

Deutsche Bank South Africa Conference

**Julian Roberts, Group Finance Director
Old Mutual plc**

22 November 2001



Old Mutual
From Domestic Leadership in South Africa
to
Diversified International Financial Services
Group



Old Mutual Revenue⁽¹⁾- in US\$m



1: 2000 pro forma revenue including F&G

Old Mutual Revenue⁽¹⁾- in US\$m



1: 2000 pro forma revenue including F&G

Old Mutual Revenue⁽¹⁾- in US\$m



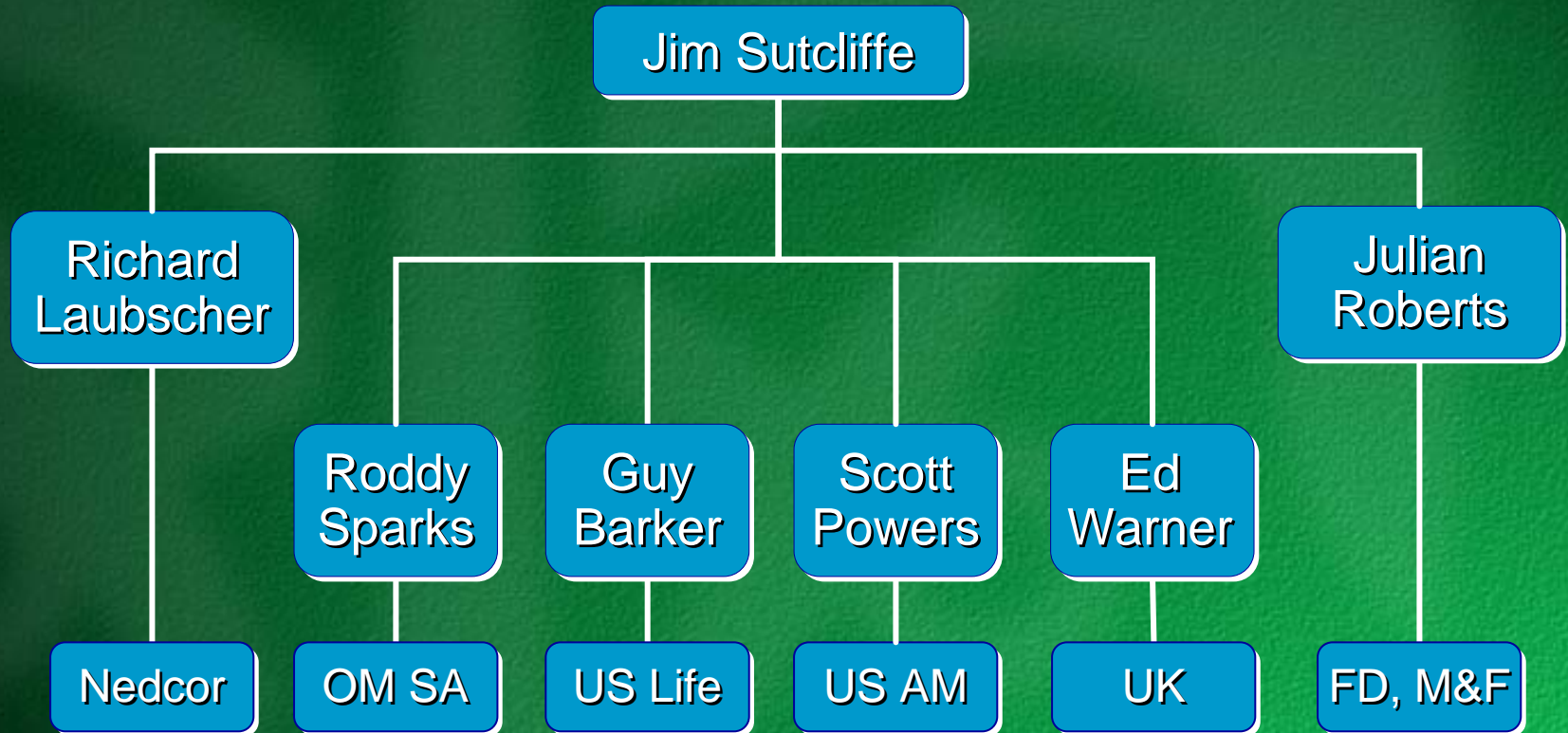
1: 2000 pro forma revenue including F&G

Old Mutual Revenue⁽¹⁾- in US\$m



1: 2000 pro forma revenue including F&G

Powerful management team in place



Old Mutual South Africa

Leading Position in Financial Services



Old Mutual South Africa

- Economic Background
- Market dominant position
 - Old Mutual Life Assurance Company South Africa
 - Largest life assurer in South Africa
 - 2000 gross premium £2,580m (R27,145m)
 - FUM £15,763m (R22,992m) at 30th June 2001
 - Nedcor
 - 53% owned listed subsidiary
 - 2nd largest bank in South Africa
 - 2000 total income R9bn
 - 51.9% efficiency ratio at 30th June 2001



Old Mutual South Africa

- Economic Background
- Market dominant position
 - Old Mutual Life Assurance Company South Africa
 - Nedcor
 - Mutual & Federal
 - 51% owned listed subsidiary
 - 2nd largest general insurer in South Africa
 - 2000 gross premium R3.5bn
 - 99.9% operating ratio at 30th June 2001



Old Mutual South Africa

- Economic Background
- Market dominant position
- Growth drivers
 - Product development
 - Focus on profitability
 - Segmentation of business
 - Bancassurance
 - In-sourcing



The Challenge

- Transform Old Mutual From Local to Global



Old Mutual UK

**Investment Services to High Net Worth
Individuals**



UK Operations



- UK H1 2001 revenue of £126m
- UK FUM of £18bn at 30th June 2001



Gerrard



- Largest private client stockbroker
- Strong Position in attractive HNW market
- Strong product range
- Profitability linked to retail volumes on London Stock Exchange



OMAM UK



- Institutional and pension mandates
- Retail capability
 - UK smaller Companies
 - European equity
 - Worldwide equity
 - Fixed income
- Consolidated Unit trust management with the move of Gerrard funds



- Market leader in
 - CFDs
 - Equity derivatives
 - Foreign exchange derivatives
- Good trading in 2001

Old Mutual Securities

OLD MUTUAL SECURITIES
MODERN BRITAIN MODERN BROKING

- Institutional stockbroker
- Innovative corporate finance
- Excellent research



Selestia



- What is Selestia
 - New company targeting the mass affluent sector of the retail investment market
 - Distribution exclusively via IFAs
- Innovative products
 - Initial product will offer a highly flexible system through which IFAs can build portfolios carefully tailored to meet clients' precise needs
 - Further products planned for 2002 launch
- Low cost base
 - Custom built systems utilizing Old Mutual's South African skill base



Old Mutual US

Multi style asset manager



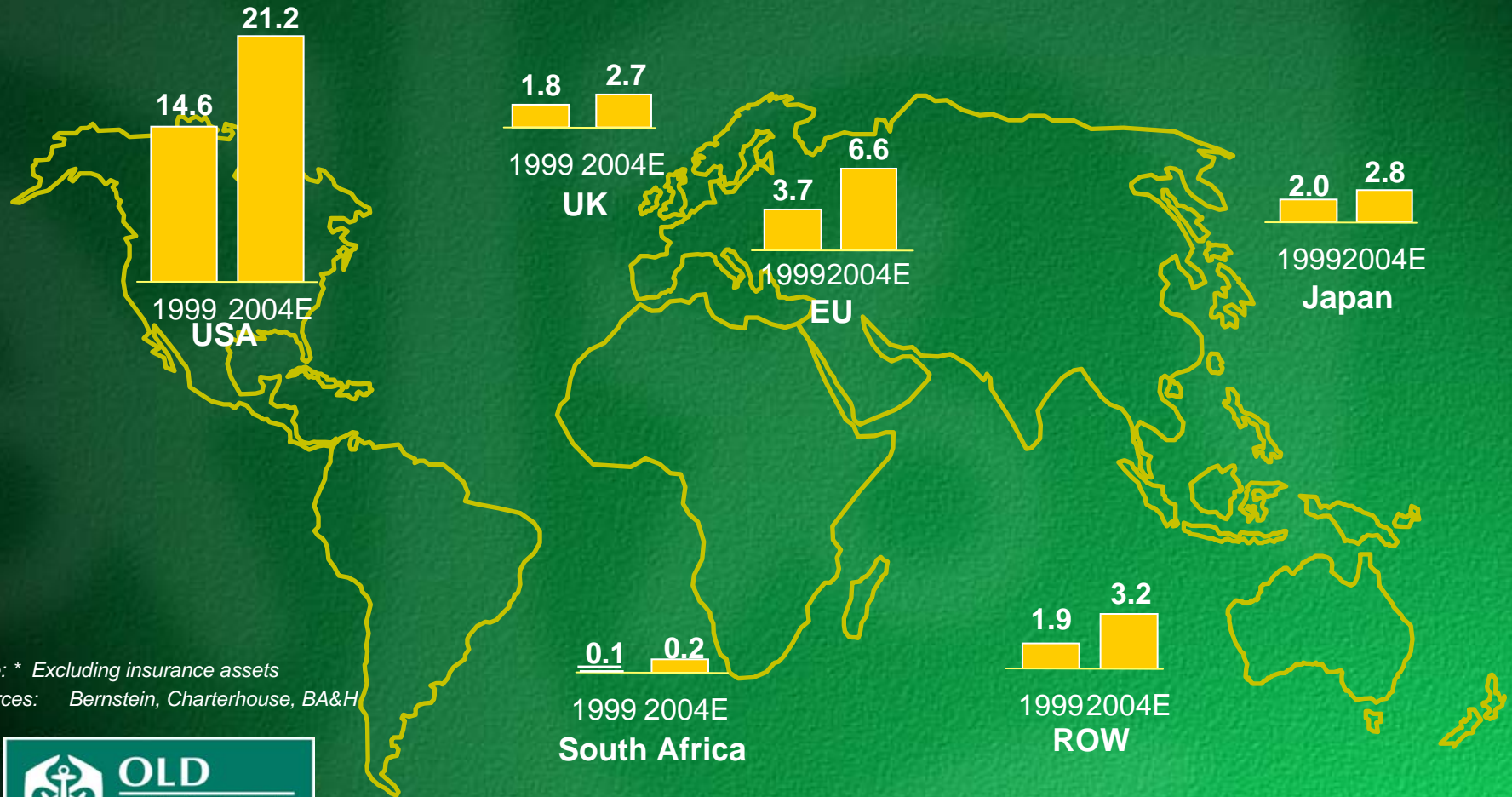
Old Mutual (US) Holdings

- US Savings Market Overview
- Mutual Funds Management
- Institutional Asset Management Capabilities
- Life Assurance
- The Old Mutual Model



Size of savings markets

Global Assets Under Management (\$ Trillion)*

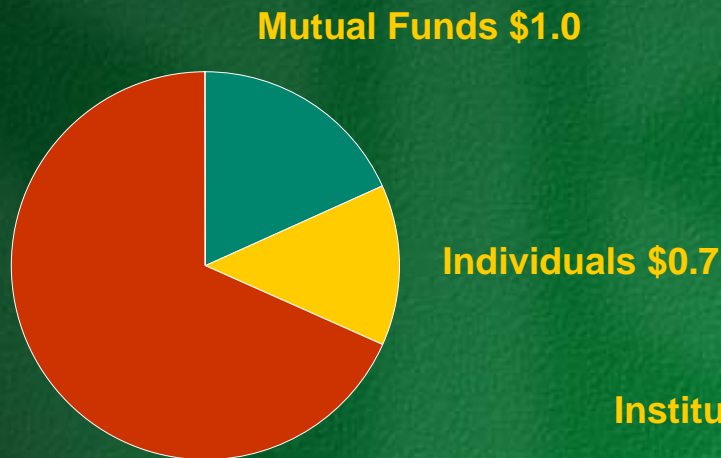


Note: * Excluding insurance assets
Sources: Bernstein, Charterhouse, BA&H



Total U.S. Money Management Industry

\$5.3 Trillion



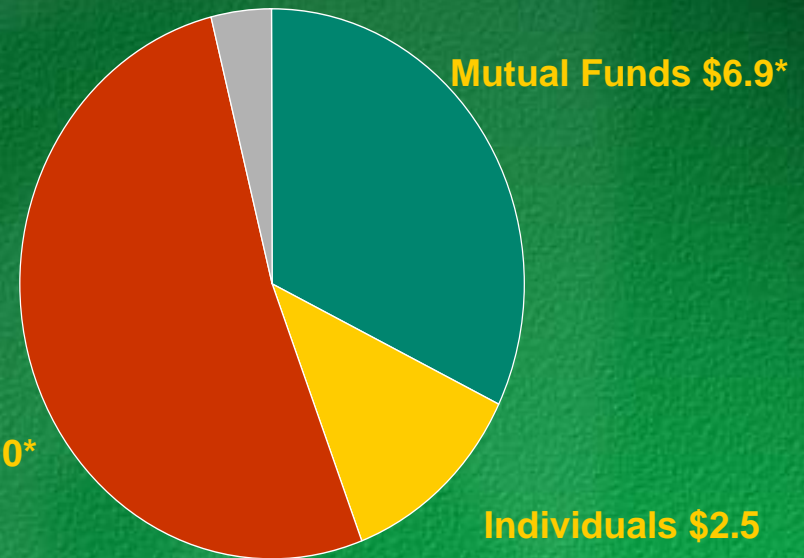
Institutions \$3.6

Mutual Funds \$1.0

Individuals \$0.7

1990

\$20.4 Trillion



Institutions \$11.0*

Mutual Funds \$6.9*

Individuals \$2.5

2000

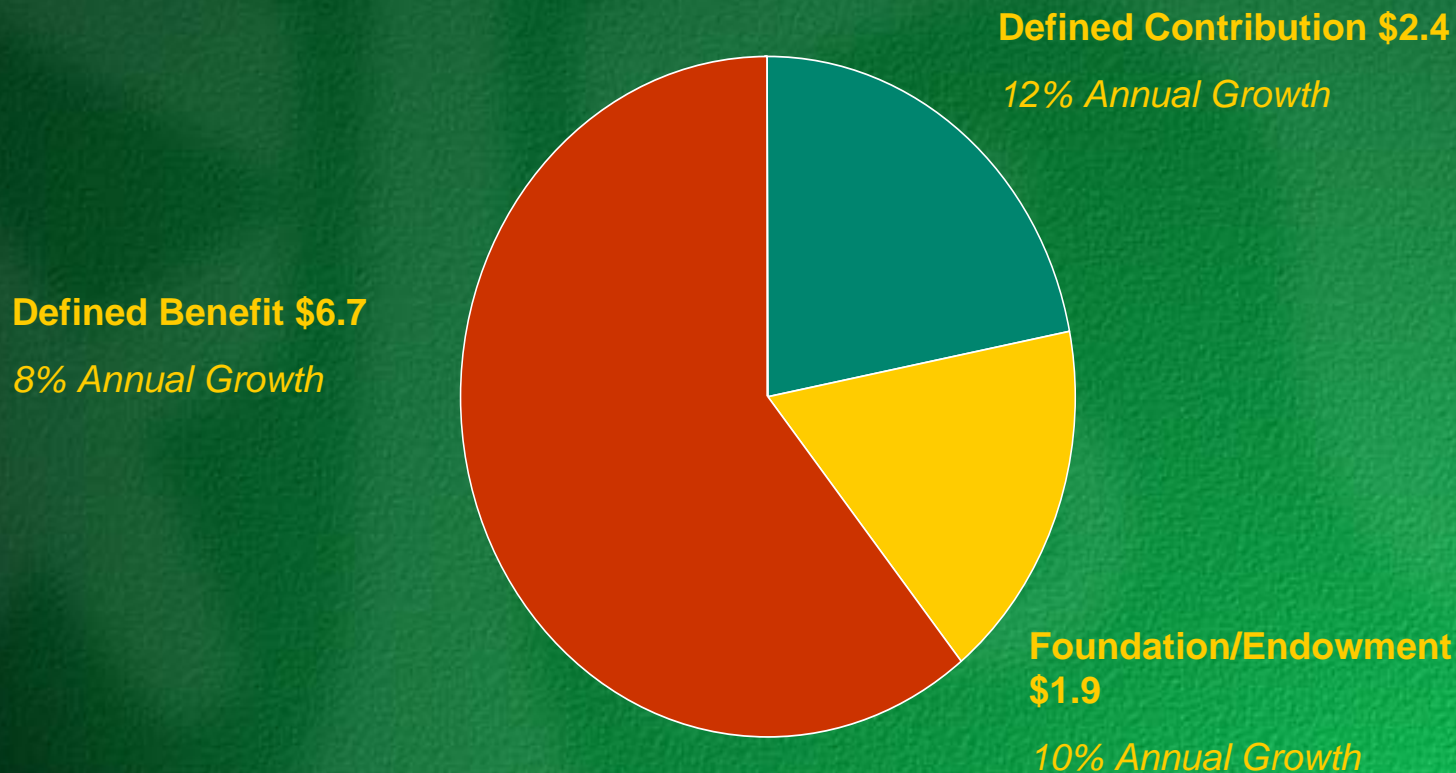
* Includes \$800 billion of defined contribution plan assets invested in mutual funds



Source: Federal Reserve, FDIC, ICI and independent estimates

Institutional Sector of Money Management Industry

\$11.0 Trillion

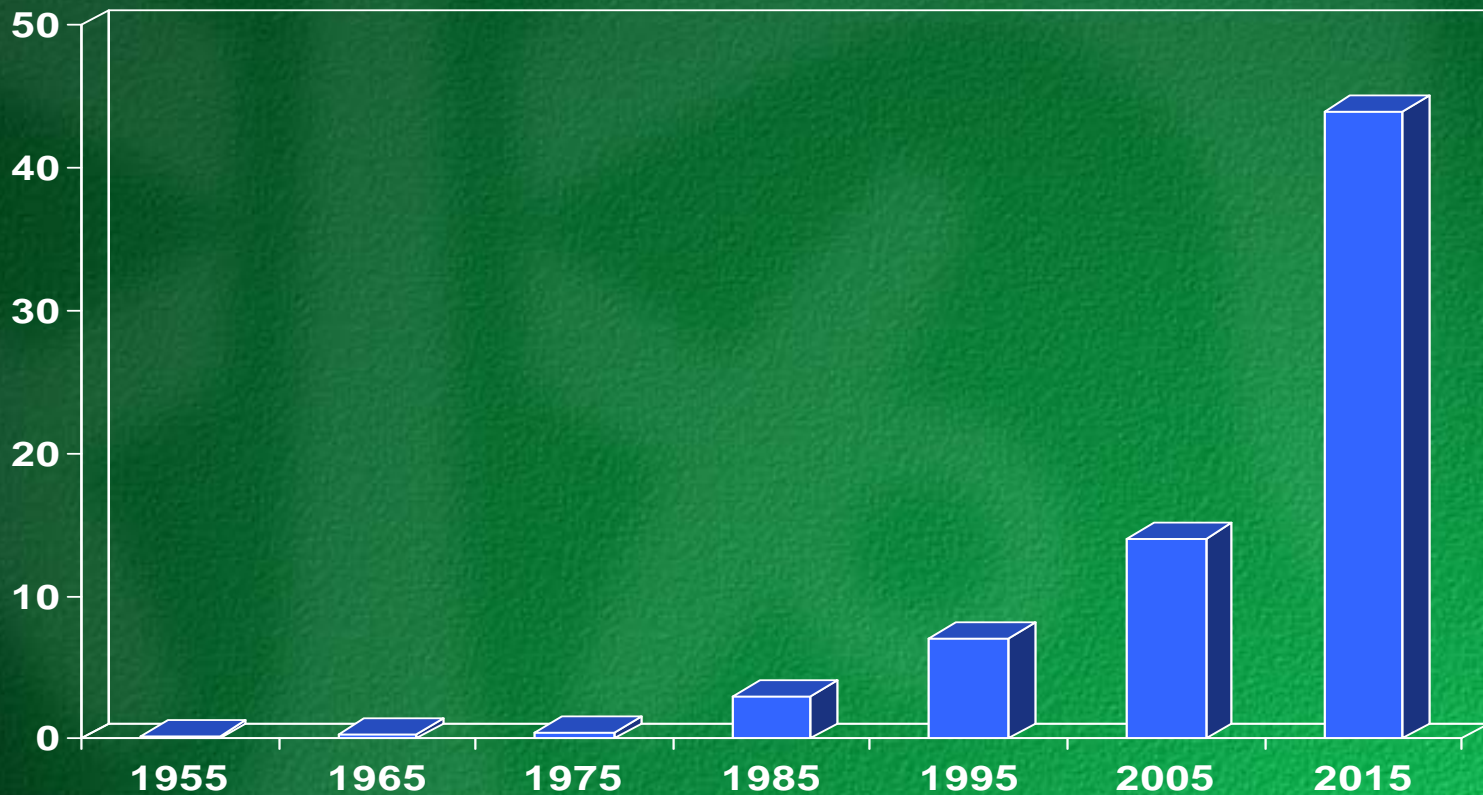


Source: Federal Reserve, FDIC, ICI and independent estimates

Institutional Assets 1955-2015

\$ Trillions

\$44 Trillion

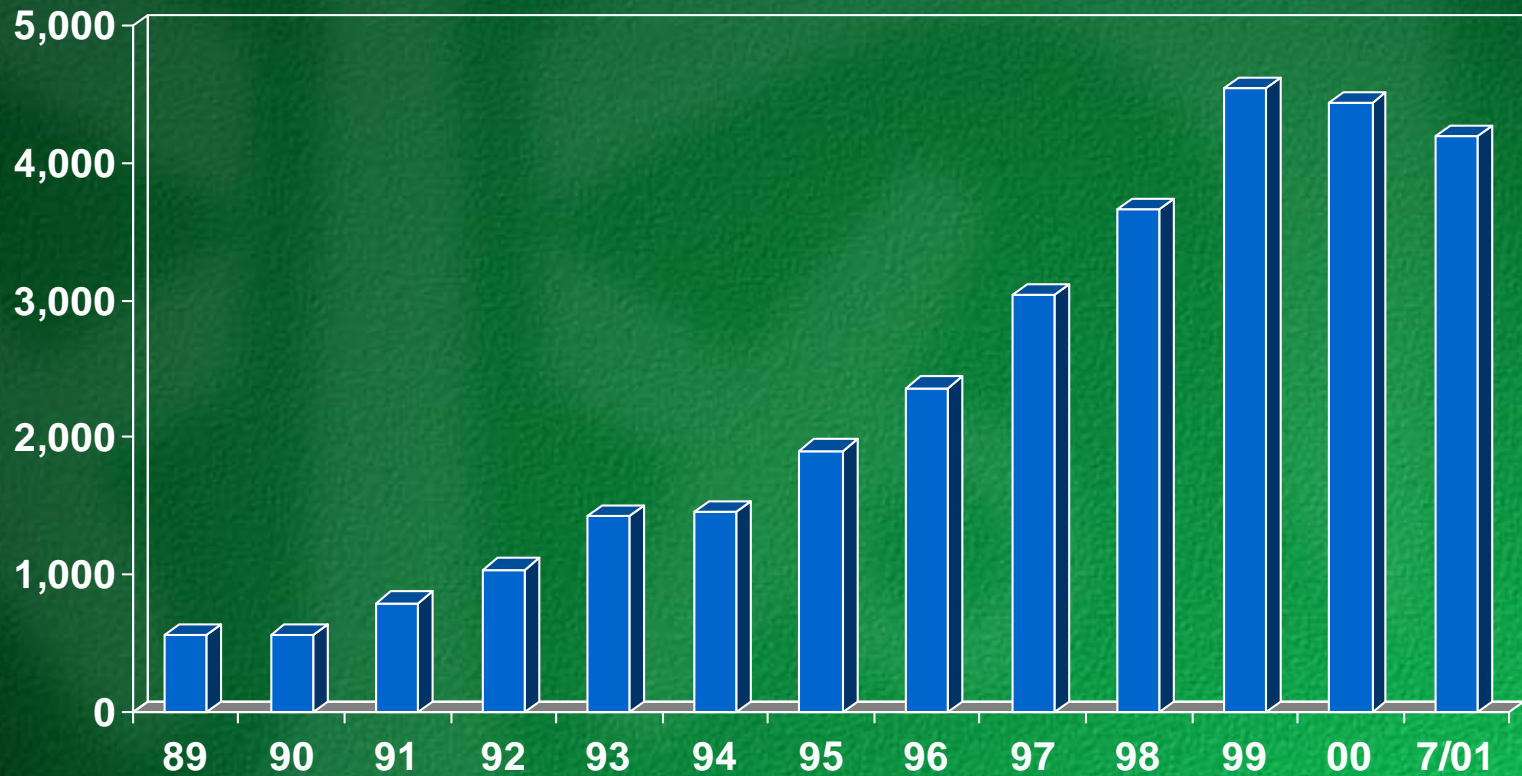


Source: Federal Reserve, Department of Labor and Independent Estimates

L-T Mutual Fund Assets

\$ in Billions

\$4,194 Billion



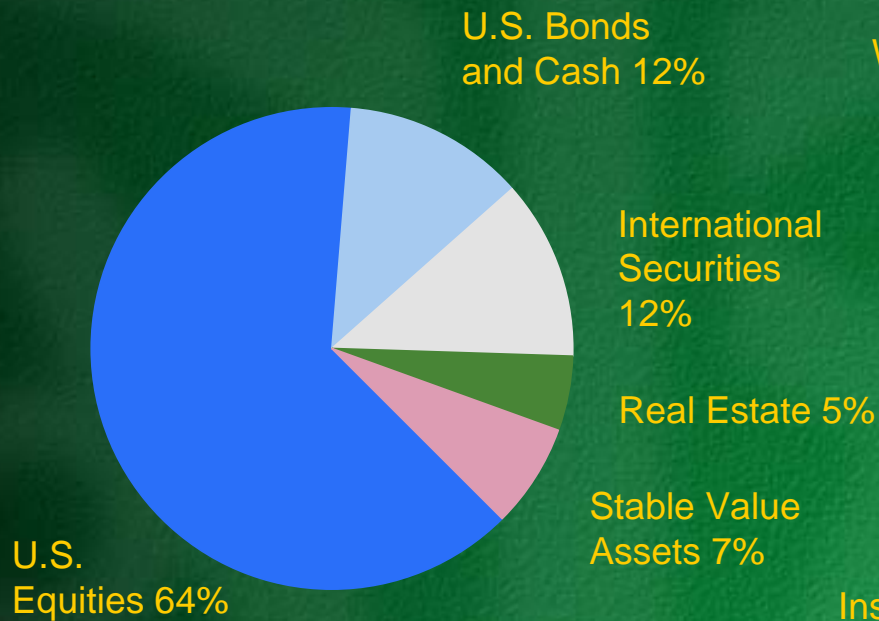
Old Mutual - US Asset Management

- Committed to building a multi-asset class active investment management business in North America
- \$135 billion in assets under management
- High quality active investment skills in all major asset classes
- Focused distribution strategy supports organic growth

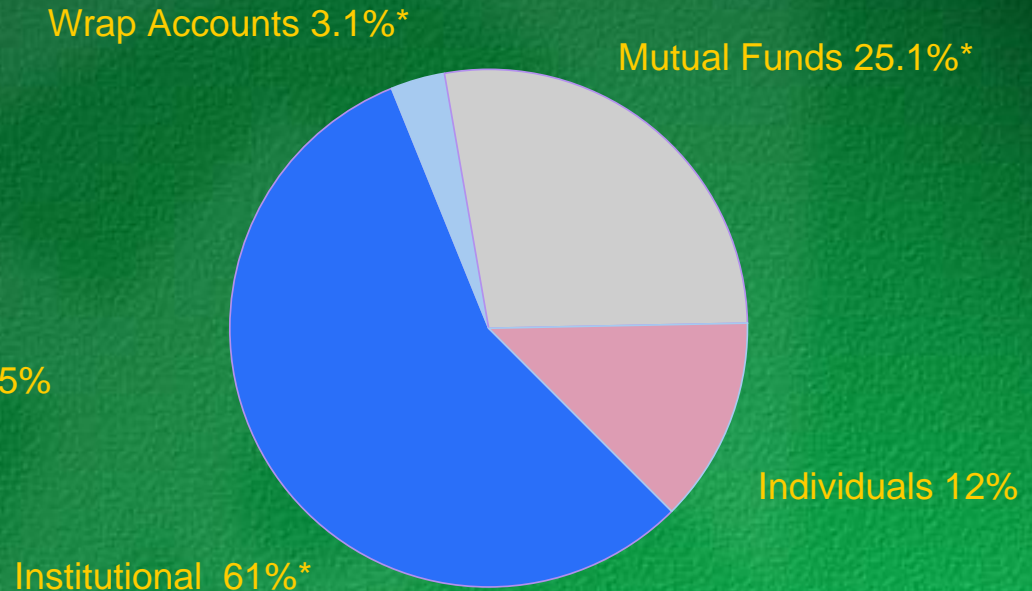


Asset Mix and Client Base

Asset mix



Client base

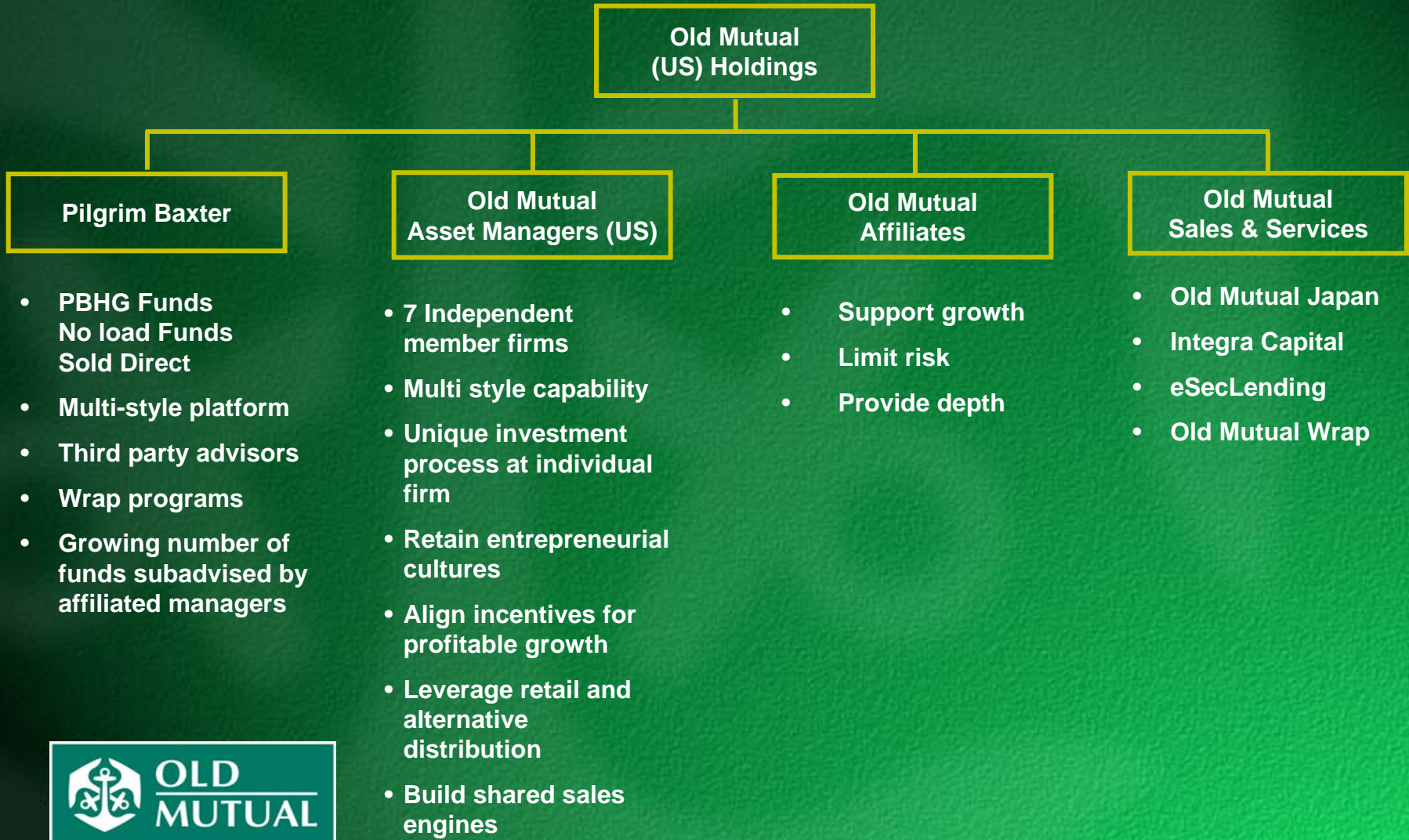


\$135 Billion

*Includes \$21 billion of defined contribution plan assets invested in mutual funds



Strategically Aligned Organization



High Quality Investment Skills in all Major Asset Classes

Old Mutual Asset Managers (US)



<u>US Equity</u>	<u>Fixed Income</u>	<u>Global Equity</u>	<u>Alternatives</u>
Large Cap Value	Short Term	Growth	Real Estate
Mid Cap Value	Intermediate	Value	Timber
Small Cap Value	Long Term	Emerging Markets	Hedge Funds
Large Cap Growth	Mortgage/ABS	Europe Only	Private Equity
Mid Cap Growth	Stable Value	Japan Only	Venture Capital
Small Cap Growth	Money Market	Small Cap Value	Currency Overlay
Large Cap Core	High Yield	Small Cap Growth	Distressed Debt
Market Neutral	International	Index	
TAA	Global	GTAA	
Balanced			
Derivatives			
Index	Index		

Asset Management Growth Strategy



OM
Growth
Strategy

1. Strengthen position and accelerate growth in core U.S. defined benefit market
 - Maintain investment strength
 - Shift market share
 - Build sales capability within subsidiaries and shared channels
 - Strengthen cross-selling
2. Source new investors
 - International
 - Defined contribution investment-only business
 - Property/casualty insurance market
 - Life insurance market
 - Additional sub-advisor arrangements
3. Realise leverage, economies, and cost effectiveness across investment companies, as appropriate
 - Leverage buying clout on Wall Street



OLD
MUTUAL

Attractiveness of the U.S. Life Market

- World's largest life insurance and retirement services market (Approximately 29% of global sales)
- More than US \$50 billion in 2000 premium income for fixed annuities only⁽¹⁾
- Favorable demographic characteristics⁽²⁾
- 61 million Americans in 45-64 age bracket, projected to increase to 80 million by 2010
- Favorable timing due to current volatility of equity markets



1 - Source - LIMRA International

2 - Source - US Census Bureau

US Fixed Annuities Sales - Competitive Position

Rank		Estimated 2001 full year in billions
1	Aegon	\$6.2
2	American General	\$5.6
3	General Electric	\$3.6
4	ING Companies	\$3.2
5	Jackson National	\$2.6
6	Allstate	\$2.6
7	Allianz	\$2.4
8	NY Life	\$1.7
9	Travelers	\$1.6
10	Keyport/Sun Life of Canada	\$1.5
11	Nationwide	\$1.5
12	F&G Life	<u>\$1.4</u>
	Total Estimated Market	\$75.0



Source: LIMRA International

US life strategy



- Start-up operation
- Retail agency distribution
- Experienced senior management team
- Simple, good value fixed annuity and life products

- Established franchise
- MGA distribution
- Proven senior management team
- Simple, good value fixed annuity and life products
- Proven product development expertise
- Deal Completed Sept. 2001



Old Mutual US



Institutional



Specialist
Multi Style



Equity Retail



Quality Mutual
Funds



Fixed Interest
Retail



Best Product
Development

Multi style asset management with focussed
distribution channels



Old Mutual plc

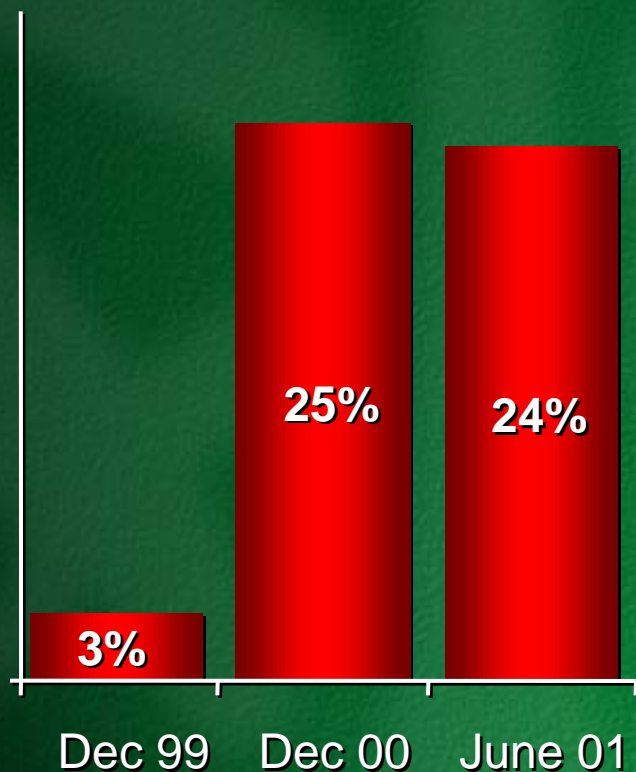


Current trading

- Quality businesses
- Rand
- Asset market levels world wide
- Well positioned to take advantage of recovery

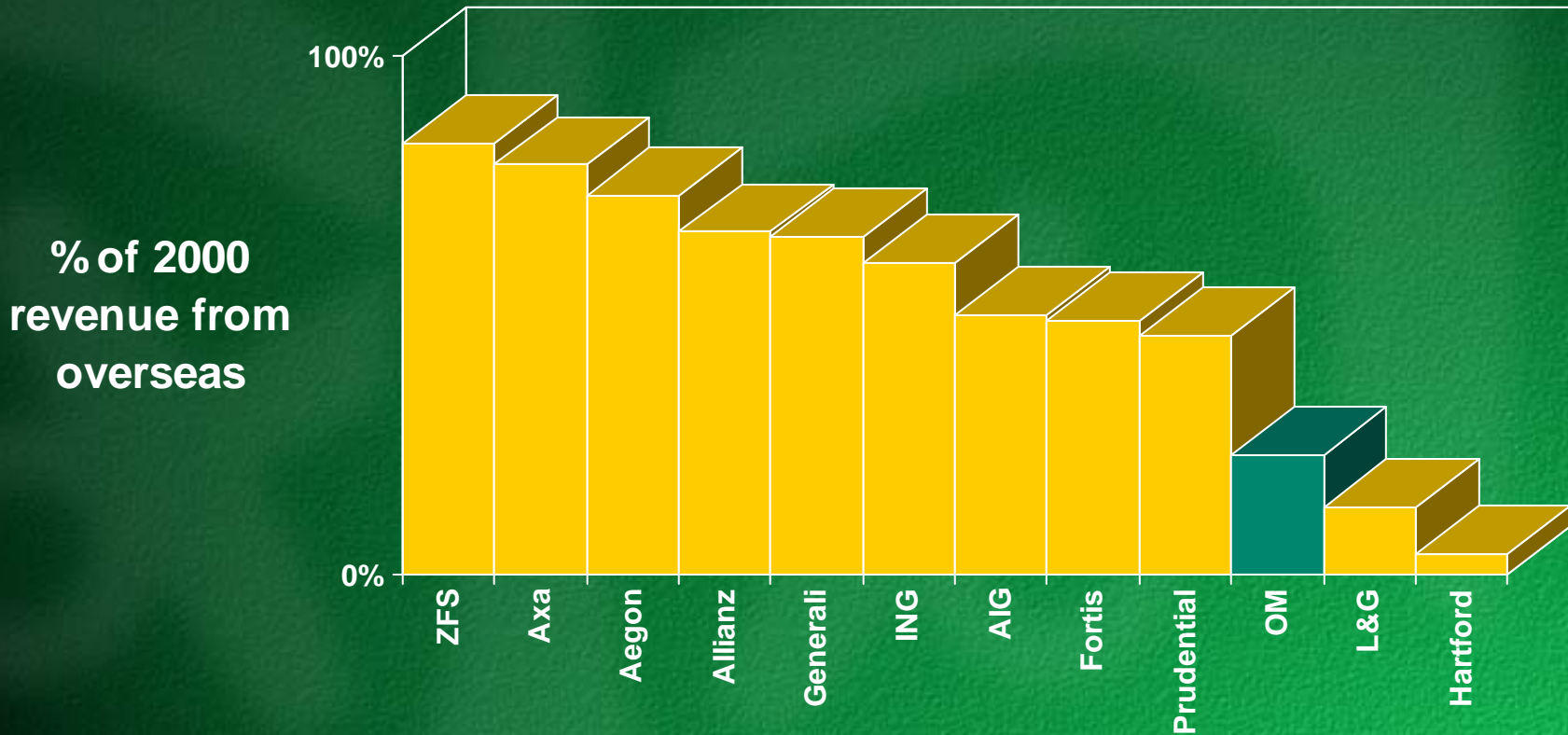
Balance sheet strength

Gearing ratio



- 15% return on equity
- Debt of £1.2bn
- \$650m convertible bond heavily oversubscribed
- £900m five year revolving credit facility secured
- Interest cover of 13 times on smoothed earnings
- Moody's A2 rating

Revenues from outside home market



Source: Bloomberg
Merrill Lynch

Delivering our potential

- Long Term:
 - Build an international financial services organisation in selected markets
- Short term priorities:
 - Growth from SA
 - Drive returns from UK & USA acquisitions
 - Create value from international start up operations

