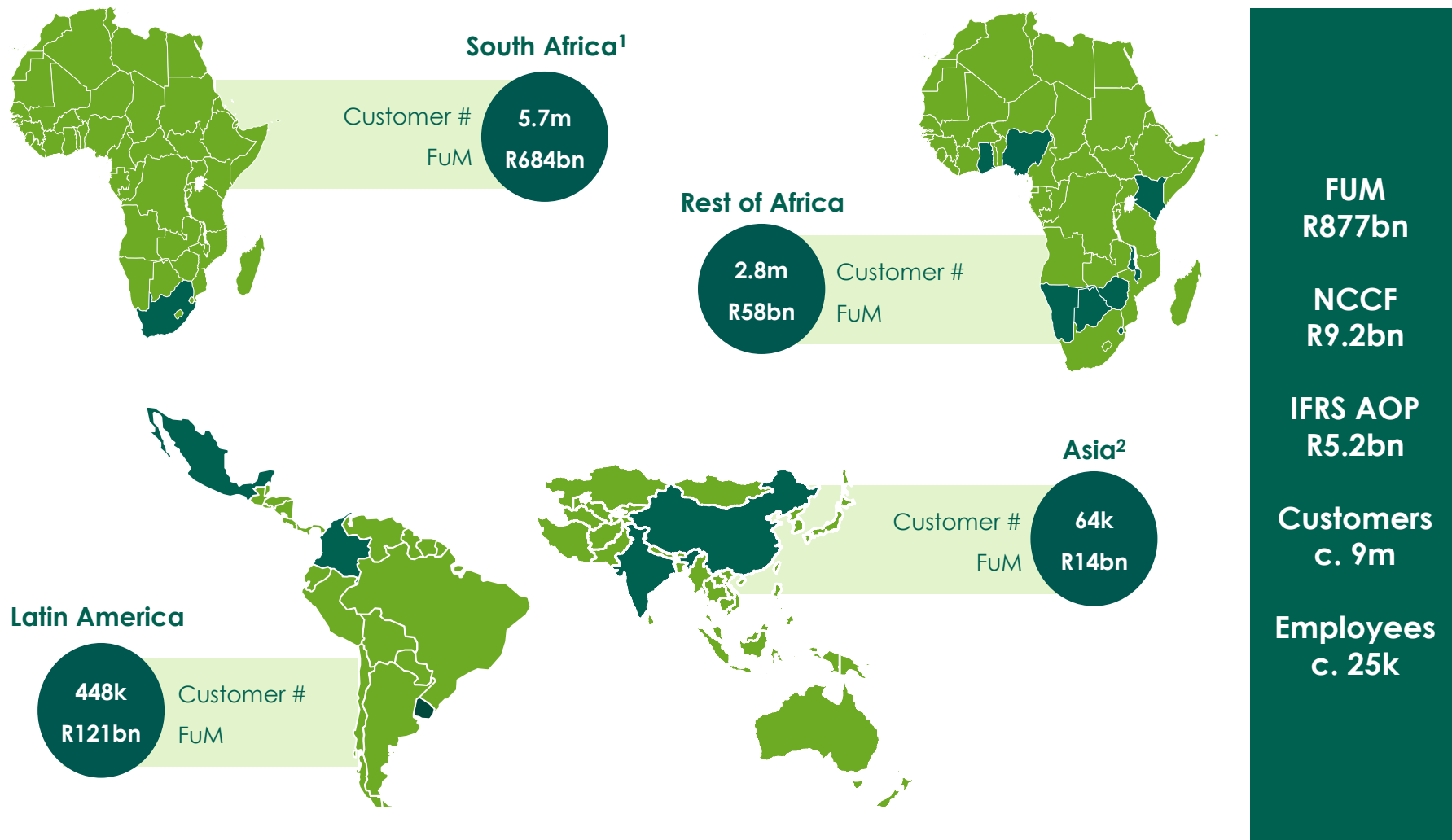
Q&A

OLD MUTUAL EMERGING MARKETS



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EMERGING MARKETS AT A GLANCE AS AT H1 2014



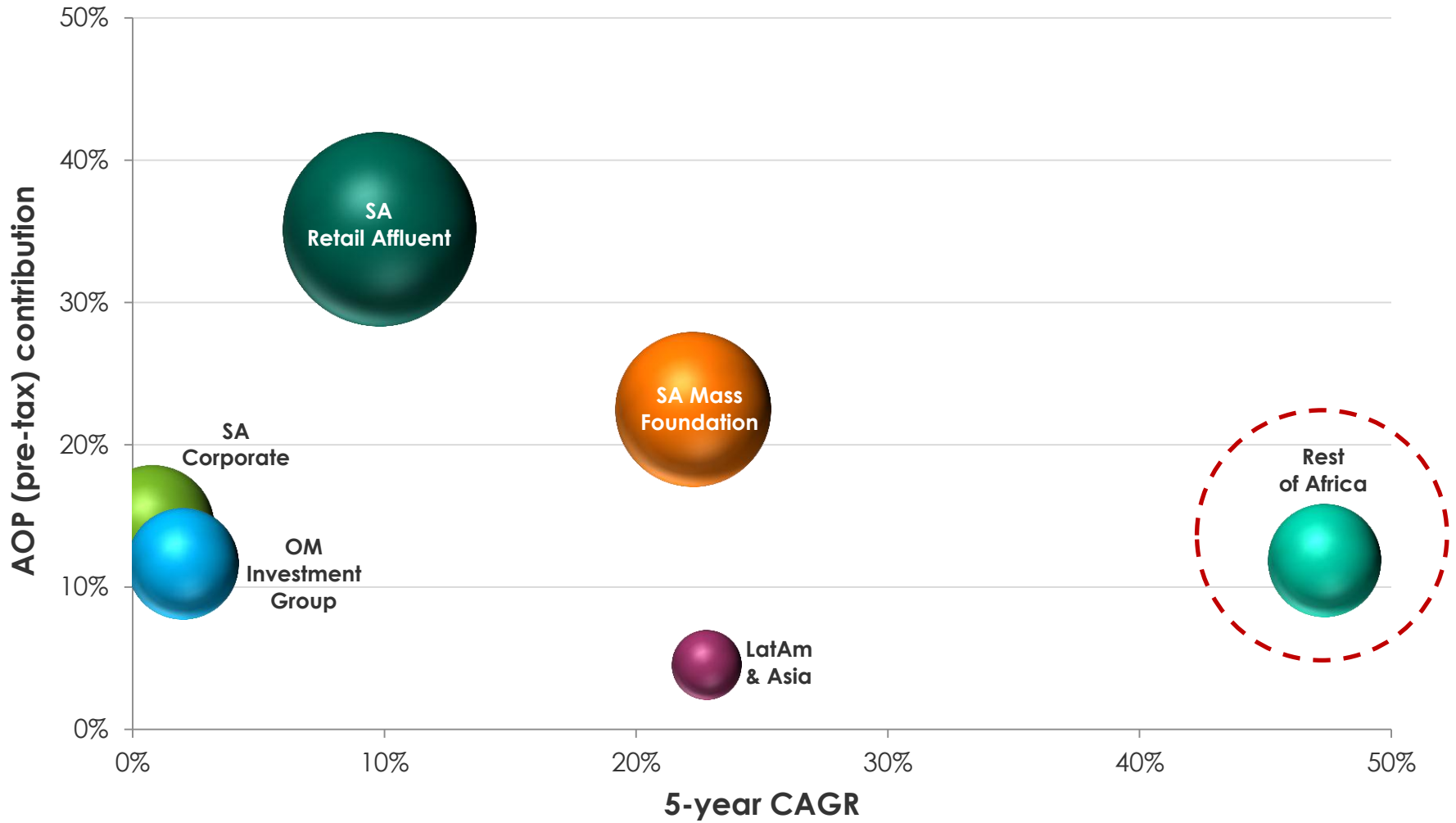
1. Includes retail and corporate customers

2. Excludes customers in India

Note: Figures do not include Nedbank



2013 VIEW OF EMERGING MARKETS BUSINESSES



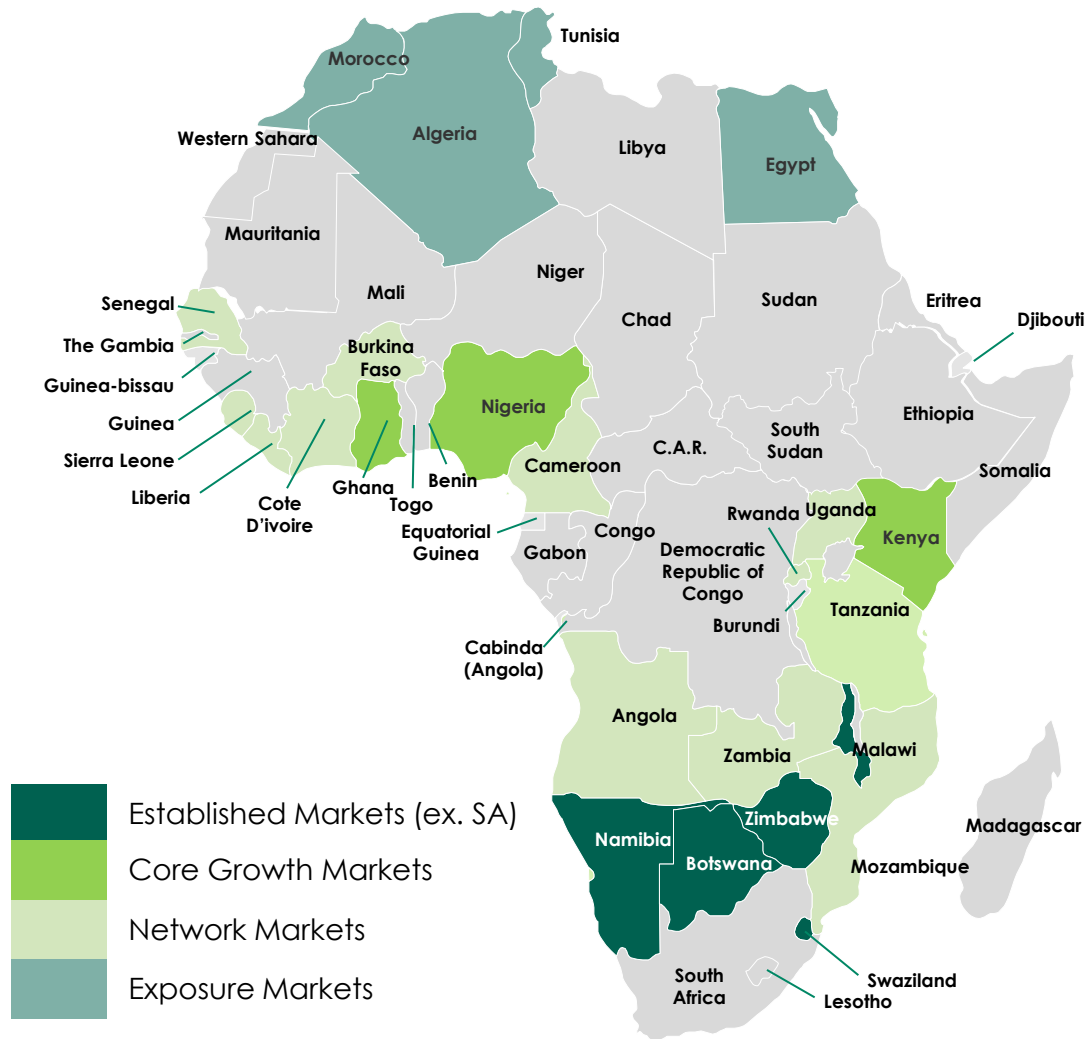
Note: P&C has negative growth over the period; size of the bubbles represent relative profit contribution.

OUR REST OF AFRICA STRATEGY



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OUR VISION IS TO BUILD AN AFRICAN FINANCIAL SERVICES CHAMPION BY 2020

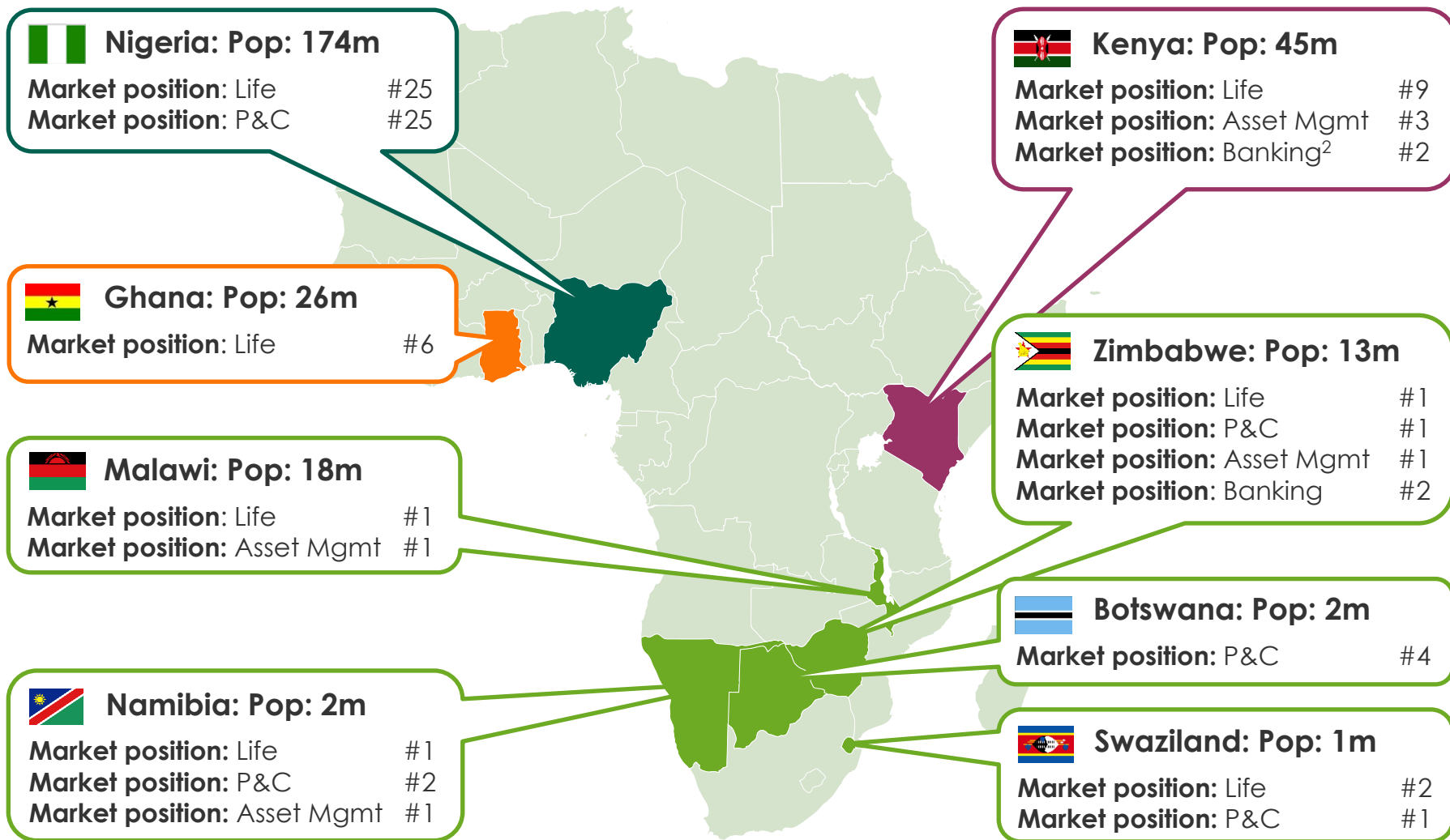


- **#1 or #2 Long-Term Savings and Insurance business**
- **In excess of 10m customers**
- **ROE between 20 and 25%**

STRATEGY TO **CREATE VALUE AND BUILD A LEADING FRANCHISE** IN AFRICA

- 1** Regional approach
 - Defend and grow our leading position in Southern Africa (ex SA)
 - East and West Africa as growth nodes of the future
- 2** Similar products, IT and processes to improve speed-to-market, create economies of scale and de-risk operations
- 3** Strategic alliances and partnerships
- 4** Acquisitions to accelerate growth in Core Growth Markets
- 5** Good governance, risk management and disciplined capital allocation

OUR REST OF AFRICA FOOTPRINT TODAY¹



Source: IMF Database, OMEM Competitor Landscape as at June 2013

1. Market share based on life APE sales, gross written premiums, banking deposits and retail FUM for asset management
2. Based on deposit-taking microfinance institutions composite index rather than full banking sector

NIGERIA, GHANA AND KENYA ARE OUR CORE GROWTH MARKETS

ESTABLISHED MARKETS	CORE GROWTH MARKETS	NETWORK MARKETS	EXPOSURE MARKETS
<ul style="list-style-type: none">▪ Retain our top #1-2 status▪ Expand digital distribution▪ Align P&C and Banking businesses▪ Utilise expertise to support other markets	<ul style="list-style-type: none">▪ “Must win” markets▪ Achieve #1 or #2 position by 2020▪ Integrated customer offering▪ Flexibility to deploy capital at a premium if required for right assets	<ul style="list-style-type: none">▪ Next wave of growth▪ Capital-light approach▪ Specific sectors/niche focus	<ul style="list-style-type: none">▪ Long-term view▪ Products tailored for different cultures▪ Minority stakes with clear path to control if desired

c. R700M OF THE R5BN OMEM ALLOCATION SPENT TO DATE

PROGRESS ON EXECUTION OF OUR STRATEGY IN REST OF AFRICA



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NIGERIA: PROGRESS ON STRATEGIC EXECUTION

STRATEGIC INTENT

Build an integrated financial services champion in West Africa

KEY DELIVERIES IN 2014

- Commenced P&C and Life operations in 2013 in partnership with Ecobank
- Acquired 370k¹ customers since 2013
- Identified 20 Ecobank branches to pilot retail bancassurance distribution
- Launched the Retail Mass Market worksite model & trained tied advisers
- New products - Retail Mass Risk and Savings products (awaiting regulatory approval)
- Enhanced the Group Life product

PRIORITIES GOING FORWARD

- Deliver new innovative products and optimise re-insurance agreements
- Grow tied agency and build new distribution channels e.g. mobile
- Invest in brand building & financial education
- Seek M&A opportunities to accelerate growth and acquire new capabilities

GHANA: PROGRESS ON STRATEGIC EXECUTION

STRATEGIC INTENT

Build an integrated financial services champion in West Africa

KEY DELIVERIES IN 2014

- Provident Life rebranded to Old Mutual Ghana
- Grew customers to 60k¹ (2013: 47k)
- Grew tied advisers to 288¹ (2013: 101)
- Upgraded branches
- Launched bancassurance with Ecobank
- Revamped and enhanced the existing Funeral and Credit Life products

PRIORITIES GOING FORWARD

- Refresh product range
- Grow tied agency and leverage Ecobank footprint
- Invest in brand building and financial education
- Acquire or build a P&C business

KENYA: PROGRESS ON STRATEGIC EXECUTION

STRATEGIC INTENT

Build an integrated financial services champion in East Africa

KEY DELIVERIES IN 2014

- Acquisition & integration of Faulu
- Grew customers to 519k¹ (2012: 97k)
- Grew tied advisers to 488¹ (2012: 137)
- Improved productivity levels
- Bancassurance sales through Faulu
- Launched new Faulu Funeral product – Final Expense
- Expanded mobile platform through i-Invest

PRIORITIES GOING FORWARD

- Grow insurance flows by leveraging Faulu distribution
- Grow tied agency and build new distribution channels e.g. mobile
- Invest in brand building and financial education
- Seek M&A opportunities to accelerate growth and acquire new capabilities

1. As at 30 September 2014

PRAGMATIC IN OUR DISTRIBUTION STRATEGIES

Multiple strands

Bank
"Commission"

- Ecobank
- CABS (Zim)
- Faulu (Kenya)
- Other international and local banks

Tied
"Salaried and
Commission"

- Zimbabwe
- Namibia
- Malawi
- Kenya
- Nigeria
- Ghana

Brokers
"Commission"

- Kenya
- Nigeria
- Namibia

Digital/Direct

- Swaziland (MTN)
- Kenya (i-Invest)
- Zimbabwe (textacash)

- Different products work at different pace in each market



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ASSET MANAGEMENT IN REST OF AFRICA

COMPETITIVE POSITION

- Brand recognition in SA, Namibia, Zimbabwe and Kenya
- #1 asset manager (by FUM size) in SA, Namibia, Zimbabwe and Malawi; #3 in Kenya
- Completed more infrastructure deals than any other funder on continent

FUM

- R58bn in “in-country funds” FUM on the African continent (ex SA)
- R9bn¹ in “Africa wide funds” FUM (Africa incl. SA)
- R3.8bn¹ in “Africa wide funds” assets committed for Property, Debt and Agri

2014 PROGRESS

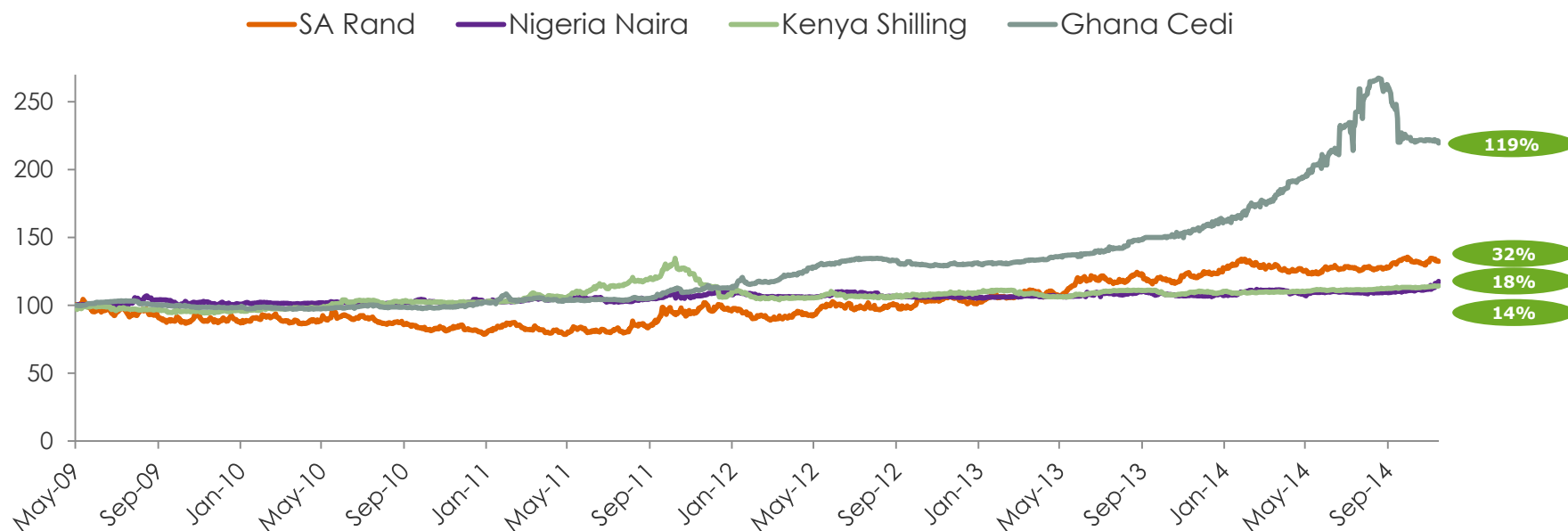
- R2bn in African tracker product
- Continue to review African deals and build pipeline
- Transactions executed include:
 - Ghana (Cenpower fuel); Nigeria (Lekki Toll Rd & IHS cell towers); Kenya (Kipeto & Kinganprop wind); Zimbabwe (New Limpopo bridge & rail projects)

1. Currently reported as part of OMIG alternative funds

FINANCIAL UPDATE

OPERATING ENVIRONMENT

CURRENCY PERFORMANCE IN OUR CORE GROWTH MARKETS¹ (vs USD)



Real GDP ²	South Africa	Nigeria	Ghana	Kenya
2014 forecast	1.4%	7.0%	4.5%	5.3%
2015 forecast	2.3%	7.3%	4.7%	6.2%

- GDP forecasts revised downwards, except for Kenya

1. Source: Bloomberg
 2. IMF World Economic Outlook, October 2014

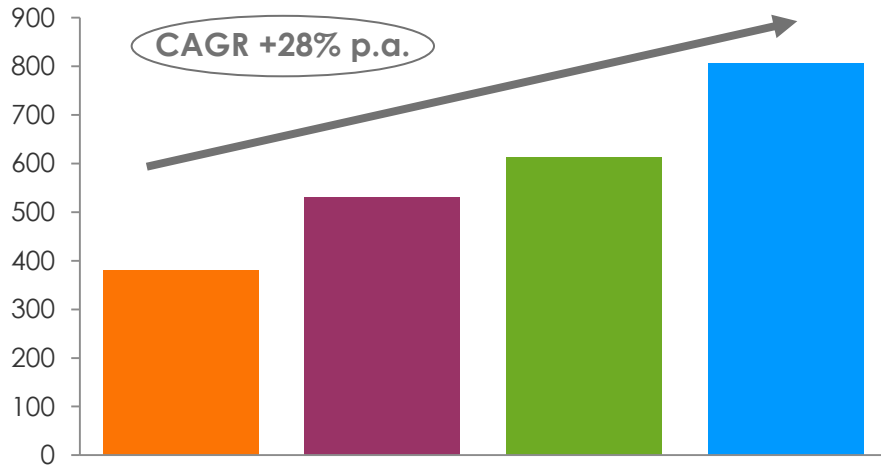
EMERGING MARKETS TRACK RECORD OF STRONG RESULTS

Rm	FY 2010	FY 2011	FY 2012	FY 2013	CAGR	H1 2014
OMEM IFRS AOP (pre-tax) ¹	7 261	7 680	8 430	8 969	7%	5 198
Rest of Africa AOP (pre-tax) ¹	429	657	952	1 025	34%	467
% Rest of Africa profits	6%	9%	11%	11%	-	9%
Gross sales (Rbn)	112	122	152	165	14%	86
NCCF (Rbn)	0.2	5.1	16.2	24.7	Improving trend	9.2
FUM ^{1, 2} (Rbn)	587.9	628.9	727.4	840.8	13%	876.5
Rest of Africa FUM ² (Rbn)	8.0	28.5	38.3	53.9	89%	57.6
VNB	972	1 157	1 762	2 043	28%	818
Return on Equity ³ (%)	24.9%	24.2%	25.0%	22.3%	-	23.6%

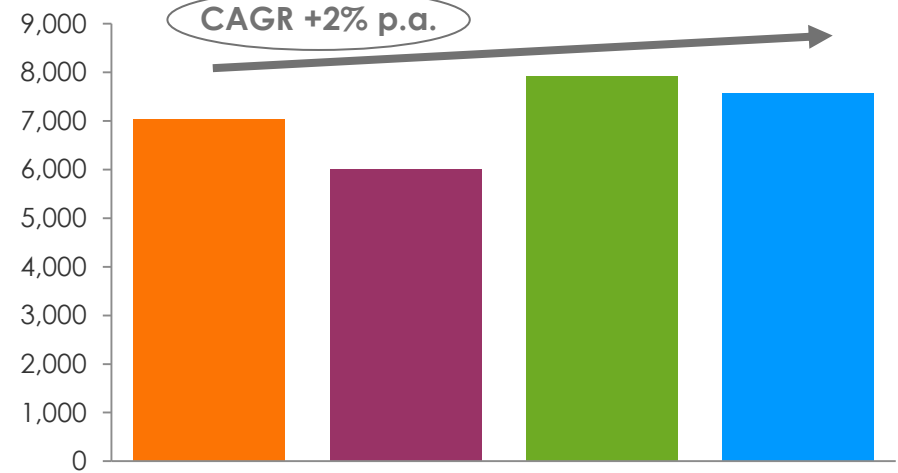
1. FY 2010 – FY 2013 have been restated to include P&C
2. Stated on and end-manager basis
3. ROE for H1 2014 and FY 2013 include P&C. FY 2010 – FY 2012 have not been restated

REST OF AFRICA HAS A HISTORY OF STRONG DELIVERY

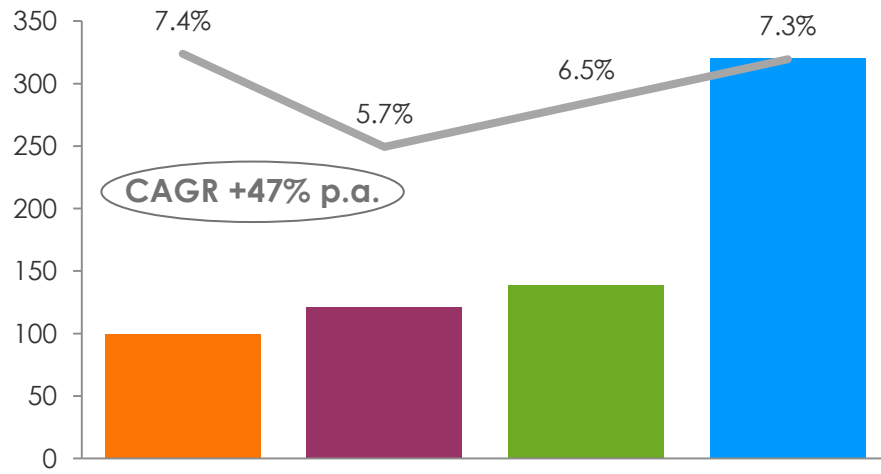
Life sales



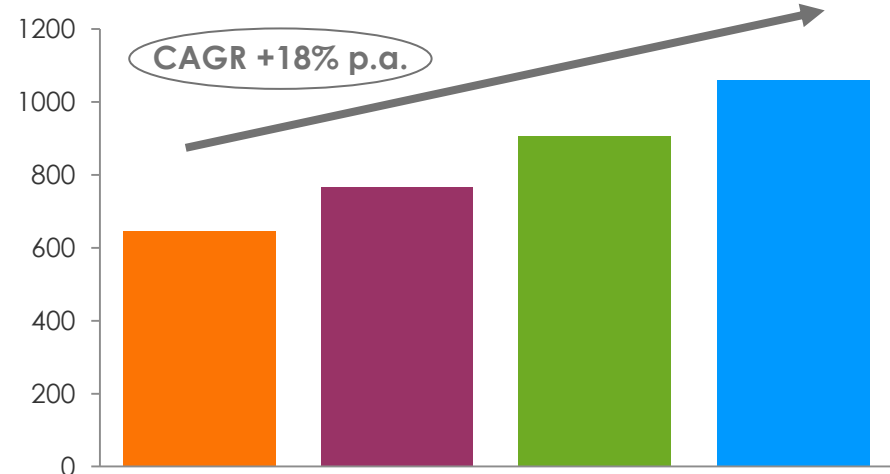
Non-life sales



VNB (Rm) and PVNBP margins (%)



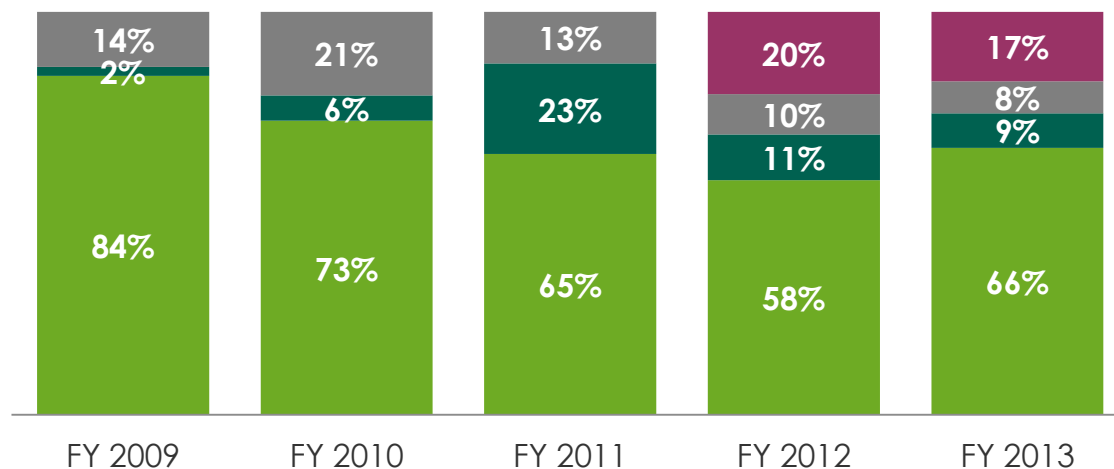
GWP – P&C



■ FY 2010
 ■ FY 2011
 ■ FY 2012
 ■ FY 2013

REST OF AFRICA SOURCES OF EARNINGS

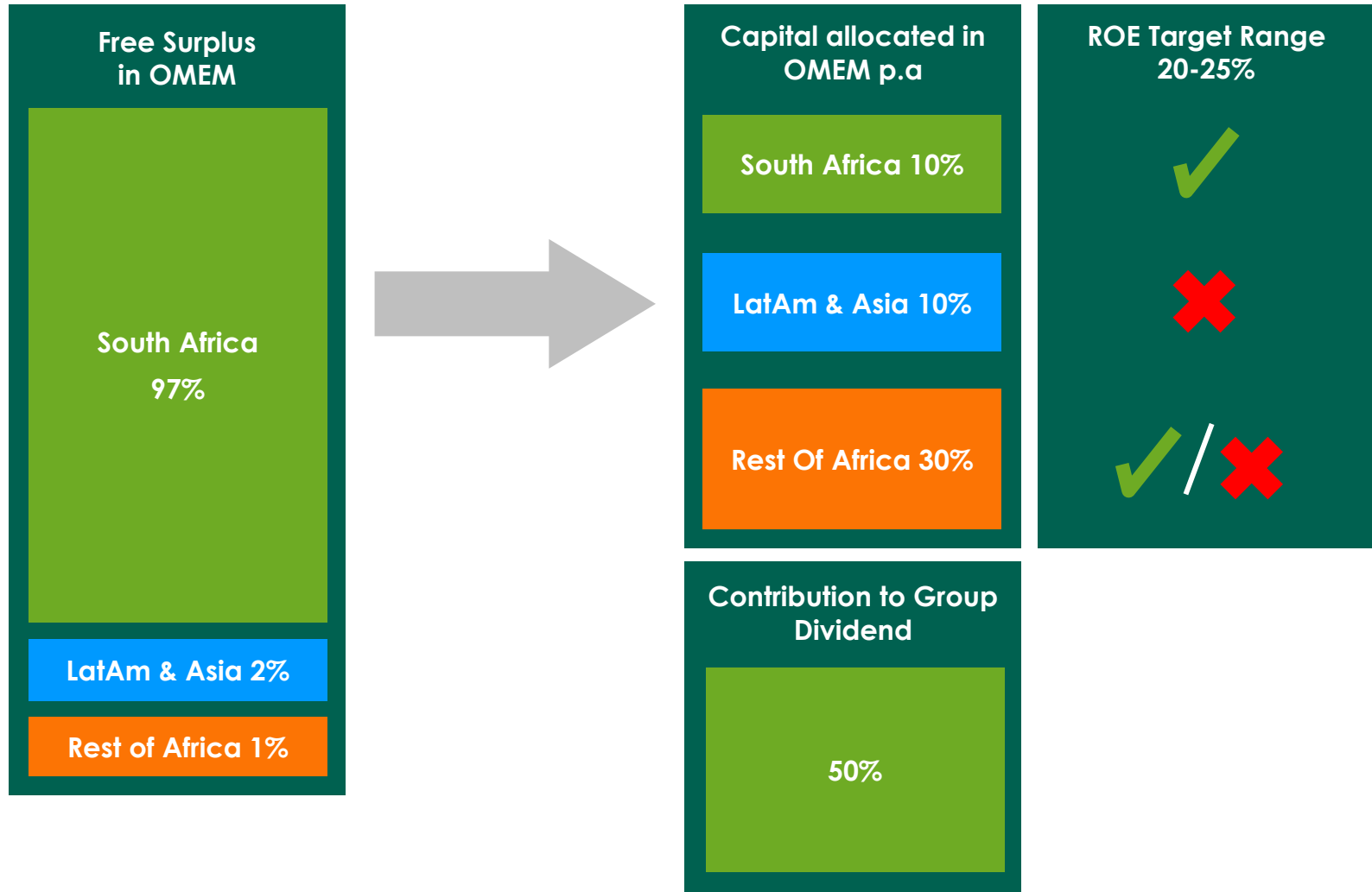
AOP by line of business



AOP by country ² (Rm)	FY2012	FY 2013	% change	H1 2014
Namibia	380	342	(10)%	149
Zimbabwe	329	403	22%	225
Botswana	19	31	63%	8
Malawi	73	77	5%	41
Kenya	(32)	(57)	(78)%	6
Ghana	–	–	–	(25)
Swaziland	(12)	(3)	75%	(4)
Nigeria	(48)	(44)	8%	(43)

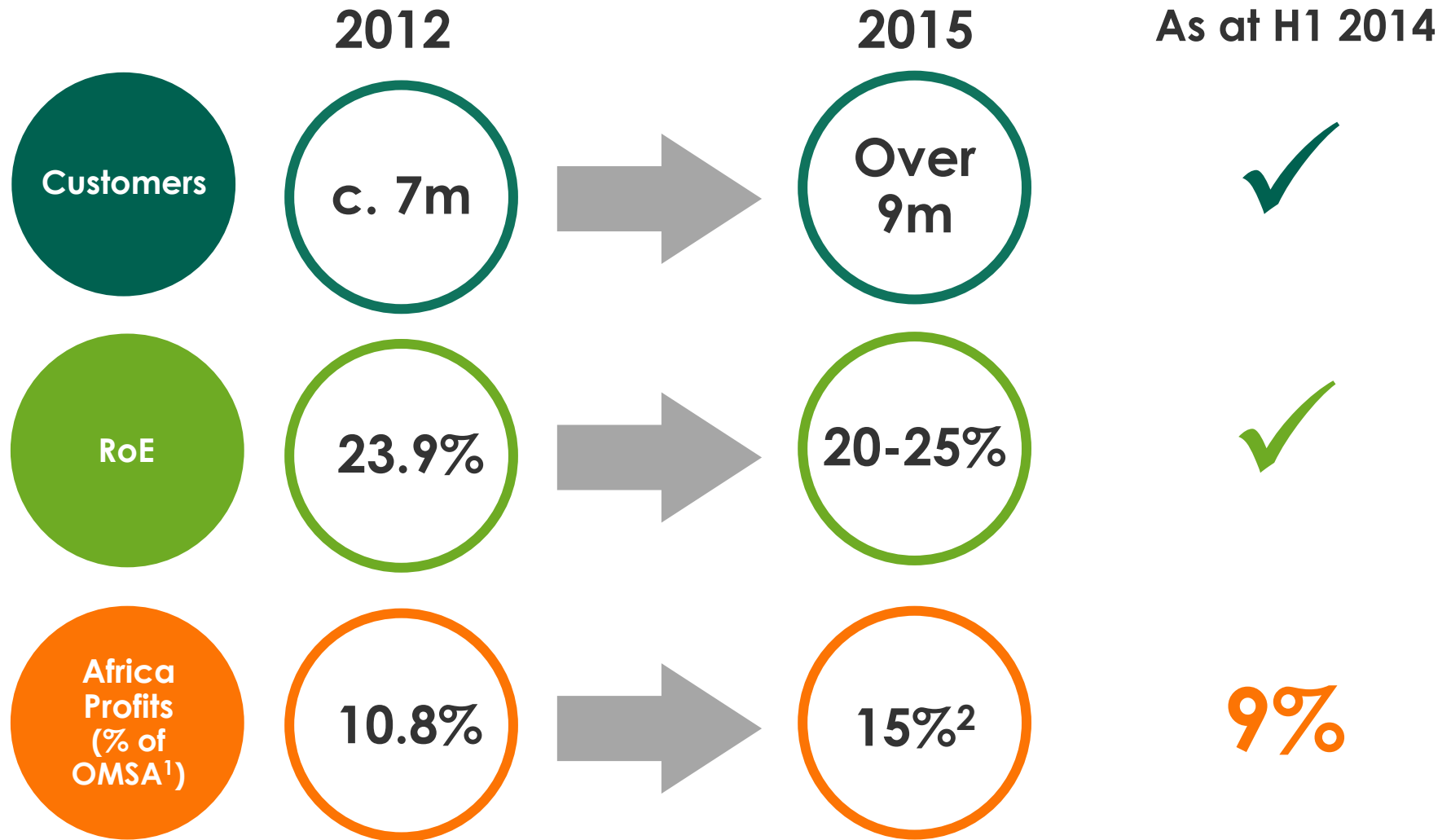
1. Banking / lending includes CABS and was reported as a separate line of business from 2012 onwards
2. Pre LTIR and rest of Africa central expenses; FY 2012 and FY 2013 restated to include P&C

DRIVING ROE GROWTH THROUGH OPTIMAL CAPITAL ALLOCATION



CONCLUSION

OMEM 2012 TO 2015 TARGETS



1. Calculation is pre-tax and post-minorities and includes LTIR
2. Target includes potential acquisitions and P&C earnings in Africa

SUMMARY

- 1 Clear strategy:
Building an African financial services champion by 2020
- 2 Well positioned for growth in Africa with competitive advantage
- 3 Focus on core growth markets
- 4 Expanding distribution network
- 5 Strong financial results

Q&A
