

BEYOND SOUTH AFRICA

UBS 18TH ANNUAL FINANCIAL SERVICES CONFERENCE

Ralph Mupita, Chief Executive: Old Mutual Emerging Markets

15 October 2015

INVESTMENT | SAVINGS | INSURANCE | BANKING



OLDMUTUAL

AGENDA

Old Mutual Emerging Markets Overview

Why Beyond South Africa?

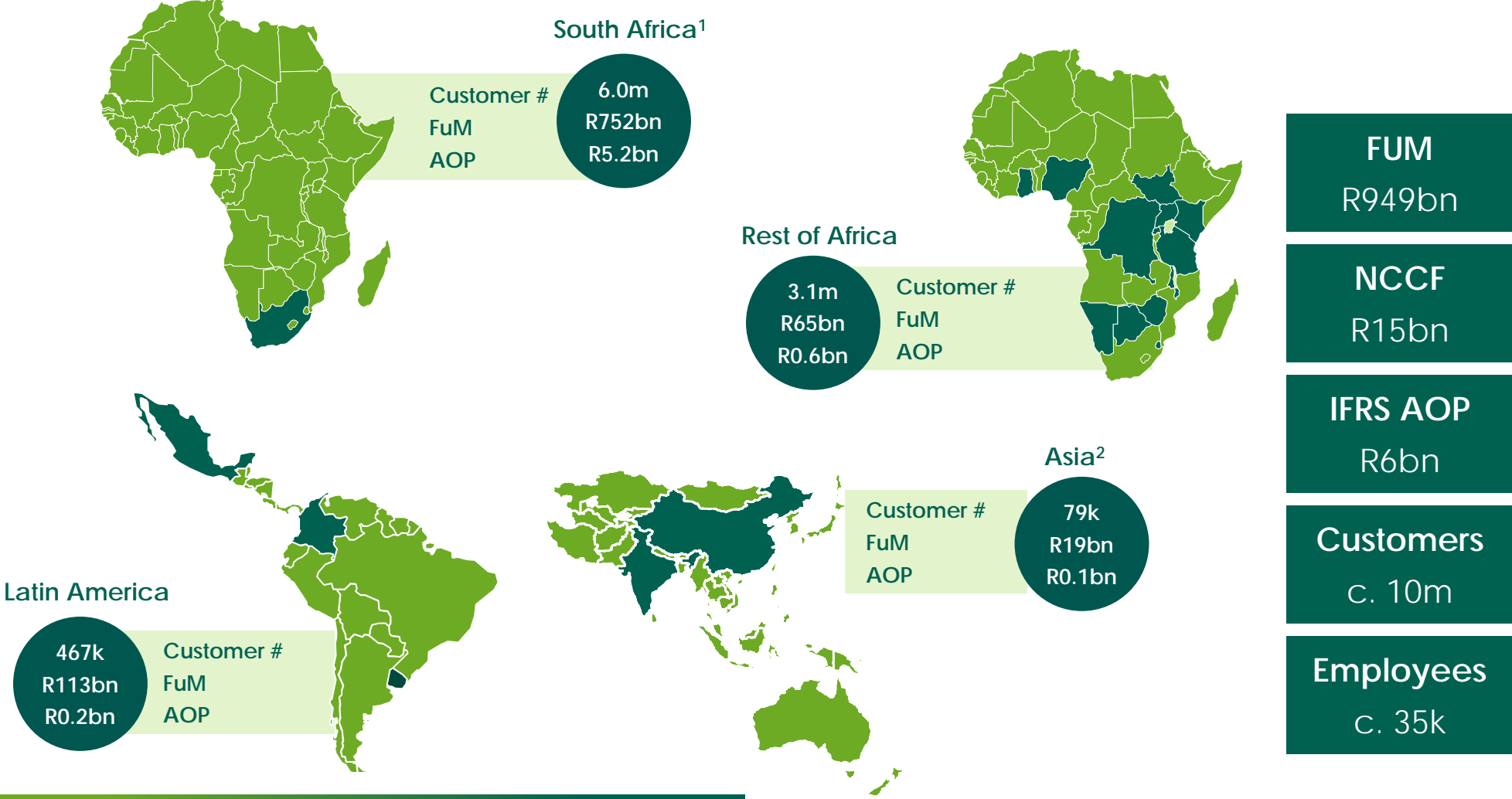
East Africa

West Africa

India

Conclusion

EMERGING MARKETS AT A GLANCE AS AT H1 2015

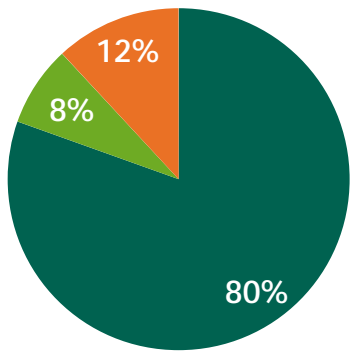


1. Includes retail and corporate customers
 2. Excludes customers in India of 7.1m
 Note: Figures do not include Nedbank

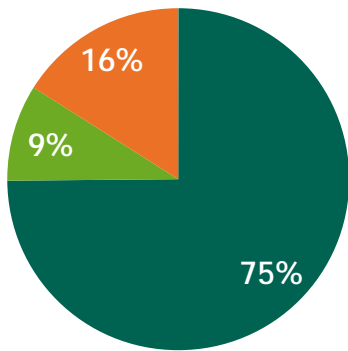
H1 2015 EMERGING MARKETS KEY FINANCIAL HIGHLIGHTS

LIFE APE SALES

H1 2014: R4.5bn

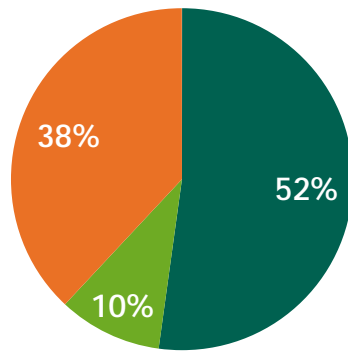


H1 2015: R5.5bn

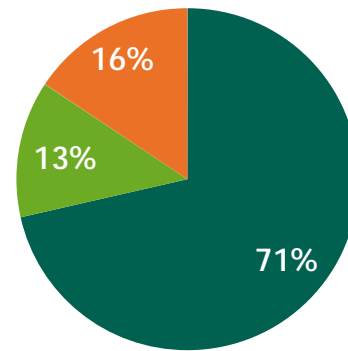


NET CLIENT CASH FLOW

H1 2014: R9.2bn

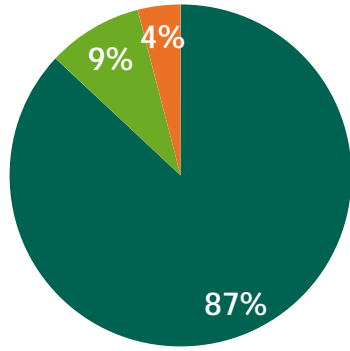


H1 2015: R14.8bn

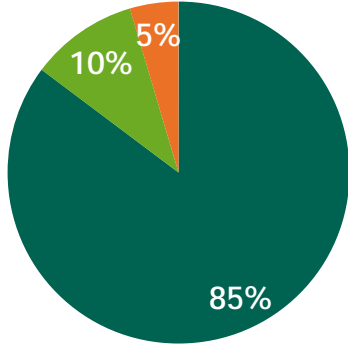


ADJUSTED OPERATING PROFIT

H1 2014: R5.2bn

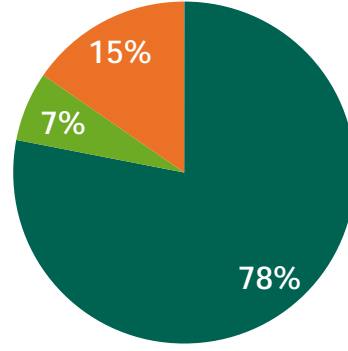


H1 2015: R6.0bn

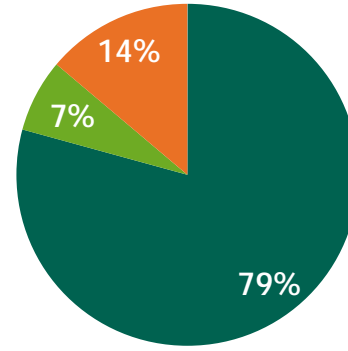


FUNDS UNDER MANAGEMENT

H1 2014: R876.5bn



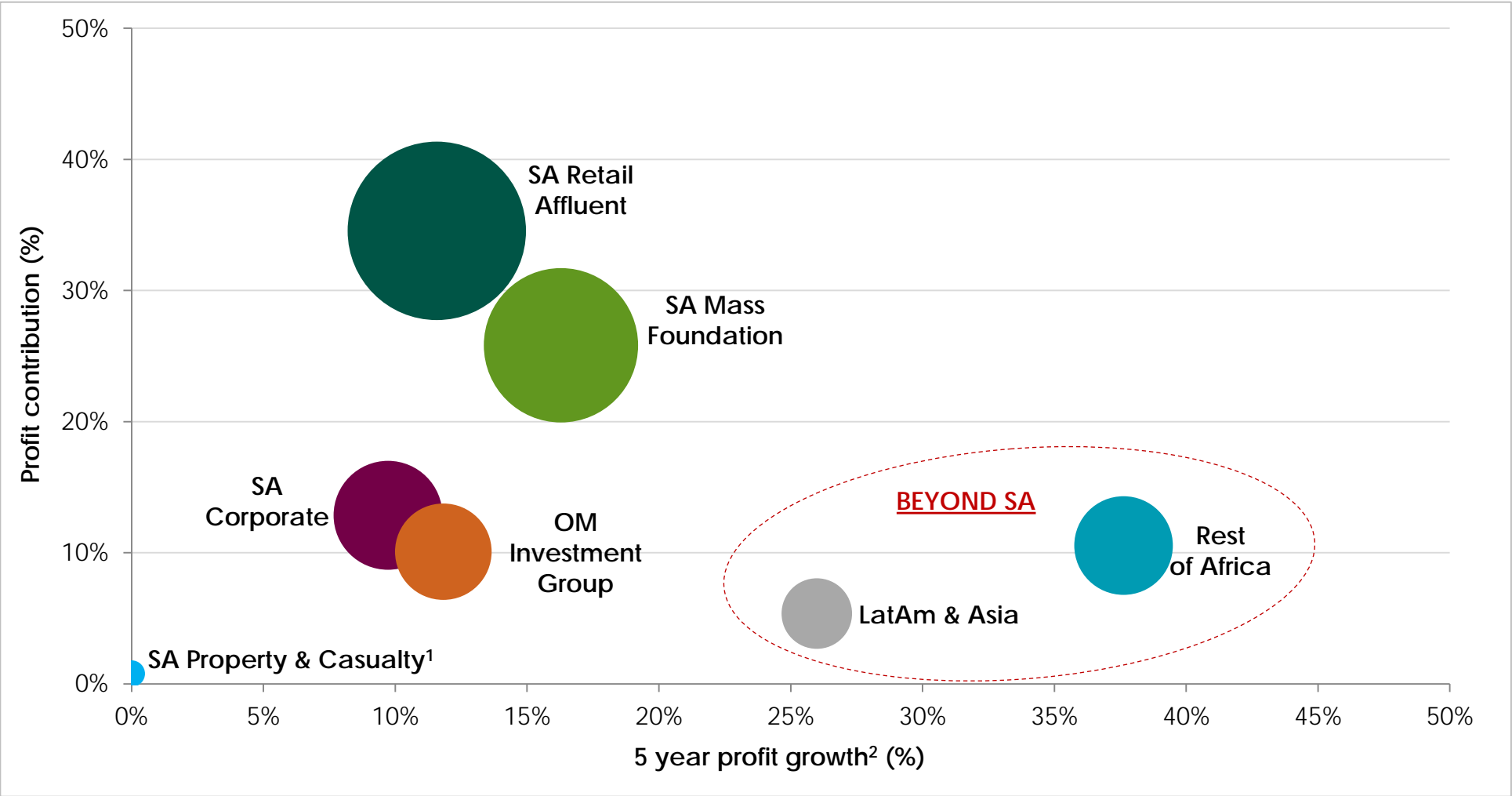
H1 2015: R948.5bn



■ South Africa ■ Rest of Africa ■ Latin America & Asia







Source: Old Mutual Interim Results 2015







LONG-TERM VIEW OF OLD MUTUAL EMERGING MARKETS



1. Note: P&C experienced negative growth over the period displayed as zero to show size of opportunity; size of the bubbles represent relative profit contribution.
 2. 5-year CAGR: FY 2010 to FY 2014

LINES OF BUSINESS AND MARKET POSITIONS BEYOND SOUTH AFRICA

Country	Business	Market position
 Kenya ³	<ul style="list-style-type: none"> • Asset Mgt • Life • Health • General 	2 nd 7 th 4 th 4 th
 Malawi	<ul style="list-style-type: none"> • Asset Mgt • Life 	1 st 1 st
 Zimbabwe	<ul style="list-style-type: none"> • Asset Mgt • Banking • Life • P&C 	1 st 2 nd 1 st 2 nd
 Namibia	<ul style="list-style-type: none"> • Asset Mgt • Life • P&C 	3 rd 1 st 2 nd
 Botswana	<ul style="list-style-type: none"> • P&C 	4 th
 Swaziland	<ul style="list-style-type: none"> • Life • Asset Mgt 	2 nd 6 th

Country	Business	Market position
 Nigeria	<ul style="list-style-type: none"> • General • Life 	23 rd 30 th
 Ghana	<ul style="list-style-type: none"> • Life 	6 th
 Mexico	<ul style="list-style-type: none"> • Asset Mgt • Life 	16 th 14 th
 Colombia	<ul style="list-style-type: none"> • Asset Mgt¹ • Life 	2 nd 13 th
 India	<ul style="list-style-type: none"> • Life 	5 th
 China	<ul style="list-style-type: none"> • Life² 	16 th

1. On voluntary pensions basis

2. Total Gross written premiums (as % of Foreign JV)

3. Kenya market share stats include combined UAP-Old Mutual Group

Source: Old Mutual Group Strategy analysis, Local country regulator reports 2013/2014

BEYOND SOUTH AFRICA KEY PERFORMANCE INDICATORS

Rm	FY2011	FY2012	FY2013	FY2014	BEYOND SA CAGR	S. AFRICA CAGR
Life APE sales	642	742	1 733	1 975	45%	12%
Gross written premiums	n/a	721	788	1 415	40% ²	2% ²
Value of new business	136	172	297	236	20%	19%
Funds under management ¹ (Rbn)	95	139	179	189	26%	10%
Net client cash flow (Rbn)	8.8	19.3	9.8	7.8	-4%	255%
Adjusted operating profit	881	1 170	1 417	1 620	23%	11%
Allocated capital (Rbn)	2.2	3.4	5.2	7.8	53%	8%
- % of total OMEM	10%	14%	18%	24%	-	-

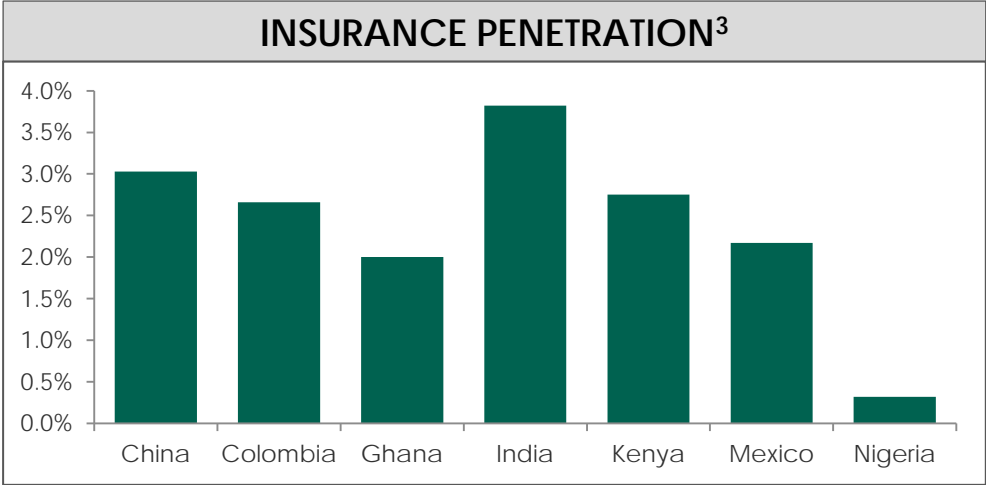
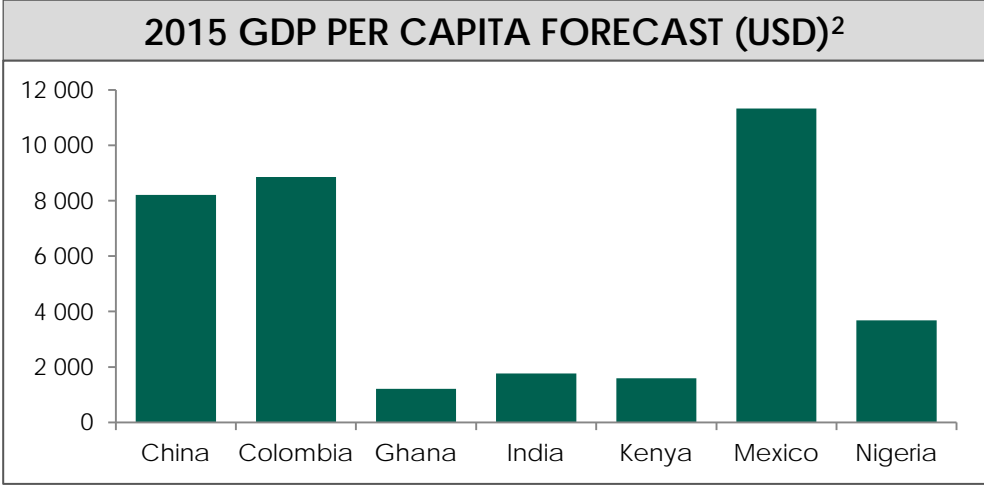
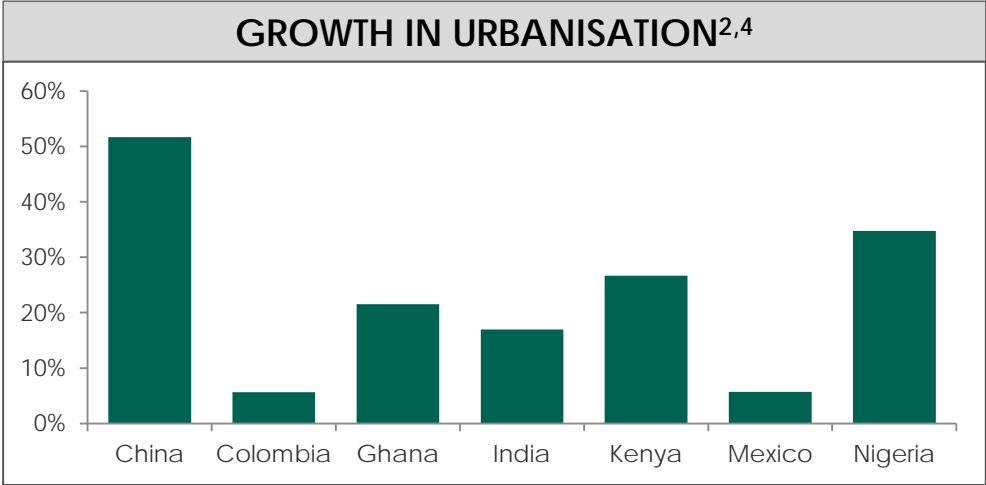
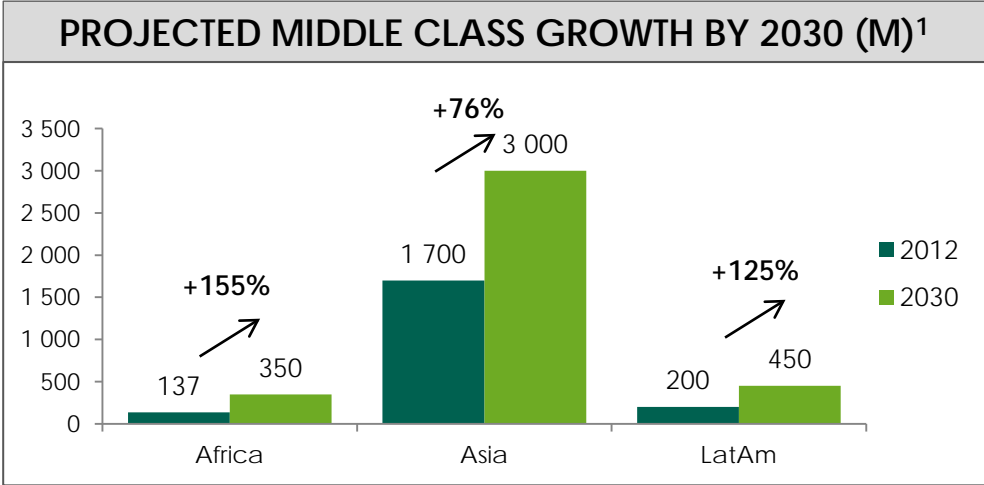
1. End manager basis

2. CAGR for Gross Written Premiums calculated over a 2-year period

WHY BEYOND SOUTH AFRICA FOR OLD MUTUAL?

- 1 Large growing middle class in selected emerging markets
- 2 Nascent insurance markets with relatively low insurance penetration
- 3 Leverage SA experience and capabilities into other emerging markets
- 4 Diversify earnings stream
- 5 Attractive long-term returns

OUR SELECTED INSURANCE MARKETS ARE NASCENT AND PRESENT ATTRACTIVE DEMOGRAPHICS



1. Organisation for Economic Co-operation and Development, 2013
2. IMF database, IMF World Economic Outlook Oct 2015, World Bank database
3. Swiss Re World Insurance in 2013, KPMG Insurance in Africa sector report
4. Urbanisation trends from 2000-2014, World Bank

OUR STRATEGY FOR CREATING VALUE AND BUILDING A SUSTAINABLE BUSINESS

- 1 Have a regional approach
- 2 Leverage product expertise, 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 selected regions
- 5 Good governance, risk management and disciplined capital allocation
- 6 Proactively managing challenges

EAST AFRICA

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EAST AFRICA EXPANSION: ACQUISITION OF UAP

**UAP
UPDATE**

- Acquisition of 60.7% of UAP
 - R2.9bn consideration in KES
- Transaction completed in June '15
- UAP has presence in 6 countries in East and Central Africa
 - c.80% of UAP profits generated in Kenya
 - Platform for growth in the region
 - RoE's to reach OMEM target within 5 to 7 years

UAP profile¹

Country	Business	Market share	Market position
 Kenya (2014)	<ul style="list-style-type: none"> • General • Health • Life 	7% 12% 5%	4 th 4 th 7 th
 Uganda (2013)	<ul style="list-style-type: none"> • General • Health • Life 	15% 21% 12%	2 nd 2 nd 3 rd
 South Sudan (2013)	<ul style="list-style-type: none"> • General • Health 	~90% (est.)	1 st
 Tanzania (2013)	<ul style="list-style-type: none"> • General • Health 	Small player acquired in 2013.	
 DRC (2013)	<ul style="list-style-type: none"> • Brokerage 	-	-
 Rwanda (2013)	<ul style="list-style-type: none"> • General • Health 	Established in 2013	

1. Market share and position based on GWP in 2013. South Sudan market share based on expert opinion. Source: AKI annual report 2013, AXCO; IRA Uganda annual report 2013.

PROGRESS ON STRATEGIC EXECUTION: EAST AFRICA

STRATEGIC INTENT	To build an integrated financial services champion in East Africa
PROGRESS TO DATE	<ul style="list-style-type: none">▪ 100 day plan completed in early October '15▪ New management team in place▪ New board in place, and operating under OM group operating model structure▪ Progressing merger of Life and Asset Management▪ Leverage SA P&C skills in underwriting and claims management
PRIORITIES GOING FORWARD	<ul style="list-style-type: none">▪ Leverage General insurance leadership in retail segment▪ Optimize combined UAP-OM Balance Sheet▪ Enhance profitability by leveraging scale of the combined Life business▪ Deliver direct distribution model▪ Develop leading bancassurance model

WEST AFRICA

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PROGRESS ON STRATEGIC EXECUTION: NIGERIA

STRATEGIC INTENT	Build an integrated financial services champion in West Africa
PROGRESS TO DATE	<ul style="list-style-type: none">▪ Acquired majority stake in Ecobank’s local P&C business▪ Commenced P&C and Life operations in 2013▪ Ecobank partnership provides access to 640 branches to expand bancassurance▪ New products launched - risk and savings▪ Expanded distribution via the Retail Mass Market worksite model & trained tied advisers
PRIORITIES GOING FORWARD	<ul style="list-style-type: none">▪ Further leverage Ecobank relationship in West Africa▪ Deliver new innovative products▪ Invest in brand building & financial education▪ Build or acquire selected capabilities

PROGRESS ON STRATEGIC EXECUTION: GHANA

STRATEGIC INTENT	Build an integrated financial services champion in West Africa
PROGRESS TO DATE	<ul style="list-style-type: none">▪ Launched September 2013 with the acquisition of Provident Life Company▪ Leveraged Ecobank relationship to distribute in all 79 branches▪ Revamped and enhanced the existing Funeral and Credit Life products▪ Grew tied advisors from 288 (Q3 '14) to 428 (H1'15)▪ Key management teams in place▪ Group Life product launched
PRIORITIES GOING FORWARD	<ul style="list-style-type: none">▪ Further leverage the Ecobank relationship in West Africa▪ Enhance product offering in Retail Mass and Corporate▪ Invest in brand building and financial education▪ Build or acquire small P&C capability

INDIA

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OUR BUSINESS IN INDIA: KOTAK LIFE INSURANCE JV

STRATEGIC ALLIANCE

- Our JV partner is Kotak Mahindra Bank – listed on BSE¹
- Geographically diverse branch network focused on the West and North of India
- Old Mutual holds 26% in the JV with Kotak Life, a subsidiary of Kotak Bank
- 5th largest Life JV in India
- Full range of traditional and unit linked products including Group protection and savings products
- Tied, Bancassurance and Alternate distribution channels
- Over 1.1m Mass-Affluent customers and over 6m Group members

1. Market capitalisation of +/- US\$18bn
Source: Bloomberg; Business World Magazine



PROGRESS ON STRATEGIC EXECUTION: INDIA

STRATEGIC INTENT	Build scale and leading franchise in India
KOTAK BANK EXPANSION	<ul style="list-style-type: none">▪ In March 2015, the merger of the India operations of ING with Kotak Bank received regulatory approval▪ Transaction increased Kotak distribution footprint from 641 branches to 1,214▪ Provides our JV with access to underpenetrated Southern regions of India
PRIORITIES GOING FORWARD	<ul style="list-style-type: none">▪ Continue to improve asset retention and expense efficiency▪ Improve distribution economics and tied agency transformation

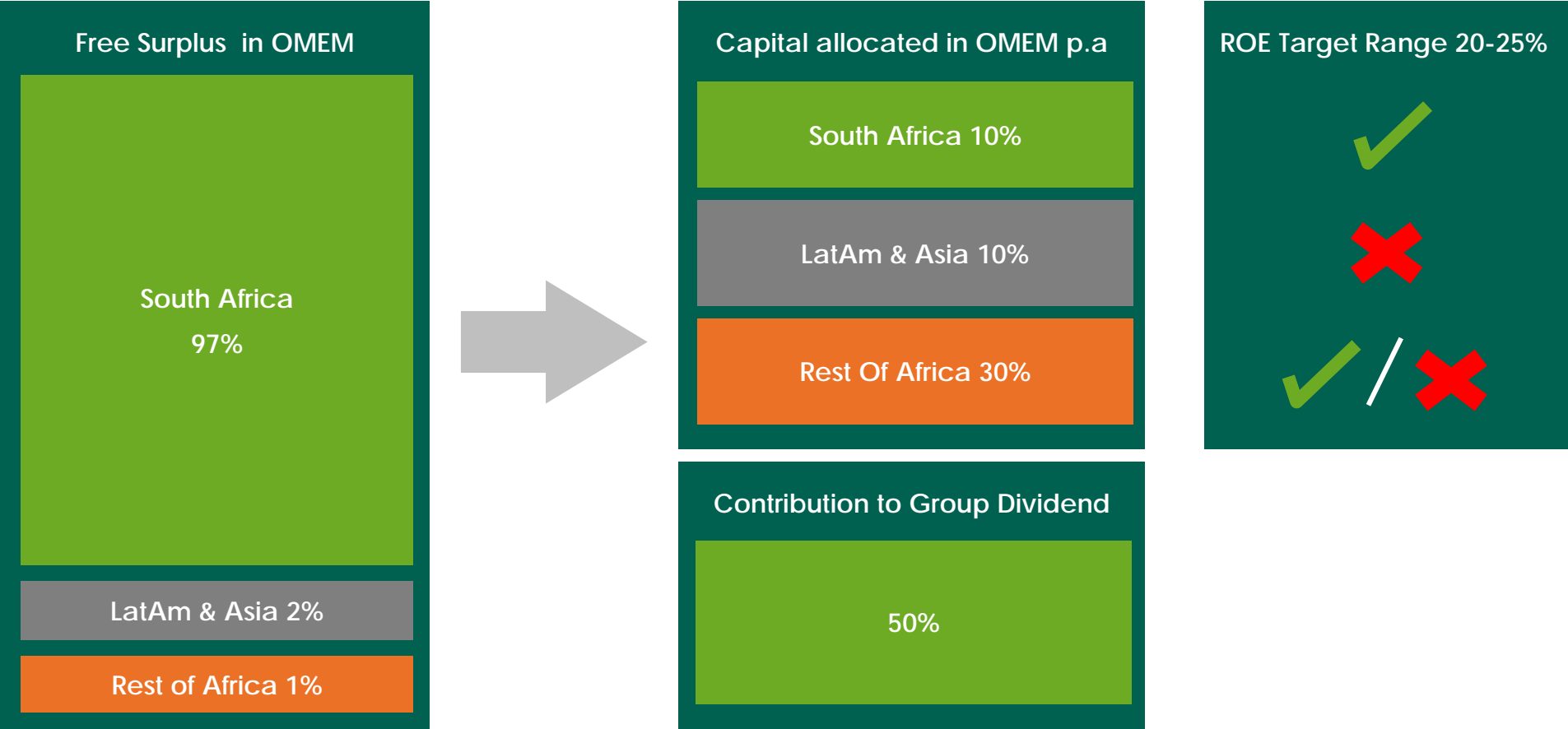
Recent developments in India's FDI framework allow OMEM to increase its' stake up to 49%, subject to Regulatory approvals

CONCLUSION

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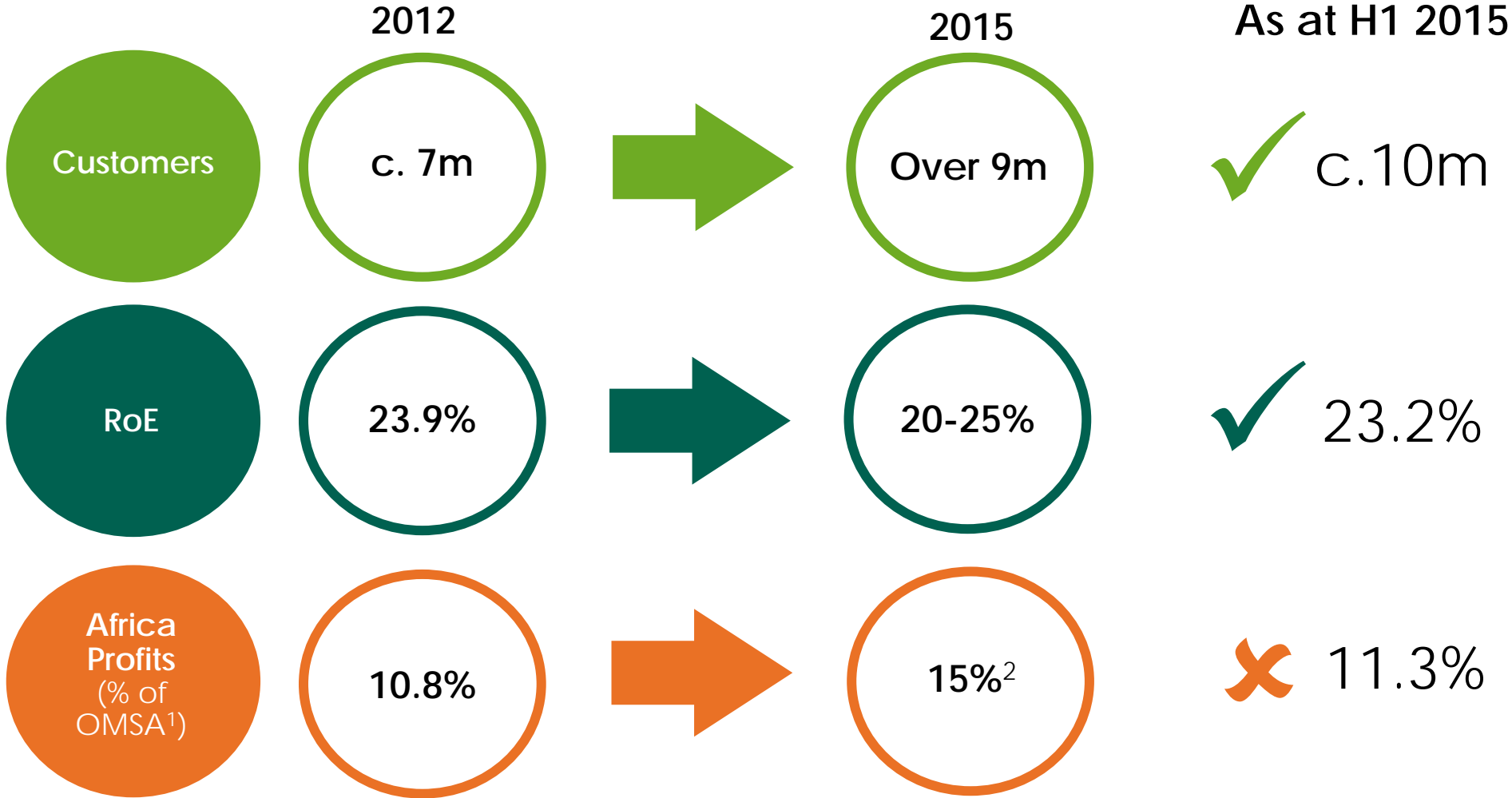


DRIVING ROE GROWTH THROUGH OPTIMAL CAPITAL ALLOCATION



1. Contribution to group dividend excludes Nedbank dividend received
 2. Free surplus includes covered & non-covered profits (incl M&F)

OMEM PROGRESS TOWARDS 2015 TARGETS



1. Calculation is pre-tax and post-minorities and includes LTIR
 2. 2015 target unchanged - target includes potential acquisitions and P&C earnings in Africa

QUESTIONS?

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