

UBS

UK RETAIL SAVINGS DAY

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INVESTMENT | SAVINGS | INSURANCE | BANKING



BUILDING THE LEADING RETAIL INVESTMENT BUSINESS IN THE UK

New world

Fundamental changes arising from **QE**.

Profound changes to **UK pensions regime**.

Low consumer trust in financial services.

Banks exited the advice market.

Need for **capital efficiency**.

Restricted advice now the norm.

Increasing but uncertain **regulation**.

From standard products to **customer needs-driven solutions**.

Need for **economies of scale**.

Digital interactivity expected.



New model

Vertically integrated;

offering **affluent & high net worth customers**

tailor-made **investment & retirement solutions**

with **advice** from independent or restricted advisers, face to face, digitally or direct

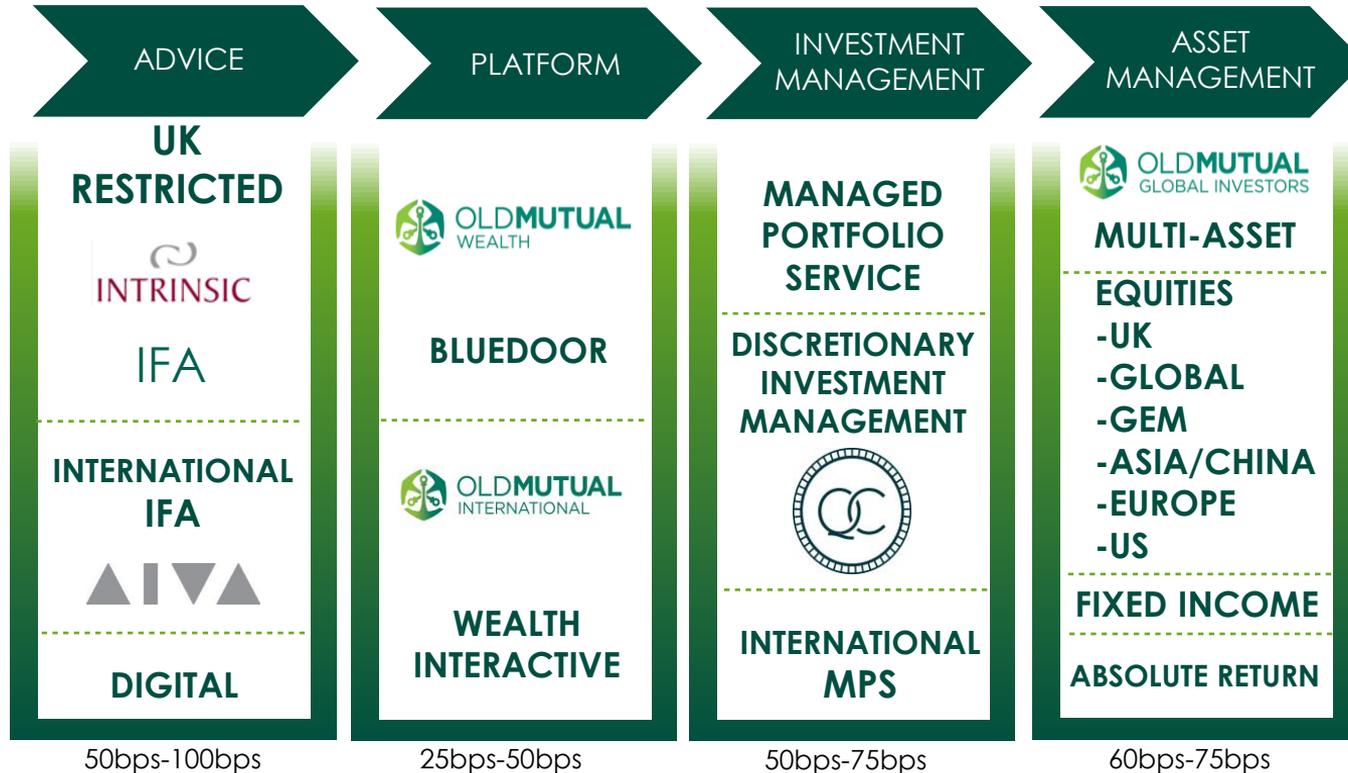
on modern tax-efficient **platforms**,

underpinned by leading **asset management** and seamless **customer service**



OLDMUTUAL
WEALTH

AN INTEGRATED WEALTH MANAGEMENT BUSINESS...



Industry range of gross charges*:

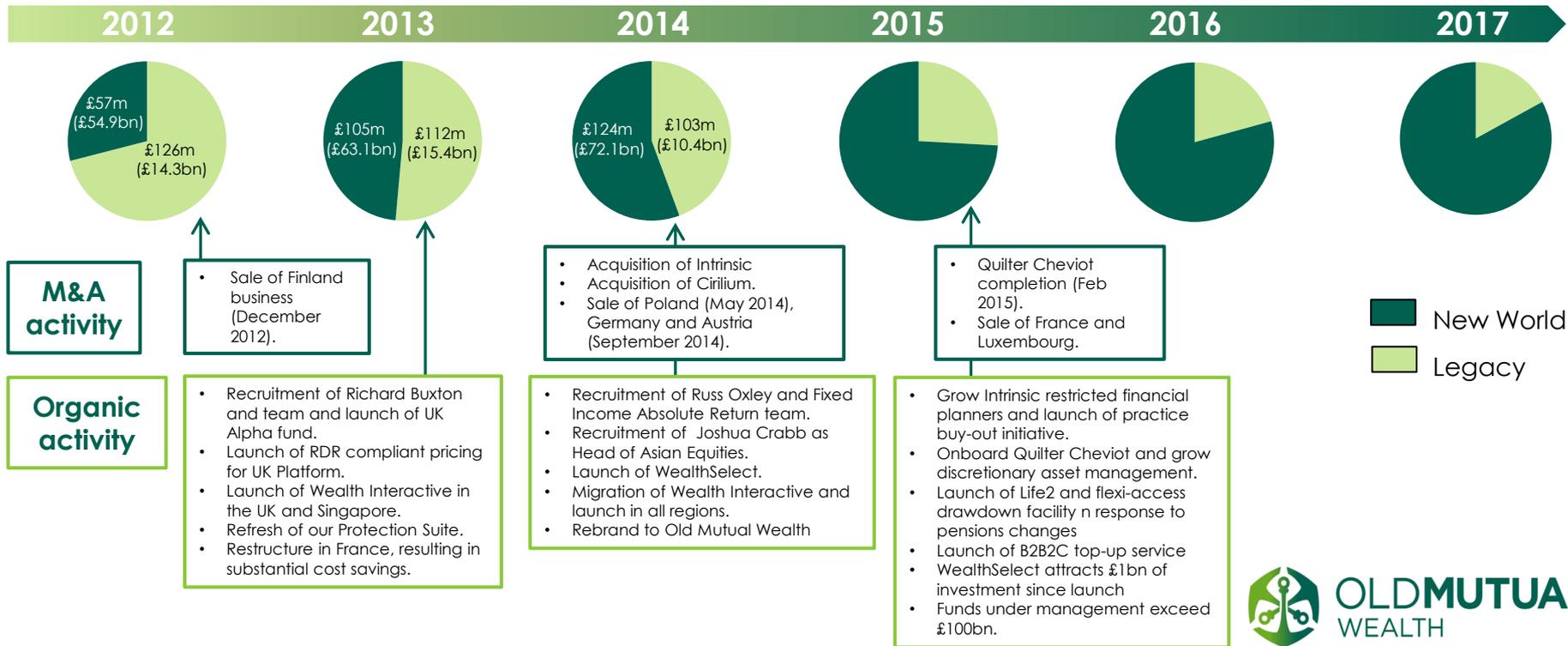
Total: up to 300bps



*Clients do not necessarily pay fees for all services across the value chain.

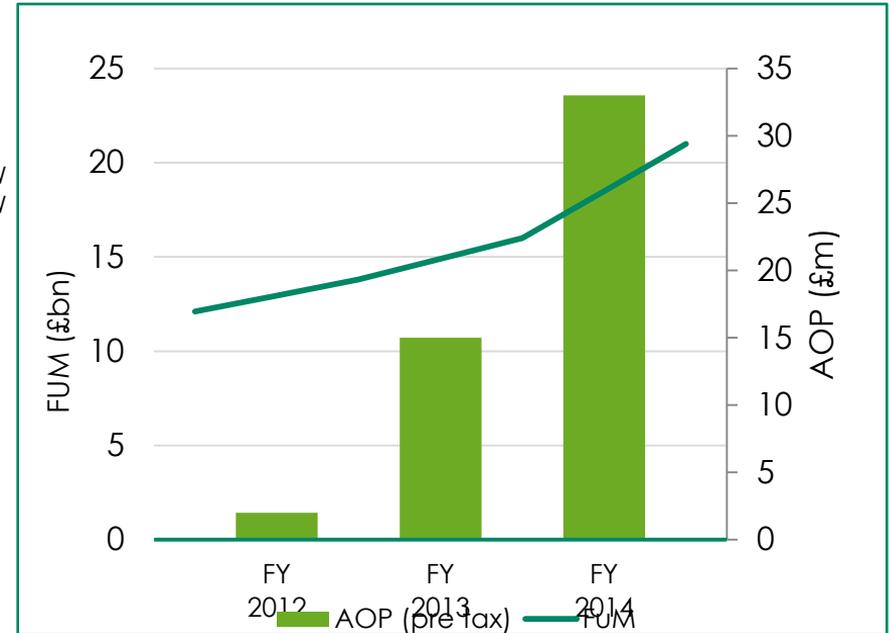
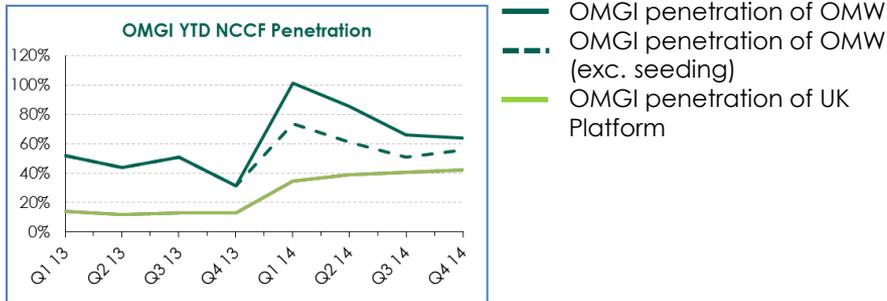
A LEGACY INSURANCE BUSINESS REPLACED WITH MODERN WEALTH AND ASSET MANAGEMENT FLOWS

Divesting our non-core, legacy European insurance businesses and replacing with modern wealth and asset management profit streams.



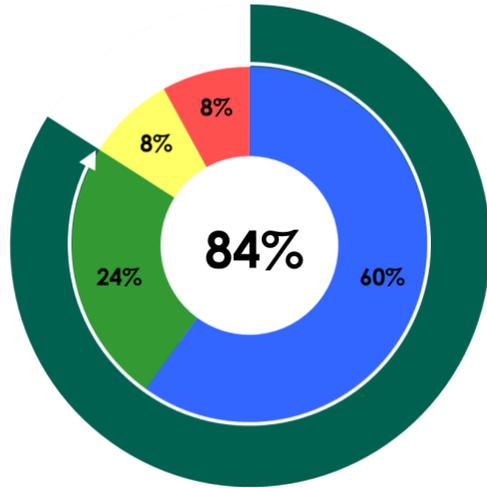
OMGI: GLOBAL FUND GROUP OF THE YEAR 2014

Penetration of UK Platform NCCF increased significantly in 2014 partly due to the launch of WealthSelect



OMGI INVESTMENT PERFORMANCE

INVESTMENT PERFORMANCE – Q1 2015 (AUM)

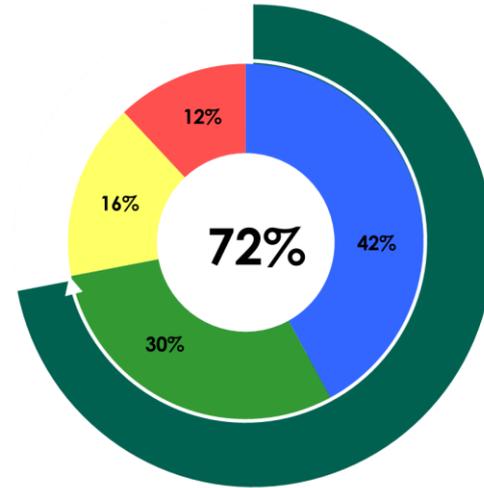


3 Year Mutual Fund Investment Performance

- 60% of funds in First Quartile
- 84% of funds above Median

OMGI Core Funds - performance weighted by AUM over 3 years to 31 March 2015. Excludes Hedge funds and Mandates and funds where no Peer group defined.

INVESTMENT PERFORMANCE – Q1 2015 (COUNT)



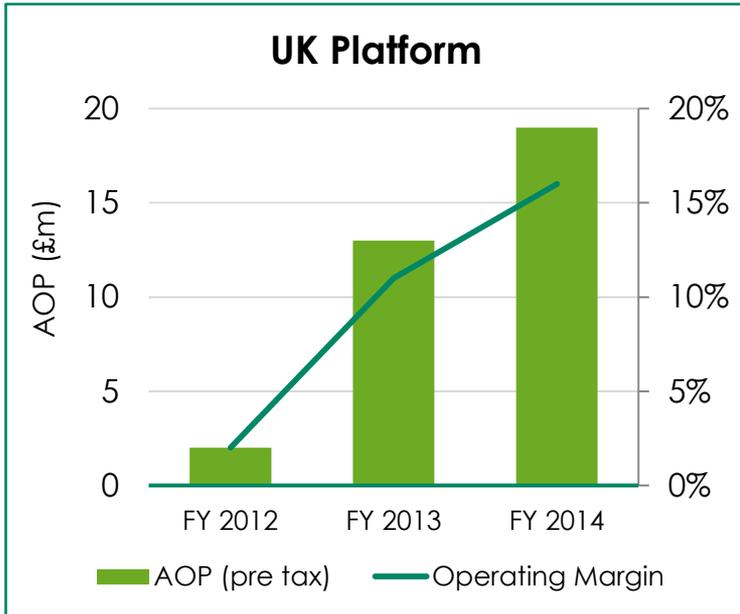
3 Year Mutual Fund Investment Performance

- 42% of funds in First Quartile
- 72% of funds above Median

OMGI Core Funds - performance by number of funds over 3 years to 31 March 2015. Excludes Hedge funds and Mandates and funds where no Peer group defined.

OUR AWARD WINNING UK PLATFORM

Best Platform for Restricted Advisers (Professional Financial Adviser Awards)
 Best Pensions Provider (Defaqto Awards)



2015 Pension Service Ratings

Provider	Satisfaction Score	Service Rating
Old Mutual Wealth (Skandia)	91%	Gold
Royal London (Scottish Life)	90%	Gold
Transact	89%	Gold
Parmenion	86%	Gold
Prudential	86%	Gold
Fidelity FundsNetwork	84%	Silver
Standard Life	84%	Silver
LV=	82%	Silver
Zurich Assurance	81%	Bronze
AXA	80%	Bronze
Nucleus	80%	Bronze
Aviva	80%	Bronze
AEGON	79%	Bronze
Scottish Widows	79%	Bronze
James Hay	78%	Bronze
A J Bell (SIPP/Invest Centre)	78%	Bronze

THE SUCCESS HAS BEEN RECOGNISED IN THE MARKET

MARKET VIEW IN 2011/EARLY 2012

"We believe that **Old Mutual is a defensive investment in the context of our European insurance universe** – with its combination of European unit-linked earnings (principally UK and Nordic) coupled with high-quality South African cash flows"

Morgan Stanley, Aug 2011

"We plotted [Old Mutual's performance] **against European Life insurers and Reinsurer peers** [...] The European businesses generate little free cash because most of the surplus generated gets **reinvested into new life business (predominantly paid as commission to grow the Life books in Europe)**."

JP Morgan, Oct 2011

"We believe our valuation of Wealth Management – 6.0x FY12E IFRS earnings (0.4x P/EV) [£900m] - is a fair reflection of the trade-off between **strong cash generation expected from the legacy book** over the next three years versus the **uncertainty around the profitability of the platform business**"

Credit Suisse, Aug 2012

"Old Mutual is in a bit of strategic **cul-de-sac** in the UK and we cannot help but think that it would be appropriate for it to consider **selling the platform** to a party that can use it to enrich its margin more effectively (a consortium of asset managers for example) – the legacy business could then be run-off or sold to a closed book administrator"

Investec, June 2012

Source: Analysts' reports, press search

MARKET VIEW TODAY

"**While the aspirations are ambitious, the company has already made significant progress.** It has sold its subscale international operations and is building a vertically integrated wealth management business, with a leading asset management capability at the heart of the operations, aided by the acquisitions of Quilter Cheviot and Intrinsic.[...] If successful, **the UK Wealth Management business will be a very valuable asset for the new CEO** of Old Mutual Group, Bruce Hemphill."

Barclays, April 2015

"Old Mutual's UK Wealth business is going through radical change... effectively **building a vertically integrated wealth business** akin to Hargreaves Lansdown, Standard Life and St James's Place in one firm"

Barclays, Oct 2014

"Analysts now consider the core UK operations to be **in better shape than at any time over the 30 years** in which Old Mutual has had operations in the UK."

Stephen Cranston, Financial Mail (SA), April 2015

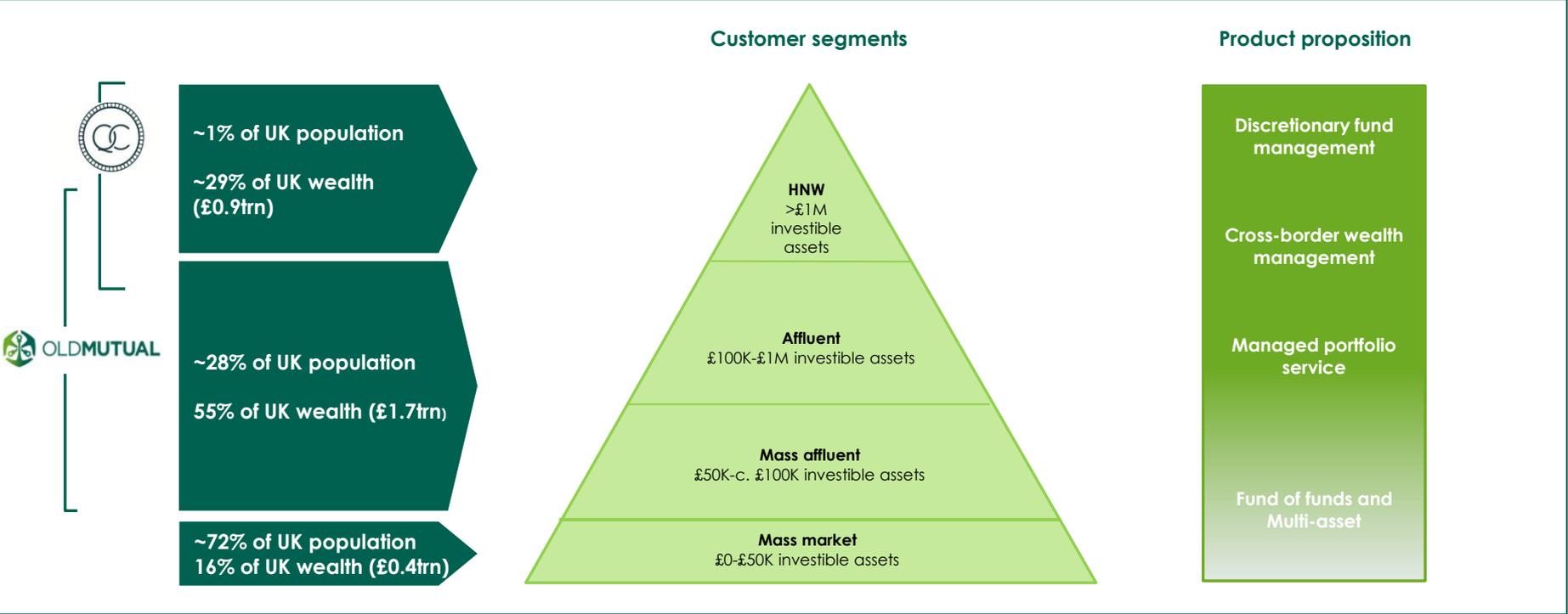
"**The speed with which Old Mutual's UK strategy has developed** as of late has to our mind been **astonishing** ... Old Mutual's UK business is .. now **far more likely to live up to expectations**"

Investec, June 2014



A MORE INTEGRATED CUSTOMER EXPERIENCE

Our vertically integrated model will deliver a more integrated customer experience.



UPDATE ON INTRINSIC & QUILTER CHEVIOT

Intrinsic

- Acquisition completed July 2014 (Cirilium fully acquired December 2014)
- Now integrated into Old Mutual Wealth
- 930 restricted advisers, up 33% in 2014
- Restricted advisers delivered £178m of platform sales since acquisition
- Old Mutual protection products added to the restricted panel for 2015
- Cirilium net flows £558m in 2014, total AUM £2.0bn at 31 December 2014.

Quilter Cheviot

- Acquisition completed February 2015: integration plans in place
- Adds discretionary investment management capability
- Opportunity to access the £0.9 trillion of high net worth investible assets
- Quality asset & earnings stream
- Clear synergy opportunities
- 2014 performance in line with expectations

Full year 2014:	NCCF £1.1bn	FuM £16.7bn (up 10%)
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- FUM as at 31 March 2015: £17.5bn

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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.

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