

# APPENDICES

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6 August 2015

INVESTMENT | SAVINGS | INSURANCE | BANKING



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# APPENDIX 1 GROUP PERFORMANCE

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INVESTMENT | SAVINGS | INSURANCE | BANKING



# SUMMARISED IFRS P&L

£m	H1 2014	H1 2015	H1 2014	H1 2015
<b>Revenue</b>			<b>Expenses</b>	
Banking interest received	1,415	<b>1,691</b>	Banking interest paid	(770) <b>(962)</b>
Fees	1,413	<b>1,537</b>	Change in invest. contracts	(1,845) <b>(2,035)</b>
Net earned premiums	1,464	<b>1,438</b>	Net claims & benefits	(2,194) <b>(1,618)</b>
Investment return & other	3,666	<b>3,366</b>	Admin. expenses & other <sup>1</sup>	(2,585) <b>(2,773)</b>
	7,958	<b>8,032</b>		(7,394) <b>(7,388)</b>

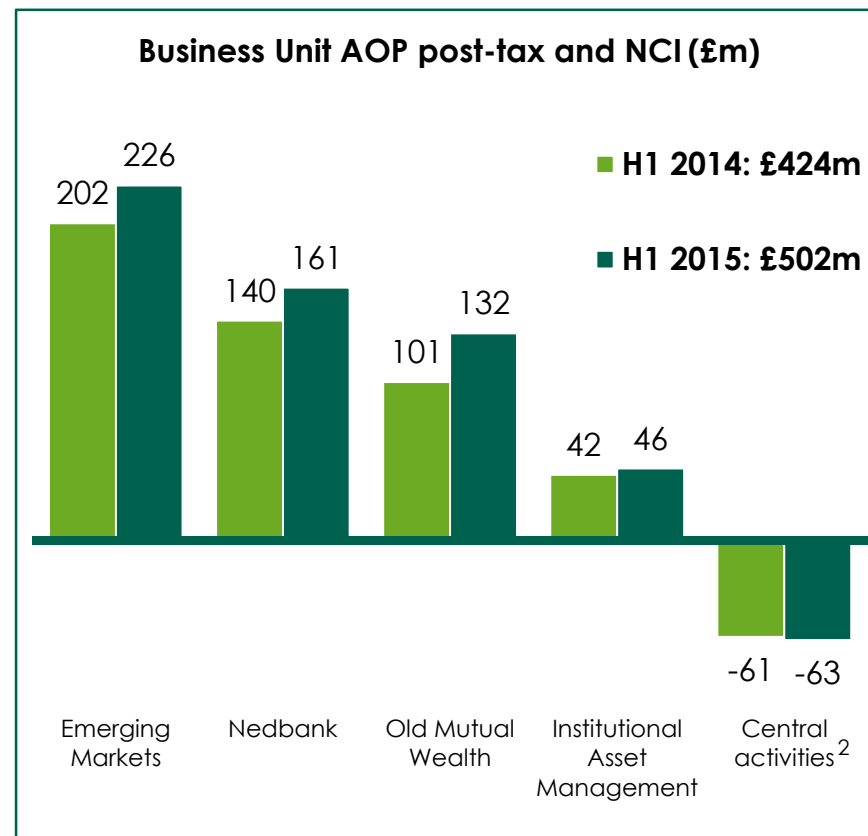
£m	H1 2014	H1 2015	Attributable to:	
Net revenue/expenses	564	<b>644</b>	<b>H1 2014</b>	<b>H1 2015</b>
Profit/losses on disposals & discontinued ops	(20)	<b>(19)</b>	Equity holders of the parent	213 260
Associate & JV income	10	<b>37</b>	Non-controlling interests	
Tax	(218)	<b>(243)</b>	Ordinary shares	114 149
Profit after tax	336	<b>419</b>	Preferred securities <sup>2</sup>	9 10
			<b>336</b>	<b>419</b>

1. Includes impairment of goodwill and other intangible assets of £94m (H1 2014: £125m).

2. Includes Nedbank preference shareholders.

# AOP SIMPLIFIED OPERATING RESULT<sup>1</sup>

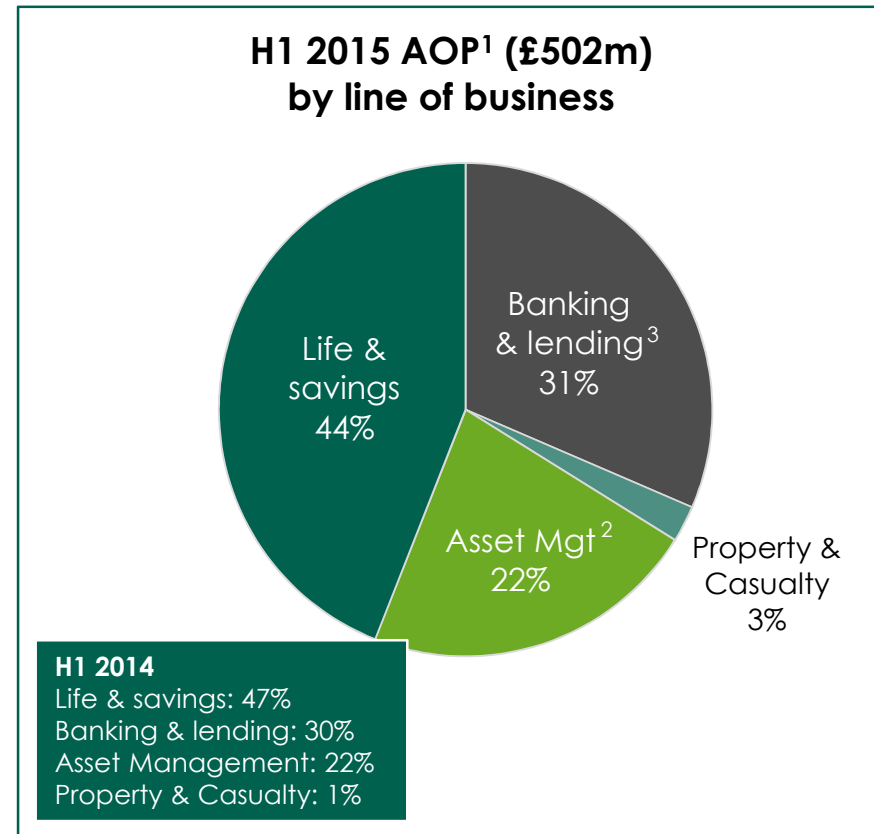
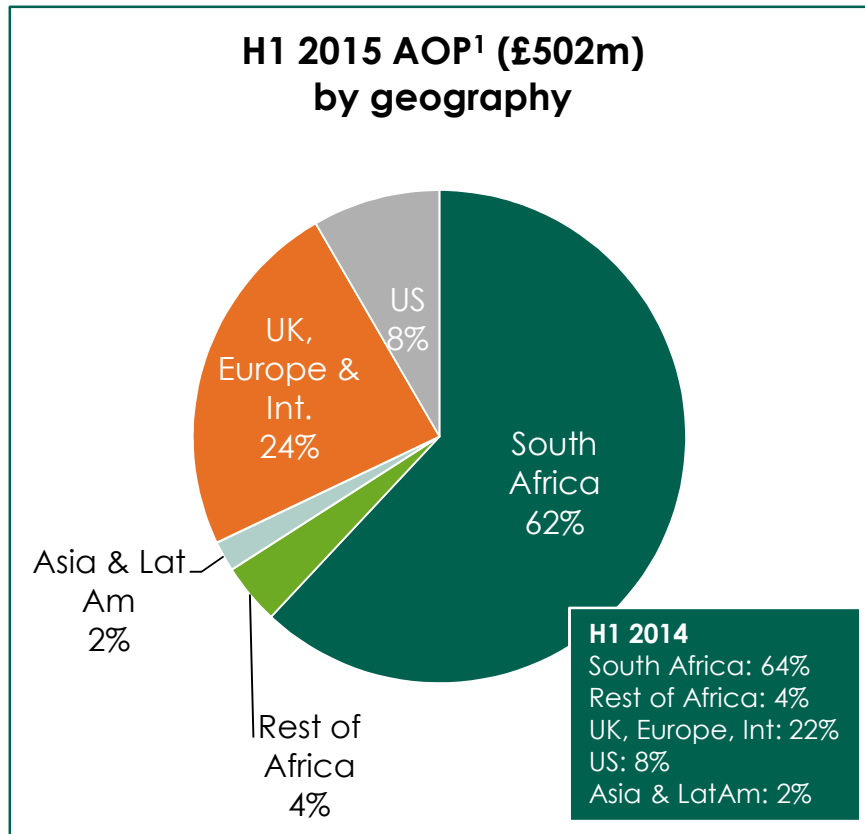
£m	H1 2014 (as reported)	H1 2015	Δ % constant currency
Business Units AOP	826	<b>971</b>	18%
Central activities <sup>2</sup>	(65)	<b>(67)</b>	(3%)
<b>Total AOP (pre-tax &amp; NCI)</b>	<b>761</b>	<b>904</b>	<b>20%</b>
Taxation	(202)	<b>(235)</b>	(18%)
Non-controlling interests	(135)	<b>(167)</b>	(27%)
<b>AOP post-tax &amp; NCI</b>	<b>424</b>	<b>502</b>	<b>19%</b>



1. Core business only.

2. Includes finance costs, LTIR on excess assets, intercompany interest to non-core subsidiary, corporate costs and other net shareholder expenses.

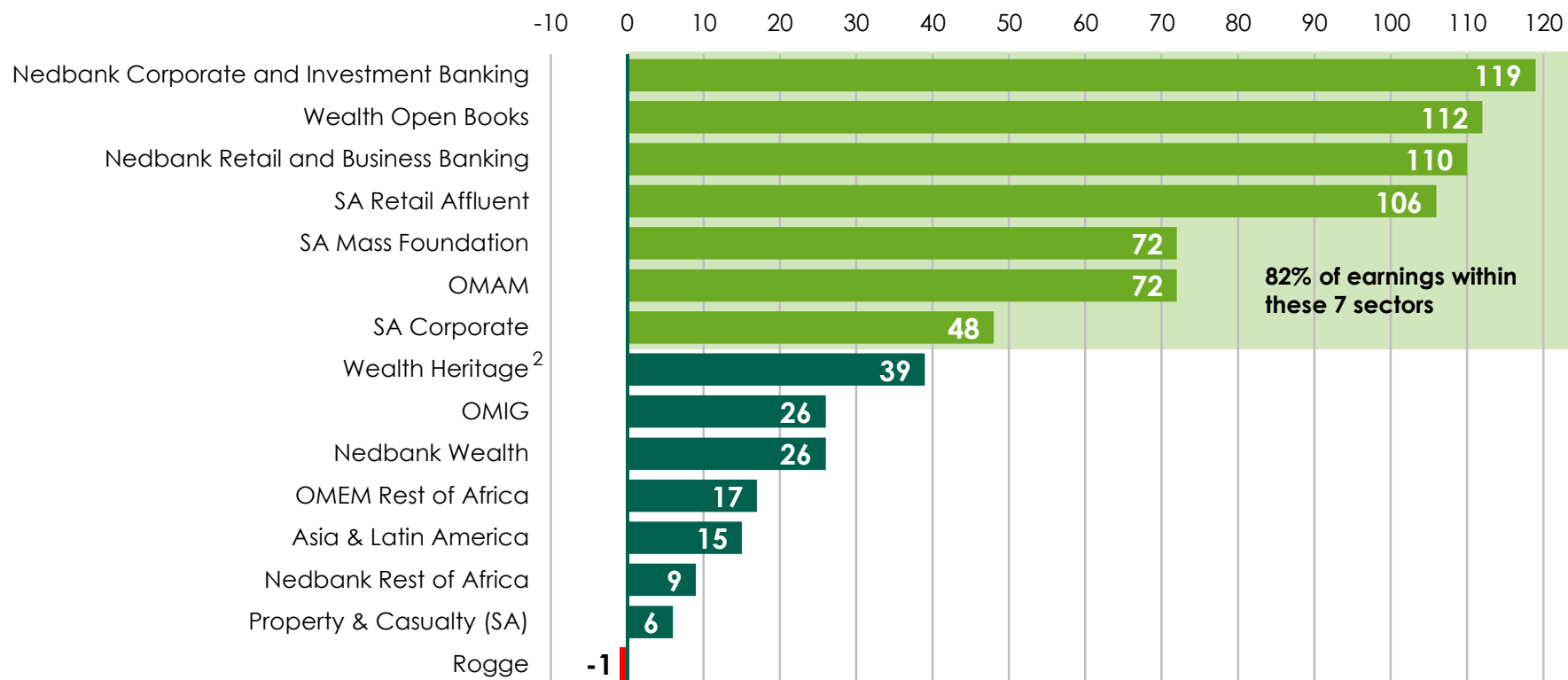
# SOURCES OF EARNINGS (AOP)



1. Core operations post tax and NCI and includes BU LTIR. Central activities have been allocated pro-rata for presentational purposes.
2. Includes Institutional Asset Management, OMGI, Quilter Cheviot and the asset management businesses of OMEM and Nedbank.
3. Includes Nedbank, OMSFIN, Faulu in Kenya, OMF and OMEM's Zimbabwe CABS.

# DIVERSITY OF OPERATING EARNINGS

H1 2015 “operating earnings” (£m, pre-tax, post NCI)<sup>1</sup>



1. Excludes LTIR, central activities, OMEM central costs and Nedbank centre (excl. RoA).

2. Includes UK Heritage and Switzerland (sale announced 29 May 2015).

# EARNINGS SPLIT BY HALF YEAR AND KEY STATISTICS<sup>1</sup>

<b>pence/share</b>	<b>2010</b>	<b>2011<sup>2</sup></b>	<b>2012<sup>3</sup></b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
AOP EPS – H1	7.3	9.4	8.6	9.3	8.8	<b>10.3</b>
AOP EPS – H2	7.0	8.6	8.9	9.1	9.1	-
<b>AOP EPS – FY</b>	<b>14.3</b>	<b>18.0</b>	<b>17.5</b>	<b>18.4</b>	<b>17.9</b>	-
H1: H2	51% : 49%	52% : 48%	49% : 51%	51% : 49%	49% : 51%	
ZAR:GBP (Ave. Rate)	11.31	11.64	13.01	15.10	17.87	18.16

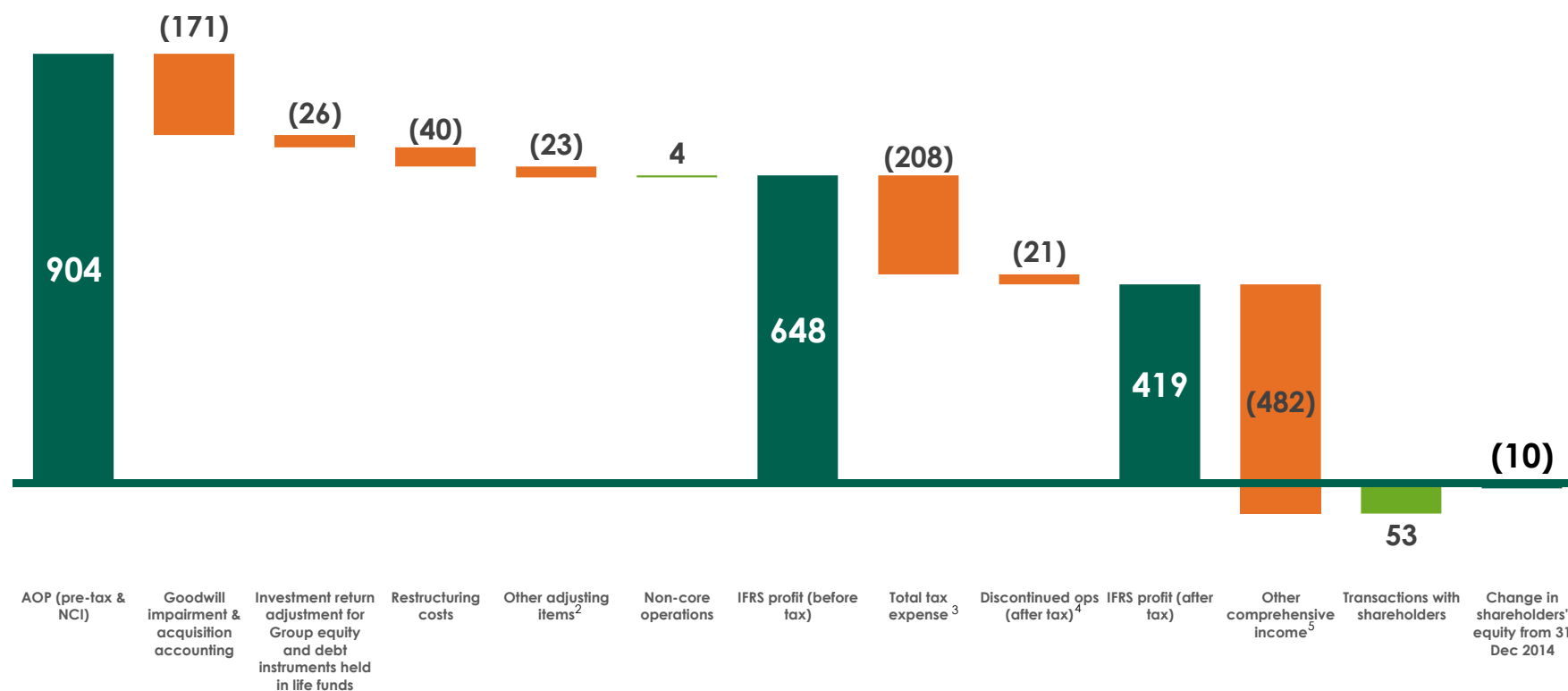
<b>£bn</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>H1 2015</b>
Funds under Management	295.2	267.2	262.2	293.8	319.4	<b>335.7</b>

<b>pence/share</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>H1 2015</b>
IFRS net asset value per share <sup>4</sup>	151	140	146	138	140	<b>135</b>

1. Core business only.
2. After adjusting for the 7:8 share consolidation, following payment of special dividend.
3. Restated for the impact of changes in IAS 19 & IFRS 10.
4. Net asset value per share is calculated as ordinary shareholder's equity (i.e. excluding the perpetual preferred callable securities) divided by actual shares in issue at the end of the period.



# RECONCILIATION OF H1 2015 AOP TO CHANGE IN EQUITY HOLDERS' FUNDS<sup>1</sup> (£m)



1. Total Group including perpetual preferred callable securities, ordinary shareholders equity and non-controlling interests.
2. Other adjusting items consists mainly of dividends declared to holders of perpetual preferred callable securities £15m, Institutional Asset Management equity plans (£6m), profit on disposal of subsidiaries, associated undertakings and strategic investments £2m, credit-related fair value losses on Group debt instruments (£19m) and short-term fluctuation in investment return (£15m).
3. Net of income tax attributable to policyholder returns.
4. Represents £21m divestment costs incurred in relation to the sale of US Life in 2011.
5. Includes currency translation differences on translating foreign operations of (£442m).

# LONG-TERM INVESTMENT RETURN (LTIR)

Old Mutual Group (£m)		Emerging Markets <sup>1</sup>	Old Mutual Wealth	Total
H1 2015	Long-term average assets	1,592	645	2,237
	Actual shareholder investment return	65	(2)	63
	Less: Long-term investment return	75	3	78
	Short-term fluctuations (STF) in investment return	(10)	(5)	(15)
H1 2014	Long-term average assets	1,863	710	2,573
	Actual shareholder investment return	54	8	62
	Less: Long-term investment return	74	3	77
	Short-term fluctuations (STF) in investment return	(20)	5	(15)

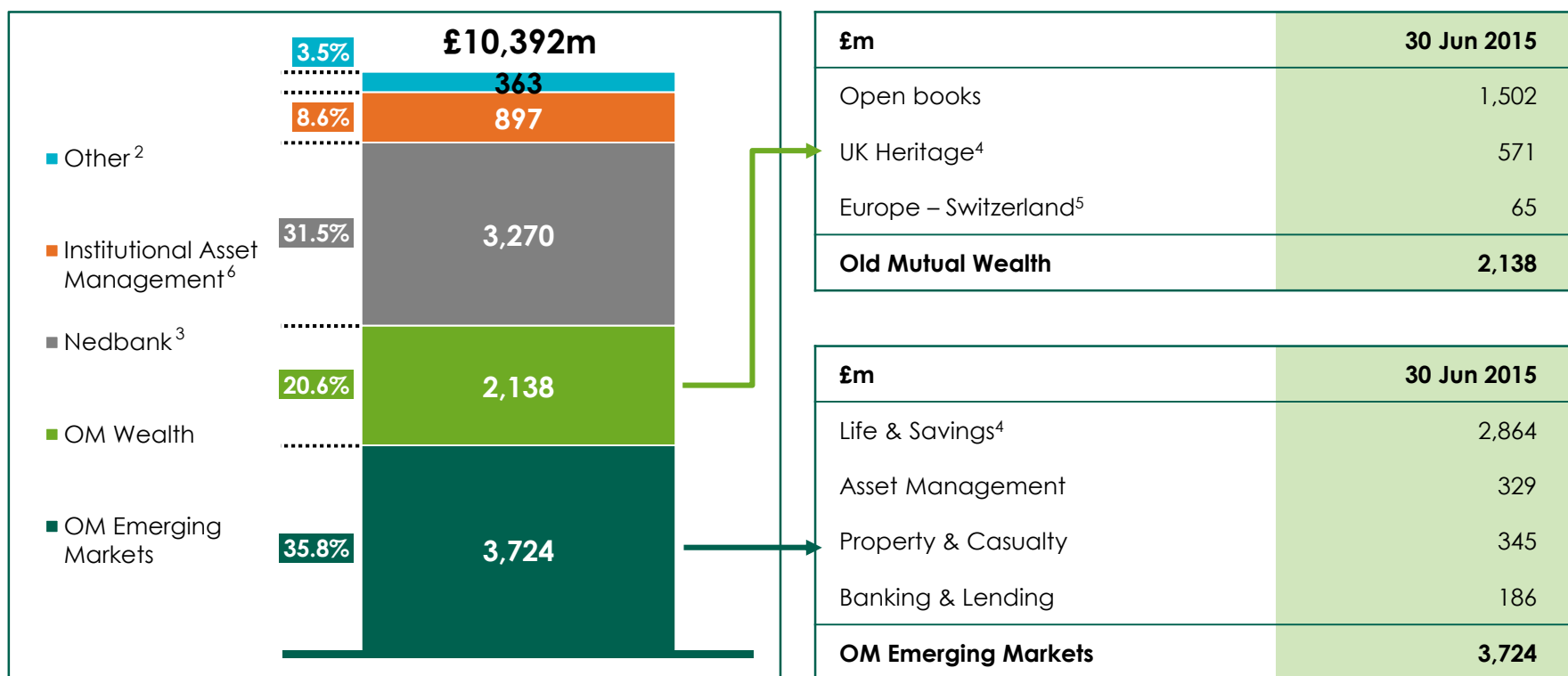
1. Emerging Markets includes LTIR credits and actual returns from Group's excess assets which are presented under 'other' in the segmental financial statements.

# LTIR CALCULATION METHODOLOGY

Long-term investment rates <sup>1</sup>	2013	2014	2015
Emerging Markets: Long-term business	<b>8.0%</b> Cash, deposits & bonds: 75% Equities: 25%	<b>8.0%</b> Cash, deposits & bonds: 75% Equities: 25%	<b>8.0% – 8.5%</b> Cash, deposits & bonds: 75% Equities: 25%
Emerging Markets: Property & Casualty (SA)	<b>7.4%</b> Cash, deposits & bonds: 90% Equities: 10%	<b>7.4%</b> Cash, deposits & bonds: 90% Equities: 10%	<b>7.4%</b> Cash, deposits & bonds: 90% Equities: 10%
Old Mutual Wealth	<b>1.0%</b> S/T cash & deposits: 76% L/T bonds: 24%	<b>1.0%</b> S/T cash & deposits: 75% L/T bonds: 25%	<b>1.0%</b> S/T cash & deposits: 75% L/T bonds: 25%

1. The long-term rates are derived from a review of risk-free 10 year Government bonds, 3 month Libor and money market rates. Emerging Markets and Property & Casualty hold equities in their asset portfolios and a risk premium is added to the Government Bond rate to derive an expected return from equities. These rates are weighted against the prescribed asset mix in each BU's asset portfolio to arrive at a blended long-term rate, as disclosed above.

# ADJUSTED GROUP NAV<sup>1</sup>



1. IFRS basis other than where stated.

2. Includes Group assets and liabilities and Old Mutual Bermuda.

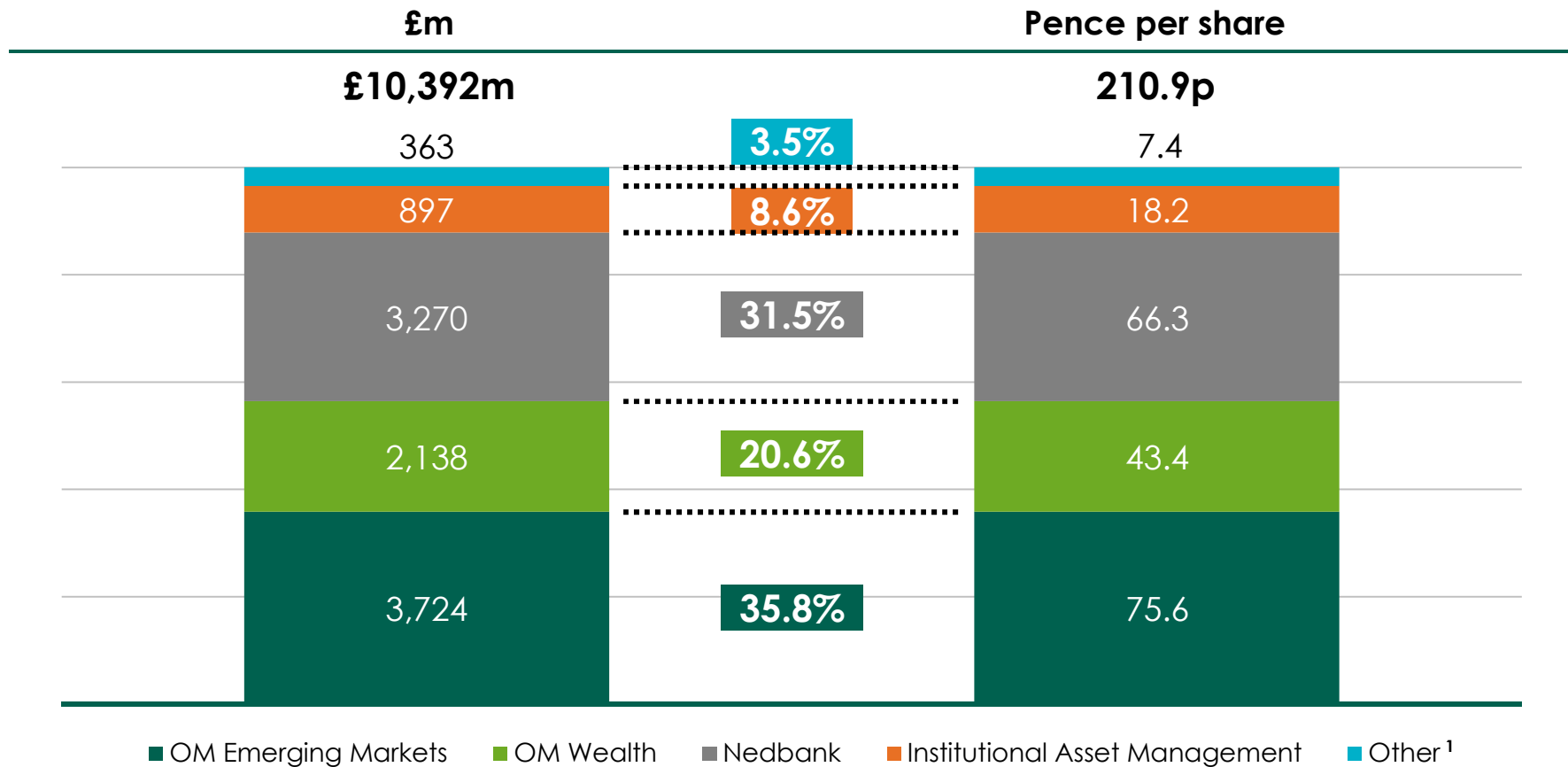
3. OM plc share of Nedbank at market value (30 June 2015).

4. MCEV basis. MCEV information is subject to departures from MCEV Principles (Copyright© Stichting CFO Forum Foundation 2008) due to the use of the government bond yield curve in the majority of Emerging Markets.

5. Sale of Swiss business announced on 29 May 2015. Swiss net assets included at IFRS held for sale value.

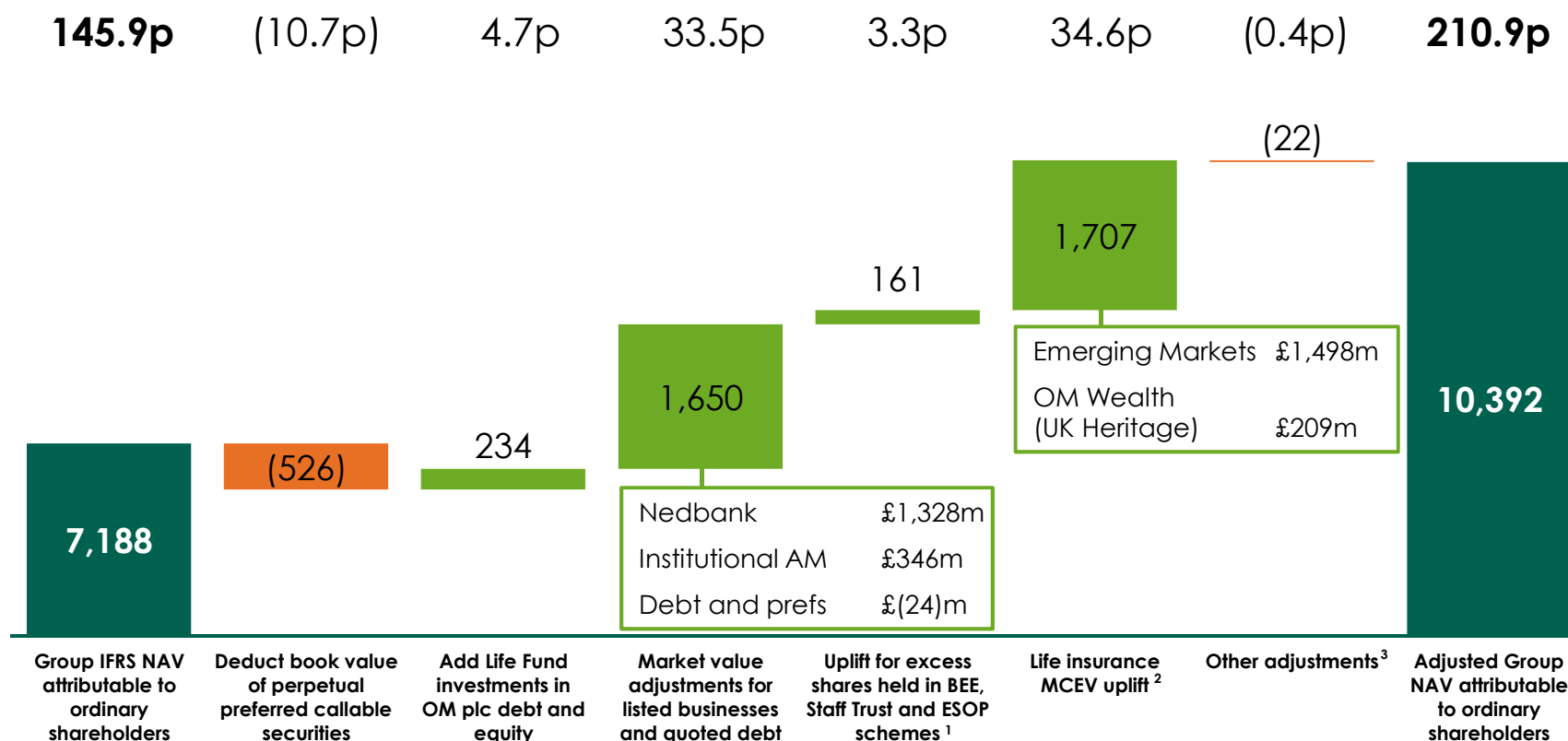
6. OM plc share of OMAM at market value plus other non U.S. affiliate at NAV (30 June 2015).

# ADJUSTED GROUP NAV PER BU



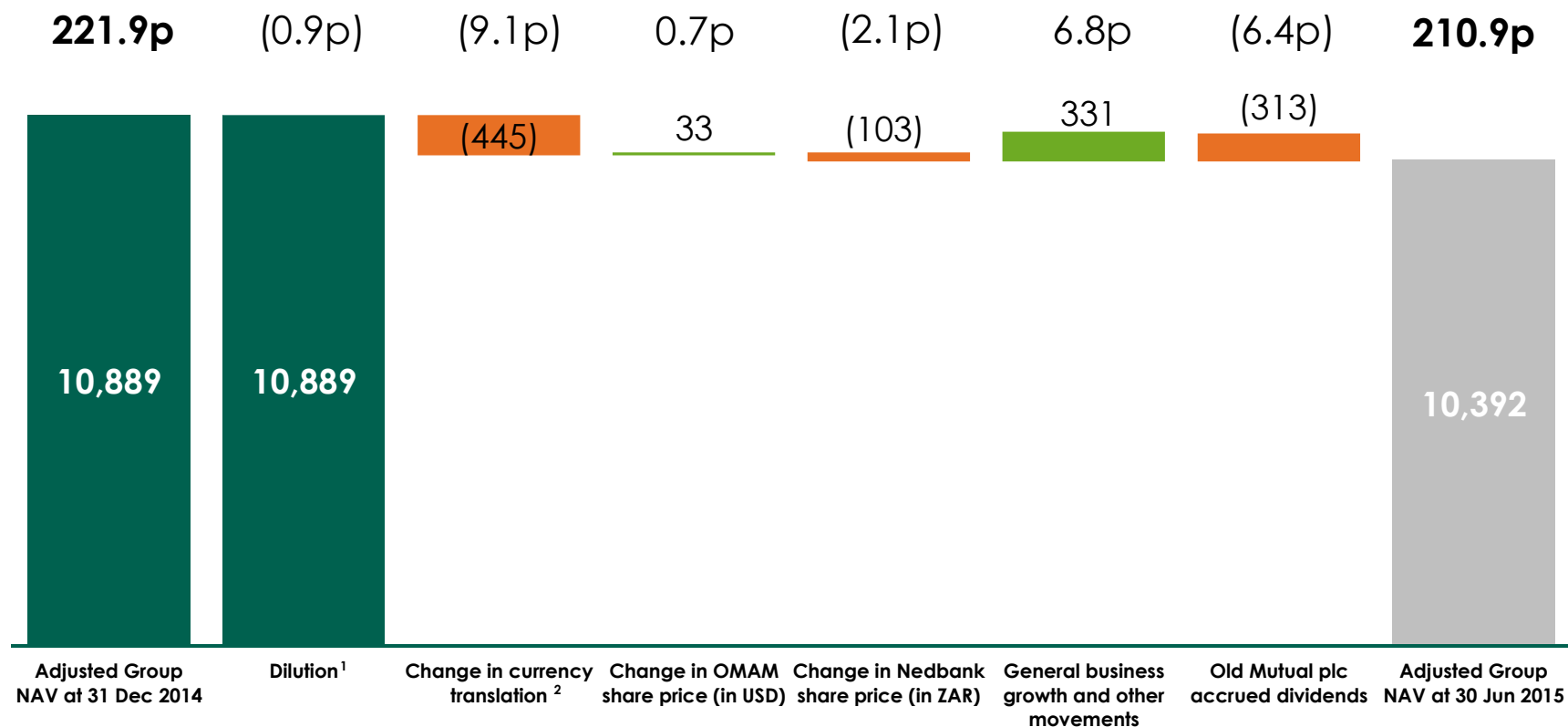
1. Includes Group assets and liabilities and Old Mutual Bermuda.

# ADJUSTED GROUP NAV (£m)



1. Excess shares held in BEE staff trust and ESOP schemes.
2. OM Wealth uplift relates to the UK Heritage business (includes Protect and Series 6 pensions) only.
3. Mainly relates to minority interest deductions in the Zimbabwean non-life businesses.

# MOVEMENT IN ADJUSTED GROUP NAV (£m)



1. Impact of dilution due to the additional number of shares at 30 June 2015 versus 31 December 2014.

2. Of which (8.8p) is ZAR/GBP and (0.3p) is USD/GBP.

# FUM AND MARGINS

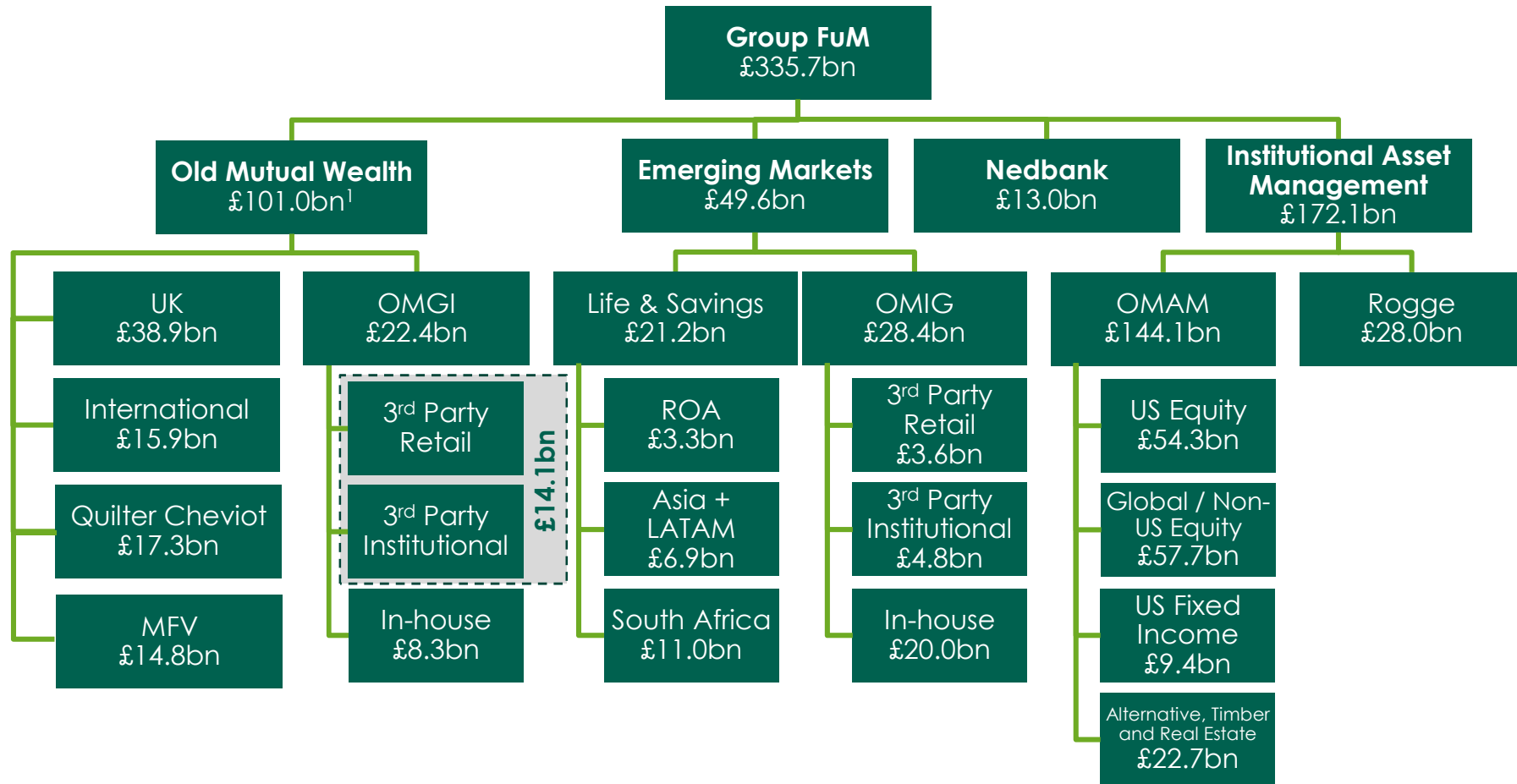
H1 2015 (£bn)	Opening FuM	Inflows	Outflows	Market, FX and other	Closing FuM	Net Margin (bps) <sup>1</sup>
Emerging Markets	50.3	5.8	(5.0)	(1.5)	<b>49.6</b>	<b>131</b>
Nedbank	12.6	6.6	(5.9)	(0.3)	<b>13.0</b>	<b>137</b>
Old Mutual Wealth	82.5	9.8	(7.5)	16.2	<b>101.0</b>	<b>33</b>
Old Mutual Asset Management	141.7	9.5	(9.1)	2.0	<b>144.1</b>	<b>11</b>
Rogge	32.3	0.8	(3.6)	(1.5)	<b>28.0</b>	<b>(1)</b>
<b>TOTAL</b>	<b>319.4</b>	<b>32.5</b>	<b>(31.1)</b>	<b>14.9</b>	<b>335.7</b>	<b>48<sup>2</sup></b>
<b>H1 2014 (£bn)</b>						
Emerging Markets	48.3	4.8	(4.3)	(0.6)	<b>48.2</b>	<b>121</b>
Nedbank	11.7	6.3	(5.7)	-	<b>12.3</b>	<b>131</b>
Old Mutual Wealth	78.5	7.7	(6.5)	0.6	<b>80.3</b>	<b>30</b>
Old Mutual Asset Management	120.0	8.3	(6.7)	4.1	<b>125.7</b>	<b>9</b>
Rogge	35.3	1.6	(3.9)	1.0	<b>34.0</b>	<b>(1)</b>
<b>TOTAL</b>	<b>293.8</b>	<b>28.7</b>	<b>(27.1)</b>	<b>5.1</b>	<b>300.5</b>	<b>45<sup>2</sup></b>

1. Net margin bps is calculated by taking annualised AOP (pre-tax & NCI) divided by average end manager funds under management. Nedbank assets include total average assets plus average end manager funds under management.

2. Includes central activities.



# ASSET MANAGEMENT CAPABILITY



1. Old Mutual Wealth excludes OMGI in-house FuM, which is recorded in other parts of the Business Unit.

# HEADLINE TARGETS

Emerging Markets (2015)	Old Mutual Wealth (2015)	Nedbank (medium to long-term targets) <sup>4</sup>	Property & Casualty (medium term targets)
Over 9 million <b>customers</b>	£270m <sup>3</sup> pre tax <b>AOP</b>	<b>Diluted headline earnings per share</b> growth: ≥ CPI + GDP growth + 5%	Sustainable Top 2 position in the South African market
<b>RoE:</b> 20-25%	<b>RoE:</b> 12-15%	<b>RoE (excl. goodwill):</b> 5% above cost of ordinary shareholders' equity	<b>RoE:</b> 15-20%
<b>African profits</b> (15% <sup>1</sup> of OMSA <sup>2</sup> )	<b>Operating Margin:</b> 40%	<b>NIR : Expenses ratio</b> > 85% <b>Efficiency Ratio</b> 50% - 53%	<b>Underwriting Margin:</b> 4-6% (combined ratio of 94-96%)
		<b>Credit loss ratio:</b> Between 0.8% and 1.2% of average banking advances	Significant P&C <b>operations in the RoA</b> in major markets, supporting the Group's African expansion
		<b>Common-equity tier 1 capital adequacy ratio (Basel III)</b> 10.5% - 12.5%	

1. Target includes profits from newly acquired entities and P&C earnings in Africa.
2. Calculation is pre-tax and NCI and includes LTIR.
3. Adjusted from £300m to reflect the sale of Old Mutual Wealth's businesses in Austria and Germany (completed 1 October 2014) and Poland (completed 30 May 2014) and excludes profits from Quilter Cheviot.
4. Unchanged from targets as presented at full year 2014.

# APPENDIX 2 CAPITAL / TREASURY

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# FGD

Regulatory capital	FY 2014 <sup>1</sup>		H1 2015 <sup>2</sup>	
	£bn	%	£bn	%
Ordinary equity	4.8	89%	<b>4.3</b>	<b>86%</b>
Other Tier 1 equity	0.4	7%	<b>0.4</b>	<b>8%</b>
Tier 1 Capital	5.2	96%	<b>4.7</b>	<b>94%</b>
Tier 2 Capital	1.3	24%	<b>1.4</b>	<b>28%</b>
Deductions from total capital	(1.1)	(20%)	<b>(1.1)</b>	<b>(22%)</b>
Total capital resources	5.4	100%	<b>5.0</b>	<b>100%</b>
Total capital resource requirements	3.3		<b>3.3</b>	
Group FGD surplus	2.1		<b>1.7</b>	
Coverage ratio	164%		<b>151%</b>	

1. As submitted to the Prudential Regulatory Authority (PRA) on 30 April 2015.

2. Based on the preliminary estimates. Formal filing due to the PRA by 30 September 2015.

# FGD SENSITIVITIES

<b>FGD exchange rate sensitivities</b>	<b>Movement</b>	<b>Impact FY 2014 (£m)</b>	<b>Impact HY 2015 (£m)</b>
Rand/sterling exchange rate	1% decrease	(13)	<b>(11)</b>
US dollar/sterling exchange rate	1% increase	(1)	<b>(1)</b>
Movement in the JSE <sup>1</sup>	1% decrease	(3)	<b>(3)</b>

<b>FGD rand sensitivities</b>	<b>Exchange Rate</b>	<b>Impact FY 2014 (£bn)</b>	<b>Impact HY 2015 (£bn)</b>
Capital resources	R25	4.3	<b>4.0</b>
Capital resource requirement	R25	(2.5)	<b>(2.6)</b>
Group FGD surplus	R25	1.8	<b>1.4</b>
Coverage ratio	R25	171%	<b>154%</b>

1. Only reflects impact on OMLAC(SA).

# LOCAL CAPITAL

Local statutory cover (30 June 2015)	OMLAC(SA) (Rbn) <sup>1</sup>	M&F (Rbn) <sup>2</sup>	Nedbank (Rbn) <sup>3</sup>	UK (£m) <sup>4</sup>
Capital resources	47.6	3.0	67.6	544
Capital resource requirement	15.9	2.1	46.6	224
Surplus	31.7	0.9	21.0	320
<b>Coverage</b>	<b>3.0x</b>	<b>1.7x</b>	<b>14.5%</b>	<b>2.4x</b>

Surplus (£m)	1,659	48	1,103	320
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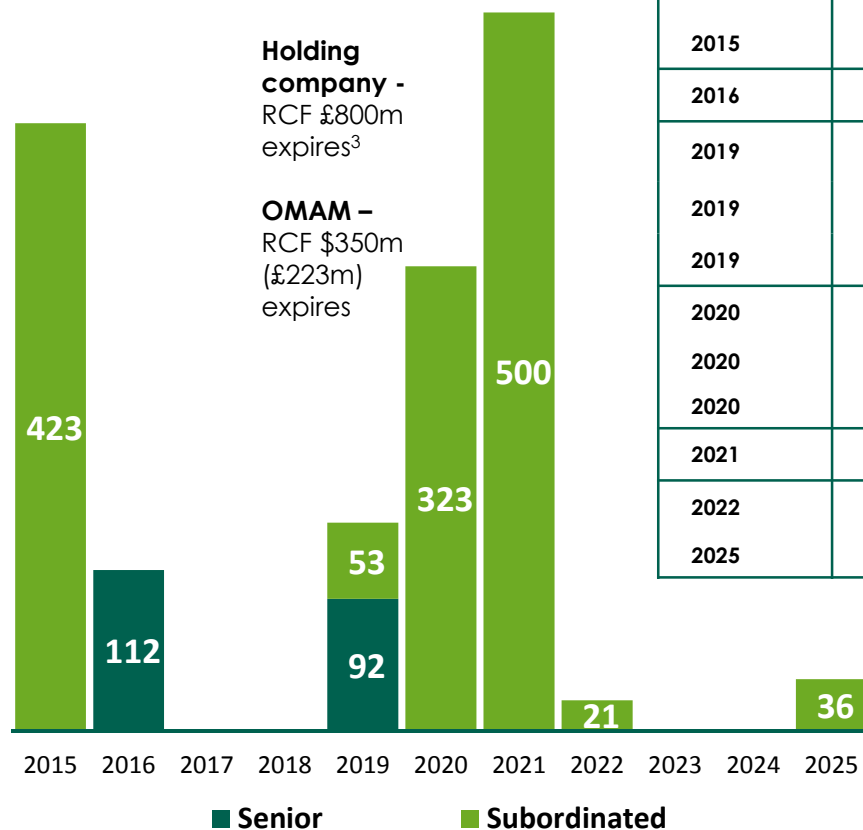
1. South Africa Statutory Valuation Methods (SVM) in accordance with the FSB requirements.
2. Capital Adequacy Requirement (CAR) in accordance with the FSB requirements.
3. Basel III valuation method and including unappropriated profits and showing total Group Capital Adequacy ratio.
4. FGD basis (we are not required to report to the PRA separately).

# OLD MUTUAL GROUP COMPANY RATINGS<sup>1</sup>

	Moody's	Fitch
<b>Republic of South Africa</b>		
• Sovereign rating	Baa2	BBB (neg)
<b>Old Mutual plc</b>		
• Senior debt rating	Baa3	BBB-
• T2 debt rating	Ba1	BB
• T1 debt rating	Ba2	BB
• Short-term debt rating	P3	F3
<b>OMLAC (SA)</b>		
• National insurance financial strength	N/A	AAA
• National long-term rating	N/A	AAA
• National long-term subordinated debt rating	N/A	AA
• Global insurance financial strength	Baa1	Not rated
<b>Mutual &amp; Federal Insurance Company Limited</b>		
• National insurance financial strength	N/A	AAA
<b>Old Mutual Wealth Life Assurance Limited</b>		
• Insurance financial strength	A2 (neg)	A-
<b>Nedbank</b>		
• Long-term foreign currency rating	Baa2	BBB (neg)

1. Ratings outlook stable unless stated otherwise; neg = negative outlook.

# FIRST CALL / MATURITY PROFILE (£m)<sup>1</sup>



Call / Maturity	Business	Instrument	Tier	Debt (nominal)
2015	OMEM	R3,000m – 8.92%	Lower Tier 2	157
2015	OM plc	€374 perp prefs – 5.00%	Upper Tier 2	266
2016	OM plc	£112m – 7.125%	Senior	112
2019	OMAM	RCF – USD Libor + 1.25%	Senior	92
2019	OMEM	R700m – 3 month JIBAR + 2.20%	Lower Tier 2	37
2019	OMEM	R300m – 9.255%	Lower Tier 2	16
2020	OM plc	£273m perp prefs – 6.376%	Tier 1	273
2020	OMEM	R537m – 3 month JIBAR + 2.30%	Lower Tier 2	28
2020	OMEM	R425m – 9.76%	Lower Tier 2	22
2021	OM plc	£500m – 8.00%	Lower Tier 2	500
2022	OMEM	R409m – 10.32%	Lower Tier 2	21
2025	OMEM	R690m – 10.96%	Lower Tier 2	36

**£1,560m**

Gross Debt (£m) <sup>2</sup>	2015 HY	2014
UK	1,206	1,203
US	92	114
South Africa	315	223
	<b>1,613</b>	<b>1,540</b>

1. All values shown at nominal value using 30 June 2015 foreign exchange rates and exclude interest payments.
2. IFRS basis.
3. The Group's £0.8bn RCF matures in August 2019, with an optional further one year extension at both the first and second year anniversary.



# SOURCES AND USES OF PLC CASH

£m		HY 2014	HY 2015
<b>Operational remittances (Rand)</b>	OM Emerging Markets	106	121
	Nedbank	74	82
		<b>180</b>	<b>203</b>
<b>Ordinary cash dividends</b>	SA register	(152)	(175)
	UK register	(133)	(122)
		<b>(285)</b>	<b>(297)</b>
<b>Operational remittances (hard currency)</b>	OM Wealth	1	57
	Institutional AM	60	28
		<b>61</b>	<b>85</b>
<b>Corporate costs and finance costs</b>	Finance costs <sup>1</sup>	(33)	(33)
	Corporate costs	(25)	(24)
		<b>(58)</b>	<b>(57)</b>

1. Includes preference dividends.

# APPENDIX 3 FREE SURPLUS GENERATION

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# EMERGING MARKETS: VIF CONVERSION TO FREE SURPLUS

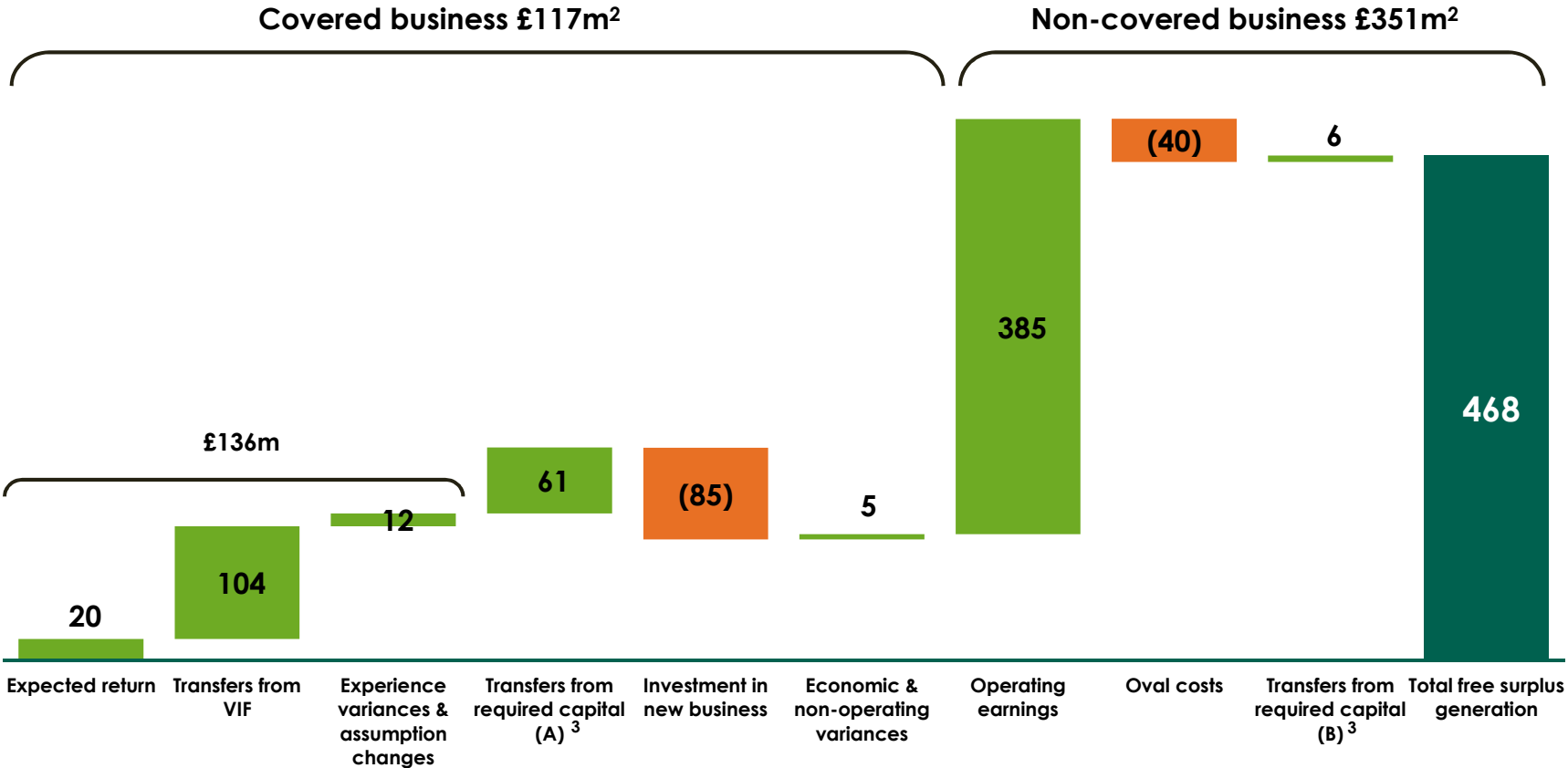
	FY 2014				H1 2015			
	Opening VIF		VIF Conversion		Opening VIF		VIF Conversion (annualised)	
	£m	£m	%	Years	£m	£m	%	Years
<b>In-force:</b>								
Emerging Markets	1,332	184	14%	7	<b>1,361</b>	<b>104</b>	<b>15%</b>	<b>7</b>

# SOURCES AND USES OF FREE SURPLUS (£m)

	HY 2014	HY 2015
Generated by operations:		
- Emerging Markets covered business <sup>1,3</sup>	111	<b>136</b>
- Property and Casualty	11	<b>14</b>
- Banking <sup>2,4</sup>	144	<b>188</b>
- Asset Management <sup>3,4</sup>	178	<b>183</b>
	444	<b>521</b>
Invested by operations - New business (life) <sup>3</sup>	(77)	<b>(85)</b>
Transfers (to)/from required capital <sup>3</sup>	71	<b>67</b>
Other movements:		
- Economic variances <sup>3</sup>	28	<b>4</b>
- Other non-operating variances <sup>3</sup>	1	<b>1</b>
	29	<b>5</b>
<b>Core continuing operations</b>	<b>467</b>	<b>508</b>
Old Mutual Wealth – IT transformation spend	(27)	<b>(40)</b>
<b>Total Group</b>	<b>440</b>	<b>468</b>

1. Includes Emerging Markets VIF transfer of £104m per previous slide A27 (HY 2014: £96m) as well as expected existing business return of £20m (HY 2014: £14m) and experience & other operating variances of £12m (FY 2014: £1m).
2. Banking comprises Nedbank and the banking and lending businesses in Emerging Markets (OMF, CABS, Faulu and OMSFIN).
3. Old Mutual Wealth no longer report full MCEV disclosures and free surplus is now prepared from local statutory calculations. All Wealth values are now reflected as asset management. Comparatives have been restated.
4. Nedbank and OM Asset Management are now included as Group's share of post-tax AOP; Previously included as Group's share of cash dividend. Comparatives have been restated.

# GROUP<sup>1</sup> FREE SURPLUS GENERATION H1 2015 (£m)



1. Core continuing operations only.  
 2. OMEM only; Old Mutual Wealth reported in non-covered business.  
 3. A+B = £67m per previous slide A28.

# APPENDIX 4

# BUSINESS UNITS

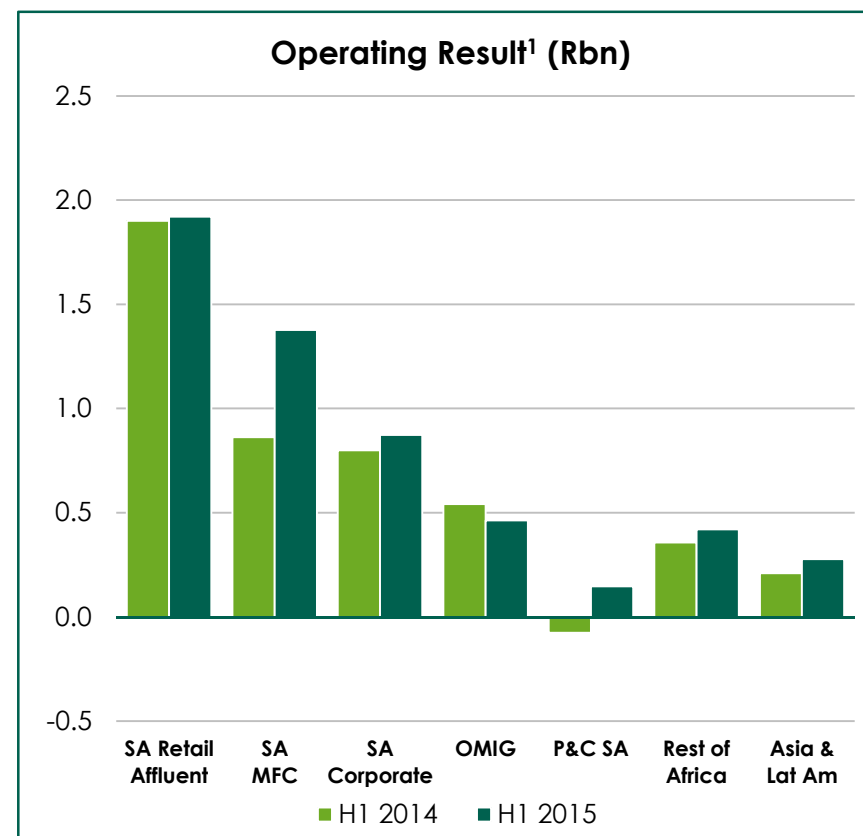
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INVESTMENT | SAVINGS | INSURANCE | BANKING



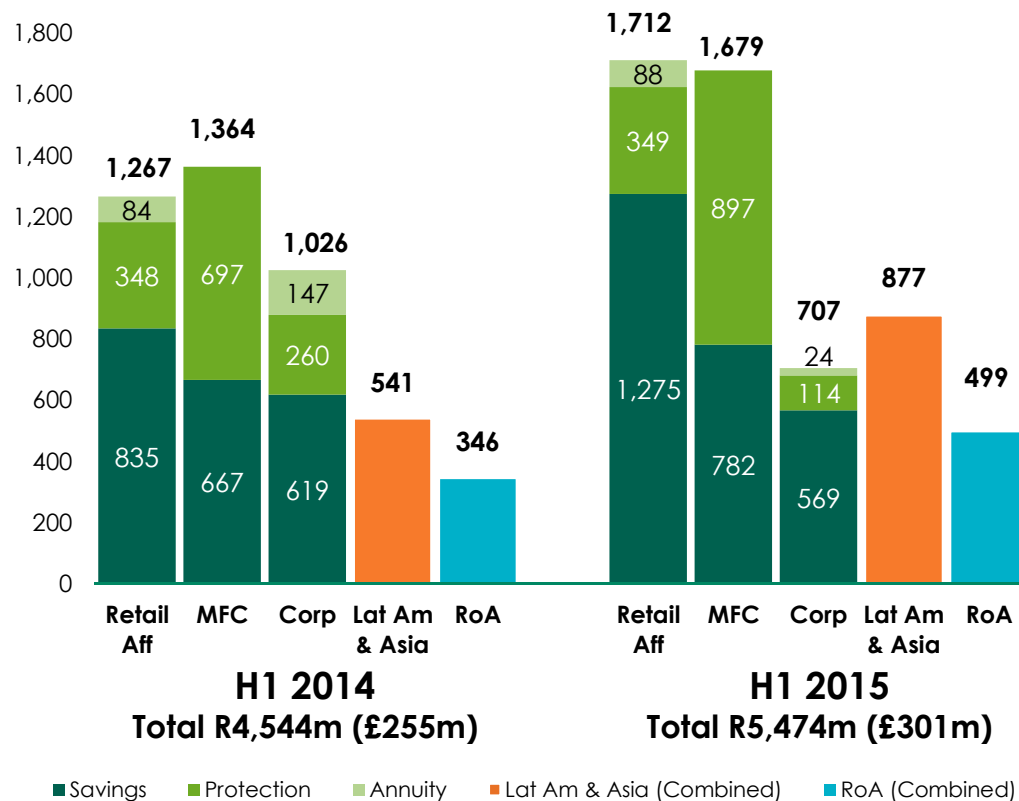
# EMERGING MARKETS

AOP (Rm)	H1 2014	H1 2015
South Africa		
Life & Savings	3,145	<b>3,647</b>
Asset Management <sup>2</sup>	782	<b>478</b>
Banking and lending <sup>3</sup>	172	<b>508</b>
Property & Casualty	(75)	<b>147</b>
LTIR	837	<b>879</b>
<b>South Africa</b>	<b>4,861</b>	<b>5,659</b>
Rest of Africa		
Operating profit	357	<b>421</b>
LTIR	246	<b>284</b>
<b>Rest of Africa</b>	<b>603</b>	<b>705</b>
<b>Asia &amp; Latin America</b>	<b>210</b>	<b>278</b>
Central costs <sup>4</sup>	(476)	<b>(598)</b>
<b>Total AOP (pre-tax)</b>	<b>5,198</b>	<b>6,044</b>



1. Pre-tax, excluding LTIR and central costs.
2. Includes the result of asset management businesses in OMIG and Retail Affluent.
3. Includes results of OMSFIN and OMF.
4. Central costs include finance costs on new debt raised by OMLAC(SA) of R101m.

# EMERGING MARKETS: LIFE APE SALES BY SEGMENT AND PRODUCT (Rm)<sup>1</sup>



## South Africa sales:

- 10% growth in regular premium sales driven by MFC (2-in-ONE) and Retail Affluent (Old Mutual Invest), partially offset by lower Corporate sales against a strong comparative.
- Single premium growth of 16% driven by strong sales of XtraMAX in Retail Affluent (up 39%).

## RoA, Latin America and Asia sales:

- Strong growth of 44% in Rest of Africa. Excellent growth in Zimbabwe supported by strong growth in Malawi and Namibia.
- Significant growth of 37% in Latin America (Mexico) as a result of strong Multitrust sales and increased volumes through our AIVA channel.
- Asia up 69%, driven by significant growth in India due to strong individual, group and credit team sales and higher sales in China via internet and broker channel sales.

1. Segments in South Africa are Retail Affluent, Mass Foundation, Corporate. Latin America & Asia includes Colombia, Uruguay, Mexico, India and China and Rest of Africa (RoA) comprises Namibia, Zimbabwe, Botswana, Swaziland, Ghana, Malawi, Kenya and Nigeria.



# EMERGING MARKETS: RETAIL AFFLUENT – AGGREGATE SALES GROWTH

Rm	H1 2014	H1 2015	% change
<b>Covered life APE sales</b>			
Recurring premium	662	<b>869</b>	31%
Single premium <sup>2</sup>	605	<b>843</b>	39%
<b>Total covered life APE sales</b>	1,267	<b>1,712</b>	35%
<b>Non-covered sales</b>			
Unit trust/mutual fund	12,394	<b>19,484</b>	57%
SA life licence – unit trust <sup>1</sup>	2,025	<b>509</b>	(75%)
SA life licence – other <sup>1</sup>	858	<b>728</b>	(15%)
OMI life licence <sup>1,2</sup>	2,468	<b>1,825</b>	(26%)
Other	6,999	<b>9,154</b>	31%
<b>Total non-covered sales</b>	24,744	<b>31,700</b>	28%
Reported by Old Mutual Emerging Markets	22,276	<b>29,875</b>	34%
Reported by Old Mutual Wealth (OMI life licence)	2,468	<b>1,825</b>	(26%)

1. Life licence business represents business sold by the SA life businesses that utilise a locally regulated life company licence and is classified as non-covered business from an MCEV perspective.
2. OMI life licence sales represent sales made in SA that are reported as part of Old Mutual Wealth's International business.

# EMERGING MARKETS: SPLIT OF SA LIFE RESERVES<sup>1</sup>

H1 2015 (Rm)	Retail <sup>2</sup>	Corporate	Total
Smoothed	80,829	149,959	230,788
Non-profit	33,251	14,280	47,531
Market-related	166,474	54,422	220,896
<b>Total</b>	<b>280,554</b>	<b>218,661</b>	<b>499,215</b>

FY 2014 (Rm)	Retail <sup>2</sup>	Corporate	Total
Smoothed	80,660	144,766	225,426
Non-profit	34,616	13,823	48,439
Market-related	155,918	62,756	218,674
<b>Total</b>	<b>271,194</b>	<b>221,345</b>	<b>492,539</b>

1. Total reserves disclosed in OMLAC(SA)'s stand-alone financials.

2. Includes the Retail Affluent and Mass Foundation segments.

# EMERGING MARKETS: OMIG FUND MIX

Asset Class	NCCF (Rbn)			FuM: End Manager (Rbn)		Revenue drivers (Rm)				Pre-tax profit (Rm)	
	Gross inflows	Gross outflows	NCCF	June 2015	Dec 2014	Base fees	Perf. fees & Transactional fees	Invest return and Mark to Market	Portfolio returns (Net interest margin)	June 2015	June 2014
Listed Asset Management	17.9	(16.3)	1.6	418.8	403.4	456	34	-	-	96	176
Alternatives	0.6	(0.2)	0.4	42.9	37.5	100	34	-	-	61	159
OMSFIN	-	-	-	59.4	56.9	24	29	112	221	286	177
Properties	-	-	-	20.7	20.8	34	71	-	-	20	29
<b>Total</b>	<b>18.5</b>	<b>(16.5)</b>	<b>2.0</b>	<b>541.8</b>	<b>518.6</b>	<b>614</b>	<b>168</b>	<b>112</b>	<b>221</b>	<b>463</b>	<b>541</b>

# EMERGING MARKETS: ADJUSTED NAV

Updated to reflect correction of transposition error of Banking & Lending and Property & Casualty AOP [14/08/2015]

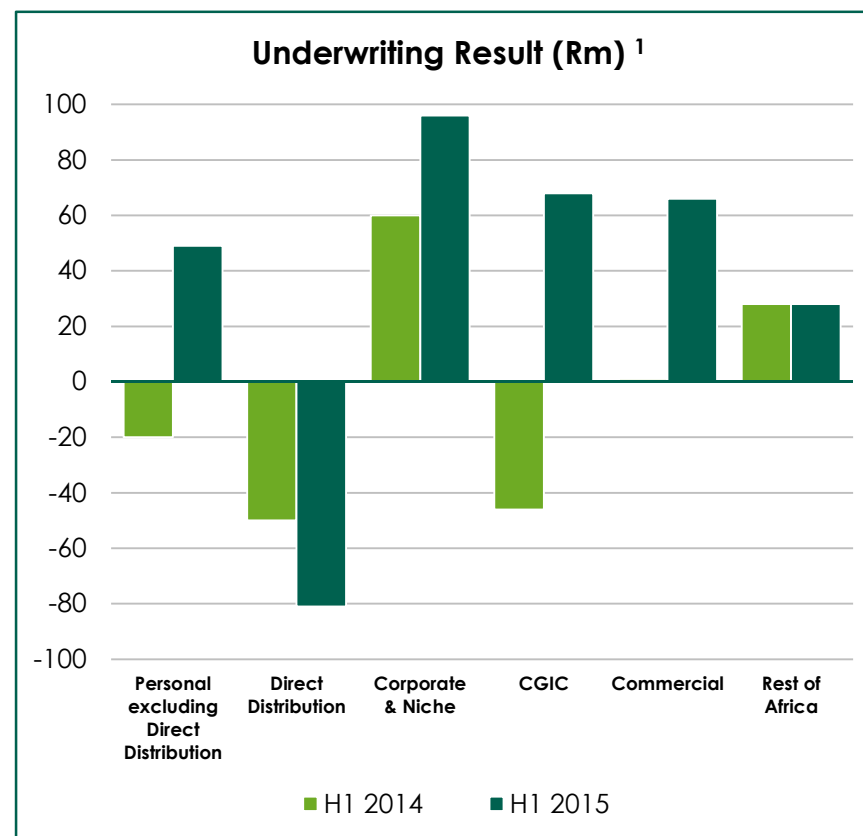
AOP & valuation multiples (Rm)	AOP (after tax and NCI)	Adjusted NAV	Implied Multiple (annualised)
	HY 2015	30 June 2015	
Life & Savings	2,992 <sup>1</sup>	54,718	9x
Asset Management	398	6,287	8x
Property & Casualty	260	6,592	13x
Banking & Lending	481	3,554	4x
<b>OM Emerging Markets</b>	<b>4,131</b>	<b>71,151</b>	<b>9x</b>

Rm	30-Jun-15
MCEV operating earnings	3,455 <sup>1</sup>
AOP after tax and MI for non-covered business	152
<b>Life &amp; Savings earnings</b>	<b>3,607</b>
Implied multiple	<b>8x</b>

1. The main reconciling difference between Life & Savings and MCEV operating earnings is VIF earnings of R698m.

# EMERGING MARKETS: PROPERTY & CASUALTY

Rm	H1 2014	H1 2015
Gross written premiums	6,112	<b>6,308</b>
Net earned premiums	4,781	<b>5,013</b>
Claims	(3,441)	<b>(3,274)</b>
Acquisition expenses	(767)	<b>(806)</b>
Operating expenses	(620)	<b>(758)</b>
<b>Underwriting result</b>	<b>(47)</b>	<b>175</b>
LTIR	235	<b>249</b>
Other	(2)	-
<b>AOP pre-tax &amp; NCI</b>	<b>186</b>	<b>424</b>



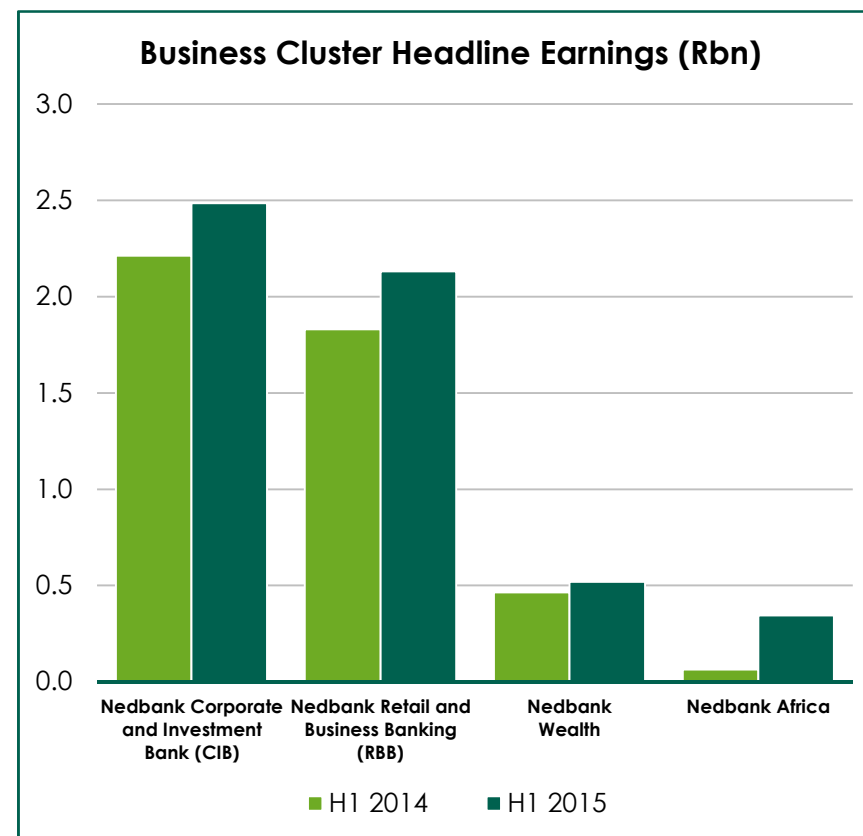
1. Excludes support function costs of R51m (H1 2014: R20m).

# EMERGING MARKETS: PROPERTY & CASUALTY – CLAIMS ANALYSIS

Channel (Rm)	H1 2014	H1 2015
Personal excluding Direct Distribution	890	<b>849</b>
Direct Distribution	186	<b>200</b>
Commercial	1,264	<b>1,320</b>
Corporate & Niche	516	<b>407</b>
CGIC	310	<b>212</b>
Rest of Africa	275	<b>286</b>
<b>Total P&amp;C Claims</b>	<b>3,441</b>	<b>3,274</b>

# NEDBANK

Rm	H1 2014	H1 2015
Net interest income	11,263	<b>11,675</b>
Non-interest revenue	9,480	<b>10,450</b>
Impairments	(2,333)	<b>(2,307)</b>
Operating income	18,410	<b>19,818</b>
Operating expenses	(11,712)	<b>(12,578)</b>
Indirect taxation	(300)	<b>(328)</b>
Associate income	11	<b>436</b>
<b>Headline profit before direct taxation<sup>1</sup></b>	<b>6,409</b>	<b>7,348</b>



1. Headline profit before direct taxation basis. On an AOP basis profit is R9m lower (H1 2014: R29m lower).

# NEDBANK TARGETS

<b>Metric</b>	<b>H1 2014 Performance</b>	<b>H1 2015 Performance</b>	<b>Medium to long-term target</b>	<b>2015 full-year outlook<sup>1</sup></b>
ROE (excl goodwill)	16.5%	17.3%	5% above cost of ordinary shareholders' equity	Below target
Growth in diluted headline earnings per share (DHEPS)	16.1%	14.1%	≥ consumer price index + GDP growth + 5%	≥ consumer price index + GDP growth
Credit loss ratio	0.83%	0.77%	0.80% - 1.20%	At lower end of target range
NIR : Expenses ratio	80.9%	83.1%	> 85%	Below target
Efficiency ratio <sup>2</sup> (including associate income)	56.4%	55.8%	50.0% - 53.0%	Above target
Common-equity tier 1 capital adequacy ratio (Basel III)	12.1%	11.4%	10.5% - 12.5%	Within target range
Economic capital	Internal Capital Adequacy Assessment Process (ICAAP) : A debt rating (including 10% capital buffer)			
Dividend cover policy	2.16 times	2.10 times	1.75 to 2.25 times	1.75 to 2.25 times

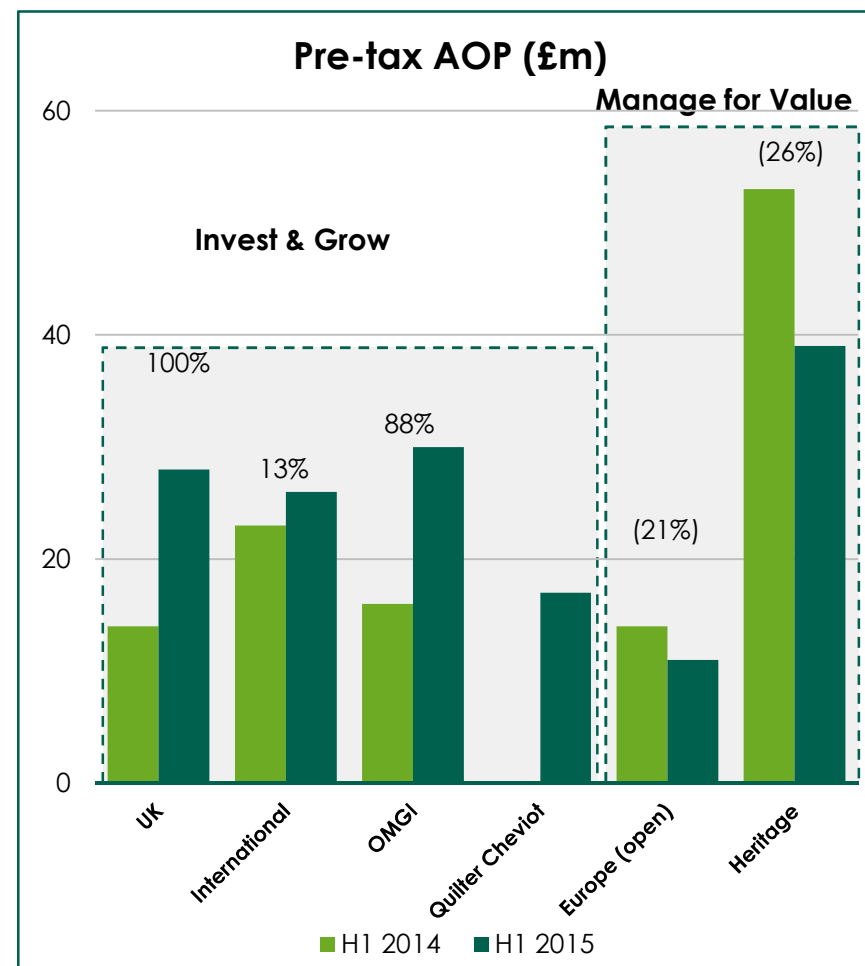
1. 2015 outlook based on latest macro economic outlook and have not been reviewed by the Nedbank auditors.

2. Includes associate income in line with industry accounting practices.



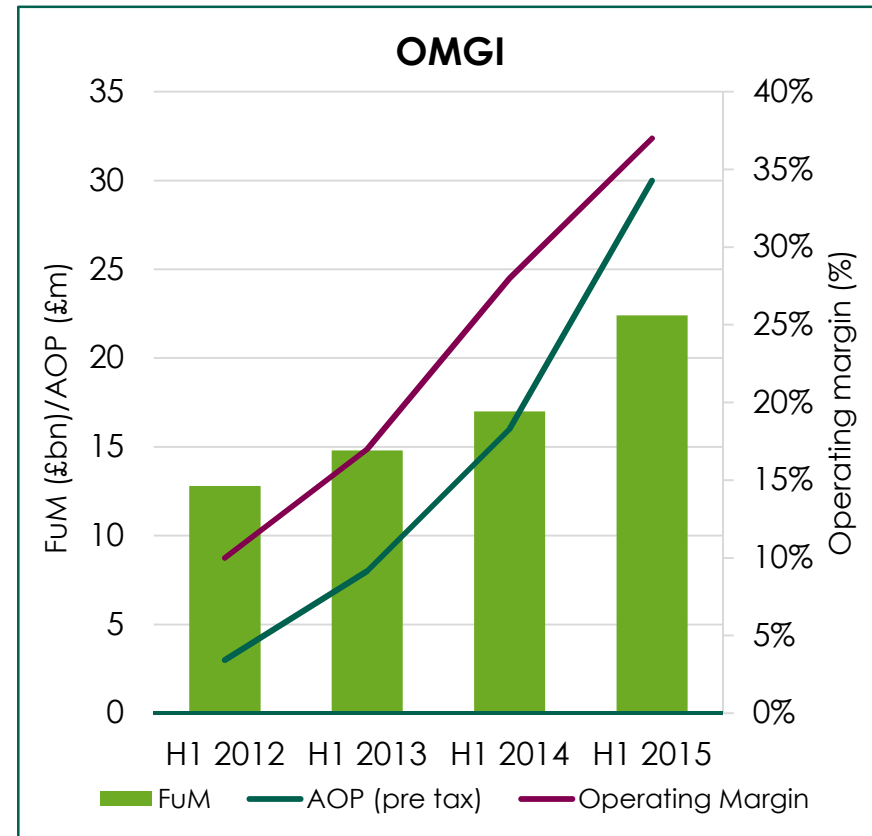
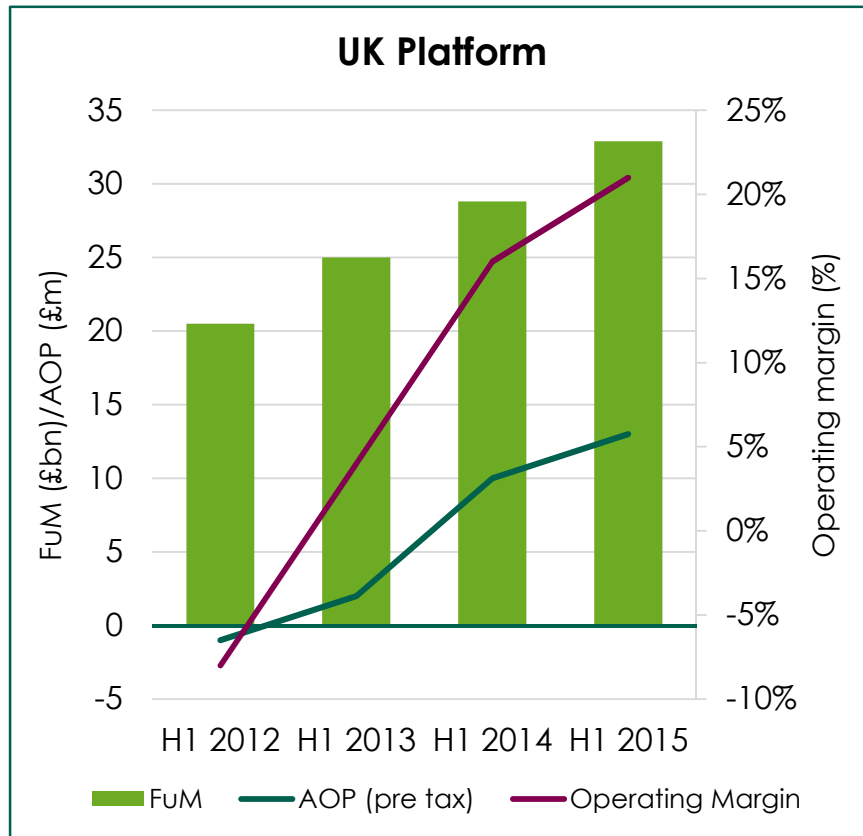
# OLD MUTUAL WEALTH

£m	H1 2014	H1 2015
FuM based revenue	423	<b>445</b>
Commission & acquisition expenses <sup>1</sup>	(179)	<b>(144)</b>
Other fees <sup>2</sup>	43	<b>36</b>
Risk profits	7	<b>19</b>
Investment return	9	<b>7</b>
<b>Net revenue</b>	<b>303</b>	<b>363</b>
Admin. expenses	(186)	<b>(222)</b>
Policyholder tax contribution	9	<b>15</b>
Adviser fees <sup>3</sup>	(6)	<b>(5)</b>
<b>AOP pre-tax</b>	<b>120</b>	<b>151</b>



1. Includes DAC net of deferred fee income.
2. Includes fixed fees, surrender fees and other net income/expenses.
3. Distribution fees for OMGI.

# OLD MUTUAL WEALTH: INVEST & GROW – ECONOMIES OF SCALE



# OLD MUTUAL WEALTH: OPERATING MARGINS

£bn	FuM 01 Jan 15	Net flows	Market and other movements	FuM 30 Jun 15	Operating margin	
					H1 2014	H1 2015
<b>Invest &amp; Grow</b>	73.4	2.7	18.4 <sup>1</sup>	<b>94.5</b>	28%	34%
<b>Total Manage for Value</b>	17.1	(0.2)	(2.1) <sup>2</sup>	<b>14.8</b>	59%	74%
Elimination of intra-Group assets	(8.0)	(0.2)	(0.1)	<b>(8.3)</b>	n/a	n/a
<b>Total Old Mutual Wealth</b>	<b>82.5</b>	<b>2.3</b>	<b>16.2</b>	<b>101.0</b>	<b>40%</b>	<b>42%</b>

1. FUM was increased by the acquisition of Quilter Cheviot (£17.5 billion).

2. FUM was reduced by the disposal of the France and Luxembourg businesses (£1.9 billion).

# OLD MUTUAL WEALTH ADJUSTED NAV

AOP & valuation multiples H1 2015 (£m)	AOP (after tax and NCI)	Adjusted NAV <sup>1</sup>	Implied Multiple <sup>2</sup>	Peer Multiples <sup>3</sup>
	H1 2015	30 June 2015		
Open books <sup>4</sup>	95	1,502	8x	St James Place / Hargreaves Lansdown / Standard Life: - Earnings multiple - 29x/35x/29x Phoenix: - Earnings multiple - 9x - Price/Book - 0.81x
UK Heritage <sup>5</sup>	32	571	9x	
Switzerland	5	65	6x	
<b>Old Mutual Wealth</b>	<b>132</b>	<b>2,138</b>	<b>8x</b>	

- A book value accounting basis is not a good measure for the value of the Invest and Grow business.
- Peer multiples are significantly above book value / profit multiples.

1. The Open books are included at net asset value; UK Heritage at MCEV and Switzerland at IFRS Held For Sale NAV.
2. Adjusted NAV / annualised AOP (after tax and NCI).
3. Current P/E multiple per Bloomberg at 31 July 2015.
4. Includes four months of profit from Quilter Cheviot (acquired on 25 Feb 2015). Old Mutual Wealth Adjusted Net Asset Value was not increased by the acquisition of Quilter Cheviot as the acquisition was funded through intercompany subordinated debt.
5. Includes Protect and Series 6 pensions.

# OLD MUTUAL WEALTH – UK HERITAGE VALUATION<sup>1</sup>

UK Heritage MCEV calculation (£m)	31 Dec 2014	30 June 2015
IFRS NAV	369	362
Goodwill & intangibles	(178)	(160)
<b>Tangible NAV</b>	<b>191</b>	<b>202</b>
Statutory valuation basis	(78)	(76)
Value of in-force	473	445
<b>MCEV</b>	<b>586</b>	<b>571</b>

UK Heritage Key Value Indicators	H1 2014	H1 2015
FUM (£bn) <sup>2</sup>	9.5	9.1
Surrender rate	10.8%	12.1%
Cash remitted (£m)	0	10
Maintenance cost per policy (£)	86	109
Operating Margin	73%	82%

- MCEV information is still appropriate for UK Heritage business as the run-off value is maintained.
- MCEV has reduced by £15m since year-end, due to higher expenses (incl. Old Mutual Wealth IT transformation project) and capital transfers, partly offset by positive investment returns.
- Higher maintenance cost per policy was driven by a lower average policy count as the book runs off and higher UK operational expenses, in part due to the increased support to customers following the pension reforms.

1. Includes Protect and Series 6 pensions.  
2. Comparative as reported at 31 December 2014.

# OLD MUTUAL WEALTH – SOURCE OF EARNINGS HY 2015

	UK Platform	UK Other	Intl.	OMGI	Quilter Cheviot	Invest & Grow	MFV Open book	Heritage business	Managed for value	Total Wealth
FUM based revenue	78	11	68	134	50	341	55	49	104	445
Commission & acquisition expenses	(23)	20	(21)	(60)	-	(84)	(39)	(21)	(60)	(144)
Other revenues	8	7	15	7	1	38	3	21	24	62
<b>Total net revenue</b>	<b>63</b>	<b>38</b>	<b>62</b>	<b>81</b>	<b>51</b>	<b>295</b>	<b>19</b>	<b>49</b>	<b>68</b>	<b>363</b>
Admin expenses	(55)	(23)	(36)	(46)	(34)	(194)	(8)	(20)	(28)	(222)
Policyholder tax contribution	5	-	-	-	-	5	-	10	10	15
Advisor fees	-	-	-	(5)	-	(5)	-	-	-	(5)
<b>AOP (pre-tax) (£m)</b>	<b>13</b>	<b>15</b>	<b>26</b>	<b>30</b>	<b>17</b>	<b>101</b>	<b>11</b>	<b>39</b>	<b>50</b>	<b>151</b>
Operating margin	21%	39%	42%	37%	33%	34%	58%	80%	74%	42%
Revenue bps generated <sup>1</sup>	39	52	79	65	86	69	78	97	91	76
Tangible net asset (£m) <sup>2</sup>	120	(94)	(24)	111	66	(179)	70	225	295	(474)

1. OMGI revenue margin excludes non-asset-based revenues. When calculated using Total Net Revenues the revenue margin was 75bps (HY 2014: 69 bps; FY 2014: 74bps).
2. UK Other tangible net asset value excludes inter-company subordinated debt in relation to the acquisition of Quilter Cheviot.

# OLD MUTUAL WEALTH: QUILTER CHEVIOT – OPPORTUNITIES TO ENHANCE VALUE

## REVENUE SYNERGY DRIVERS

1. Deliver OMGI funds and capabilities to Quilter Cheviot clients, enhancing open architecture offering
2. Extend Old Mutual Wealth advice and international solutions to Quilter Cheviot clients, enhancing its proposition
3. Extend Quilter Cheviot Discretionary Investment Management services to top end Intrinsic and other adviser clients

## PROCUREMENT AND MARGIN SYNERGIES

Run-rate cost/margin synergies by 2017<sup>1</sup>:  
**c. £9m AOP (Pre-tax)**

## ILLUSTRATIVE OLD MUTUAL WEALTH PROFITABILITY MATRIX<sup>2</sup>

		2017E AOP Margin (%)					
		(£m)	30%	35%	40%	45%	50%
FUM (£bn)	80		179	209	239	268	298
	90		201	235	268	302	335
	100		224	261	298	335	373
	110		246	287	328	369	410
	120		268	313	358	403	447

On track to deliver the £270m profit target  
 (excluding Quilter Cheviot acquisition)

## ILLUSTRATIVE QUILTER CHEVIOT PROFITABILITY MATRIX<sup>3,4</sup>

		2017E AOP Margin (%) + £9m run-rate cost/margin synergies					
		(£m)	28%	30%	32%	34%	36%
FUM (£bn)	16		48	51	54	57	59
	18		53	56	59	62	66
	20		58	61	65	68	72
	22		63	67	71	74	78
	24		68	72	76	80	85

1. Excludes revenue synergies and costs to realise synergies.
2. Maintains gross revenue margin of 75bps.
3. Maintains gross revenue margin of 87bps.
4. Includes run-rate cost and margin synergies and the utilisation of Group tax losses.

# INSTITUTIONAL ASSET MANAGEMENT: OMAM - ADJUSTED OPERATING PROFIT

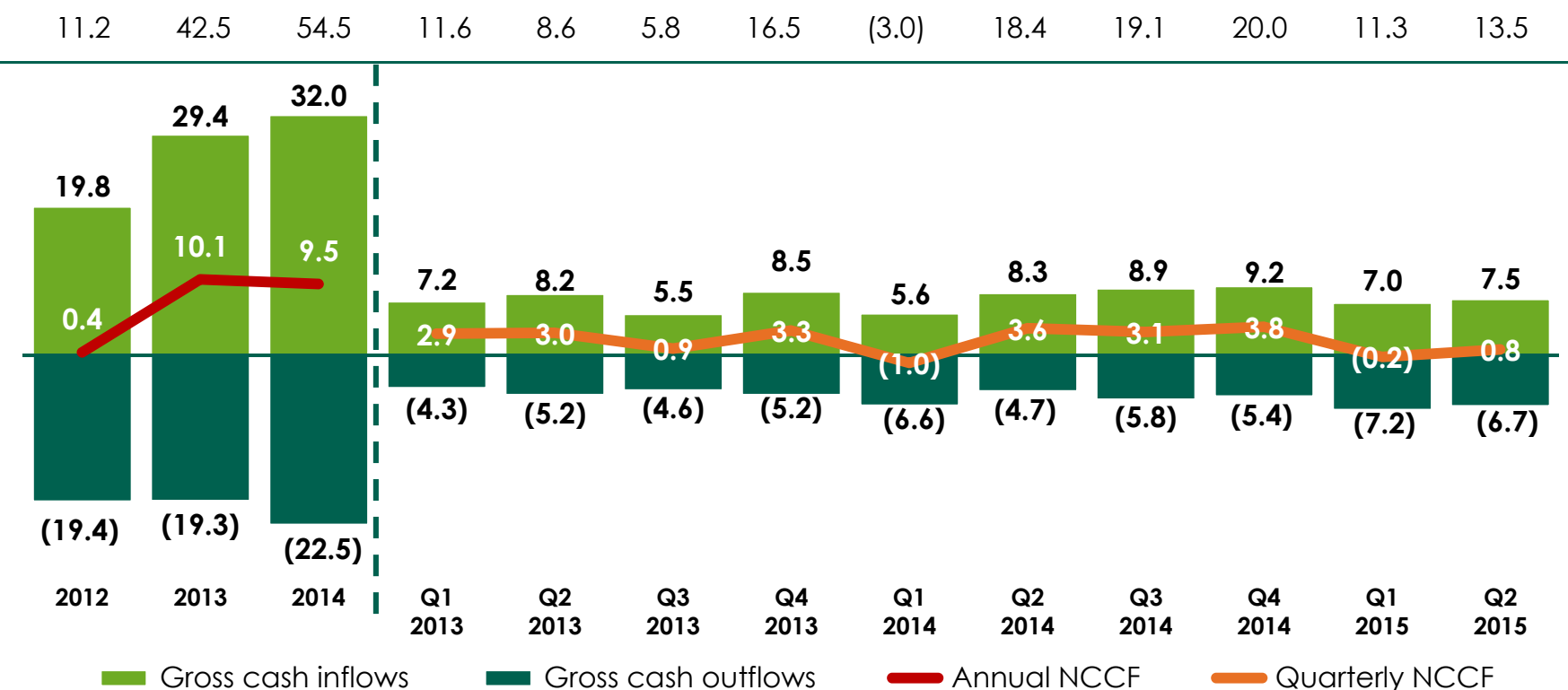
\$m	H1 2014	H1 2015	% Change
Management fees	286	322	13%
Performance fees	2	52	>100%
Other revenue	4	5	25%
<b>Total revenue</b>	292	379	30%
Operating expenses	(86)	(116)	(35%)
Variable compensation	(95)	(116)	(22%)
<b>Total expenses</b>	(181)	(232)	(28%)
AOP pre-affiliate key employee distributions	111	147	32%
Affiliate key employee distributions	(18)	(19)	(6%)
<b>AOP post-affiliate key employee distributions</b>	93	128	38%
<b>Operating margin<sup>1</sup></b>	38%	39%	

1. Operating margin is pre-affiliate key employee distributions; operating margin post-affiliate key employee distributions is 34% (H1 2014: 32%).



# INSTITUTIONAL ASSET MANAGEMENT: OMAM – NCCF (\$bn)<sup>1</sup>

Annualised revenues from NCCF<sup>2</sup>



1. Excludes affiliates disposed of during 2012 and OMAM (UK) which was transferred to Old Mutual Wealth from Q2 2012 onwards. Includes the results of Echo Point which was discontinued in Q4 2013.  
 2. Annualised revenue is calculated by multiplying the annual gross fee rate for the relevant account by the net assets gained/lost in the account. Excludes Echo Point in 2012 and 2013.