



# Old Mutual plc Interim Results 2005

10<sup>th</sup> August 2005

Strength of diversity, power of focus



# Introduction

Jim Sutcliffe  
Chief Executive

Strength of diversity, power of focus

# Delivering growth – Sterling

- Adjusted EPS up 22% to 8.4p
- FUM up 13% to £158bn (£140bn 31/12/04)
- Adjusted EV per share down 2% to 137.5p (139.7p 31/12/04)
- ROEV 15.4% (15.3%)
- ROE 17.8% (18.7%)
- Nedbank adjusted operating earnings R2,112m (R898m)
- \$20bn net cash flows in the US (\$5bn)
- Interim dividend 1.85p (1.75p)

# Delivering growth – Rand

- Adjusted EPS up 18 % to 98.2c
- FUM up 25% to R1,896bn (R1,520bn 31/12/04)
- Adjusted EV per share up 9% to 1,645c (1,515c 31/12/04)
- ROEV 15.4% (15.3%)
- ROE 17.8% (18.7%)
- Nedbank adjusted operating earnings R2,112m (R898m)
- \$20bn net cash flows in the US (\$5bn)
- Interim dividend 21.3c\* (19.8c) \* Based on current Rand rate

# Progress in H1 2005 – organic

	Objective	Progress
<b>OMSA</b>	<ul style="list-style-type: none"> <li>Grow multi-channel sales</li> </ul>	<ul style="list-style-type: none"> <li>Life sales (APE) up 13%; Unit trusts sales up 81%</li> </ul>
<b>Nedbank</b>	<ul style="list-style-type: none"> <li>Maintain market share from H2, contain costs</li> </ul>	<ul style="list-style-type: none"> <li>Jaws ratio &gt;9% target; RoE improving</li> </ul>
<b>M&amp;F</b>	<ul style="list-style-type: none"> <li>Average 4% underwriting result through the cycle</li> </ul>	<ul style="list-style-type: none"> <li>Excellent results in softening cycle; U/W ratio of 8.6%</li> </ul>
<b>US Life</b>	<ul style="list-style-type: none"> <li>Pricing discipline, ROE-driven product orientation</li> </ul>	<ul style="list-style-type: none"> <li>EV margin at 20% at top end of range; H1 sales and profits strong</li> </ul>
<b>US AM</b>	<ul style="list-style-type: none"> <li>Build load retail offering</li> </ul>	<ul style="list-style-type: none"> <li>H1 retail (OMCAP) sales \$0.5bn</li> </ul>
<b>UK &amp; RoW</b>	<ul style="list-style-type: none"> <li>Grow UK product and distribution</li> </ul>	<ul style="list-style-type: none"> <li>OMAM (UK) net external inflows of £230m; Selestia funds now &gt; £1bn</li> </ul>

## Value Creation Imperatives



# Progress in H1 2005 – strategic

	Objective	Progress
<b>OMSA</b>	<ul style="list-style-type: none"> <li>■ Black economic empowerment</li> </ul>	<ul style="list-style-type: none"> <li>■ BEE deals completed</li> </ul>
<b>Nedbank</b>	<ul style="list-style-type: none"> <li>■ Build retail and transaction capability</li> </ul>	<ul style="list-style-type: none"> <li>■ Retail profits double and client service improving</li> </ul>
<b>M&amp;F</b>	<ul style="list-style-type: none"> <li>■ Investing in leading systems</li> </ul>	<ul style="list-style-type: none"> <li>■ Data warehouse live</li> </ul>
<b>US Life</b>	<ul style="list-style-type: none"> <li>■ Dividend from 2007</li> </ul>	<ul style="list-style-type: none"> <li>■ On track</li> </ul>
<b>US AM</b>	<ul style="list-style-type: none"> <li>■ Growth and alternatives</li> </ul>	<ul style="list-style-type: none"> <li>■ Agreements in place at 2100 Capital and Copper Rock</li> </ul>
<b>UK &amp; RoW</b>	<ul style="list-style-type: none"> <li>■ India, China</li> <li>■ Taking opportunities</li> </ul>	<ul style="list-style-type: none"> <li>■ 6,000 agents in India; Representative office established in China</li> <li>■ Skandia talks continue</li> </ul>

## Value Creation Imperatives



# 2005 Business Review

Julian Roberts  
Group Finance Director

Strength of diversity, power of focus

# 2005 Business Review

- **Key financial highlights**
- Highlights of Business Unit results
- Group capital position



# Key financial highlights – Sterling

	IFRS basis		EEV basis	
	H1 2005	H1 2004	H1 2005	H1 2004
Adjusted operating profit (£m)	<b>554</b>	428	<b>638</b>	497
Adjusted operating EPS	<b>8.4p</b>	6.9p	<b>10.1</b>	8.1p
Adjusted EV per share	n/a	n/a	<b>137.5p</b>	139.7p*
ROE/ROEV	<b>17.8%</b>	18.7%	<b>15.4%</b>	15.3%
New business APE	n/a	n/a	<b>318</b>	284
Value of new business	n/a	n/a	<b>54</b>	46
FUM (£bn)	<b>158</b>	140*	<b>158</b>	140*

\* 31 December 2004

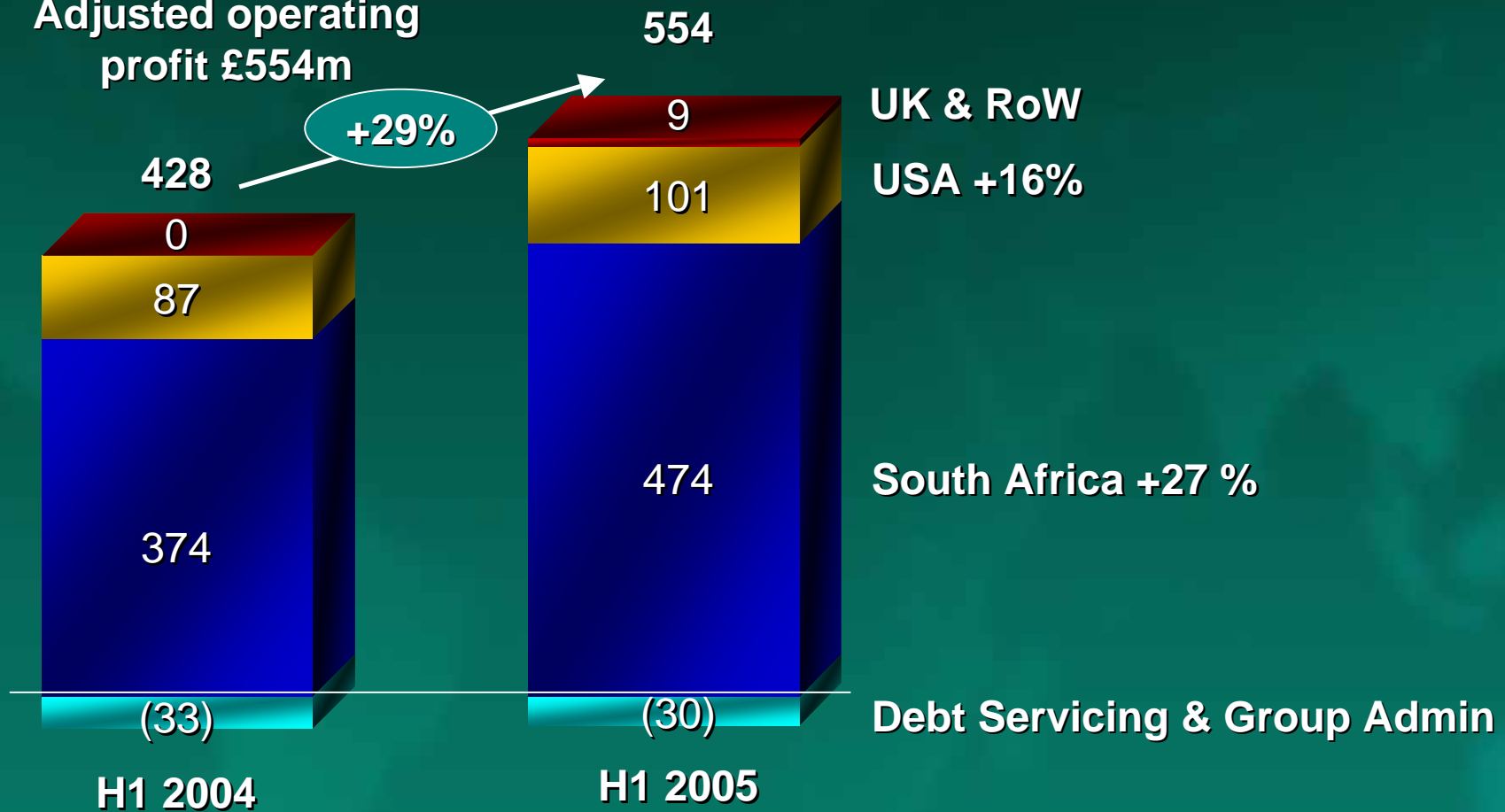
# Key financial highlights – Rand

	IFRS basis		EEV basis	
	H1 2005	H1 2004	H1 2005	H1 2004
Adjusted operating profit (Rm)	<b>6,445</b>	5,194	<b>7,420</b>	6,032
Adjusted operating EPS	<b>98.2c</b>	83.1c	<b>117.7c</b>	97.7c
Adjusted EV per share	n/a	n/a	<b>1,645c</b>	1,515c*
ROE/ROEV	<b>17.8%</b>	18.7%	<b>15.4%</b>	15.3%
New business APE	n/a	n/a	<b>3,703</b>	3,444
Value of new business	n/a	n/a	<b>633</b>	559
FUM (Rbn)	<b>1,896</b>	1,520*	<b>1,896</b>	1,520*

\*31 December 2004

# All regions delivered increased earnings

Adjusted operating profit £554m



# 2005 Business Review

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## **South Africa including Rest of Africa**

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# OMSA – strong return on capital

Rm	H1 2005	H1 2004	Change
SA Life	<b>1,758</b>	1,811	(3%)
LTIR	<b>646</b>	911	(29%)
Asset Management	<b>361</b>	230	57%
<b>Adjusted operating profit</b>	<b>2,765</b>	2,952	(6%)
ROC (Life allocated capital)	<b>24%</b>	26%	
EV adjusted operating profit	<b>2,971</b>	3,387	(12%)
Client FUM (Rbn)	<b>316</b>	312*	1%

\*31 December 2004

# OMSA – sales improving

Rm	H1 2005	H1 2004	Change
<b>Life new business* (APE)</b>	<b>1,900</b>	<b>1,685</b>	<b>13%</b>
Individual	1,339	1,212	10%
Group	561	473	19%
<b>Unit trust sales (gross sales)</b>	<b>3,666</b>	<b>2,027</b>	<b>81%</b>
<b>Life new business margins</b>	<b>15%</b>	<b>19%</b>	
Individual	12%	17%	
Group	20%	22%	
<b>Life VNB**</b>	<b>267</b>	<b>301</b>	<b>(11%)</b>

\*Including OMI    \*\*After tax and excluding OMI

# OMSA – management actions

	Action	Progress
<b>PFA</b>	Grow PFA numbers	Up 17% since 30 June 2004
<b>Broker</b>	Improve broker service	Service standards being met
<b>Sales</b>	Grow bancassurance	Bancassurance sales up 52%
<b>Investment</b>	Improve investment performance	Strong over 1 and 3 years
<b>Net cash flows</b>	Improve net cash flows	Disappointing net cash flows

# Nedbank – delivering improved operating performance

Rm	Headline earnings*		ROE*	
	H1 2005	H1 2004	H1 2005	H1 2004
Capital	447	355	28.2%	23.5%
Corporate	927	812	19.1%	17.7%
Retail	439	214	18.3%	9.2%
Imperial Bank	56	47	10.3%	14.2%
Operating divisions	1,869	1,428		
Shared Services	(94)	(128)		
Capital Management and Central Funding	(377)	(498)		
<b>Total</b>	<b>1,398</b>	<b>802</b>	<b>14.6%</b>	<b>11.7%</b>

\*Nedbank results

# Nedbank – management actions

	Action	Progress
<b>Asset growth</b>	Maintain market share from H2 2005	Market share losses slowed in past 6 months especially in key home loan segment
<b>Cost:Income</b>	Growth 9% below income growth through operating efficiencies	Income growth 13.1% higher than expense growth; Cost:Income ratio 68.6%
<b>Revenue</b>	Focus on transaction revenue - NIR growth	H1 2005 commissions and fees increased by 6%
<b>Retail</b>	Build Nedbank Retail	Improved like-for-like profitability and ROE; Reduced rate of market share losses
<b>FSC</b>	Transformation beyond FSC targets	BEE transaction increases black ownership to 11.5% of SA business



# Mutual & Federal – excellent results in a softening cycle

	H1 2005	H1 2004	Change
Gross premiums (Rm)	<b>3,962</b>	3,592	10%
Adjusted operating profit (Rm)*	<b>573</b>	639	(10%)
Underwriting ratio	<b>8.6%</b>	10.7%	
Solvency ratio	<b>57%</b>	58%	
Dividend (cents)	<b>40</b>	25	60%
Return on equity	<b>22.7%</b>	26.7%	

\*UK IFRS



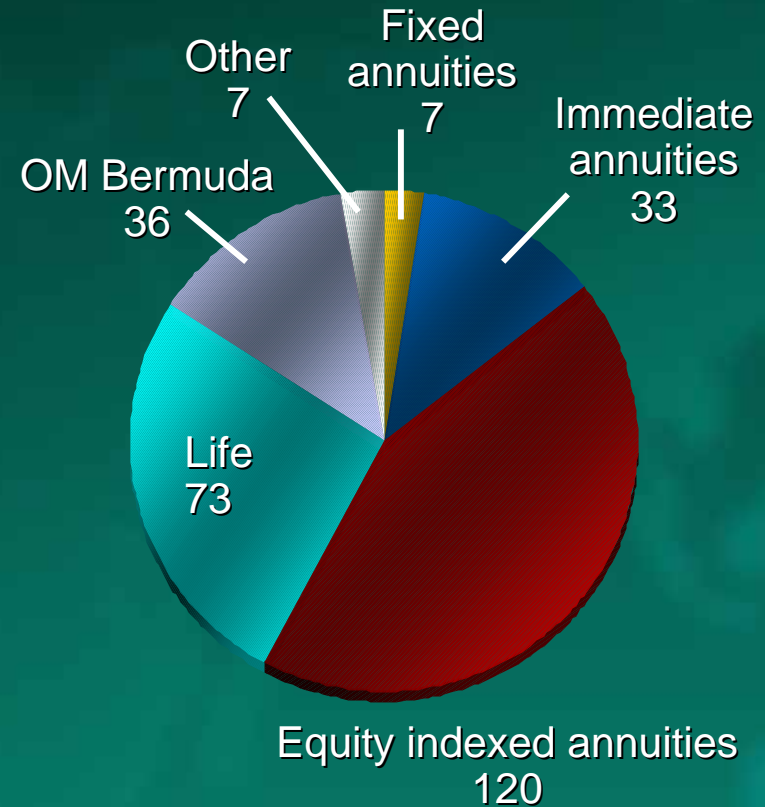
# United States

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# US Life – sales strong

\$m	H1 2005	H1 2004	Change
Sales APE	<b>276</b>	<b>251</b>	<b>10%</b>
Value of new business	<b>55</b>	<b>38</b>	<b>45%</b>
New business margin	<b>20%</b>	<b>15%</b>	

H1 2005 sales \$m (APE)



# US Life – strong profits growth

	H1 2005	H1 2004	Change
Adjusted operating profit (\$m)	93	73	27%
Return on equity	7.4%	7.3%	
FUM (\$bn)	19.8	17.3*	15%
EV adjusted operating profit (\$m)	155	97	60%
Embedded value (\$m)	2,019	1,838*	10%
Adjusted return on EV	12.7%	11.0%	

\*31 December 2004

# US Life – management actions

	Action	Progress
<b>ROE</b>	Increase towards hurdle rate	On track, but 2004 capital injection caused a blip
<b>New business</b>	Price at 12% IRR Maintain diversified product range	Pricing disciplines in place Strong growth in Life and OMNIA sales
<b>Capital management</b>	Dividend payment release in 2007	On track



# US Asset Management – excellent net cash flows and profits

	H1 2005	H1 2004	Change
Adjusted operating profit (\$m)	94	85	11%
Net cashflow (\$bn)	20.1	5.2	286%
FUM at period end (\$bn)	209	185*	13%
Average FUM (\$bn)	195	159	23%
Operating margin	26.4%	26.5%	

\*31 December 2004

# US Asset Management – management actions

	Action	Progress
<b>Investment performance</b>	Consistent investment excellence	Excellent performance maintained 75% and 95% asset outperform benchmark over 3 yrs and 5 yrs respectively
<b>Products</b>	Expand offering	Retail – second product offering approved and in process of registration
<b>Retail initiative</b>	Grow FUM	Retail sales \$0.5bn
<b>Portfolio</b>	Fill market segment gaps	Funds of hedge funds Growth equity manager



## UK & RoW

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# UK & RoW – building critical mass

<u>£m</u>	<u>H1 2005</u>	<u>H1 2004</u>	<u>Change</u>
Adjusted operating profit	9	-	n/a

<u>Funds under management £m</u>	<u>June 2005</u>	<u>Dec 2004</u>	<u>Change</u>
Selestia	1,052	730	44%
OMAM (UK)	3,942	3,397	16%

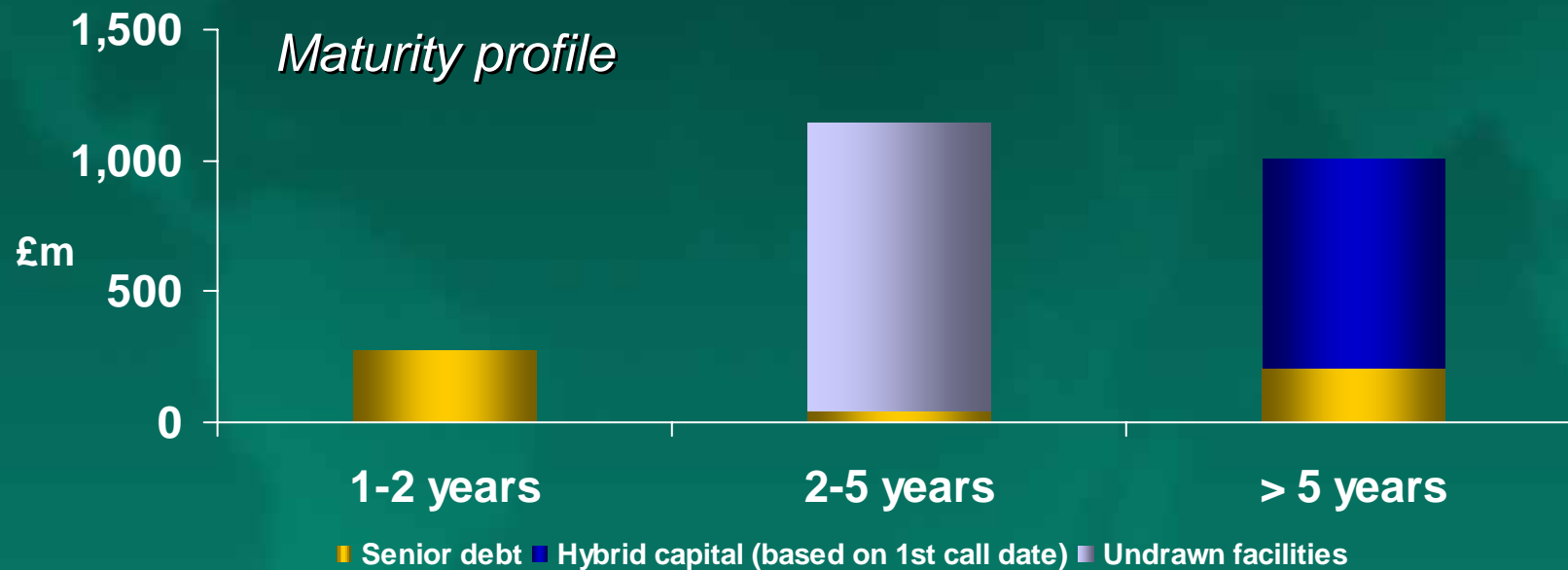
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# Capital resources profile

- Gearing\*: 19% (2004: 16.9%)
- £350 million Tier 1 preferred hybrid security issued March 2005
- \$636 million Convertible repaid May 2005
- Undrawn committed facilities of £1.1bn



\*(Senior debt plus hybrid) / (senior debt plus hybrid plus adjusted embedded value)

# Group capital position

- Shareholders' equity up 37% to £3,844m
- Interest cover 30x (Dec 2004 21x)
- Hard interest cover\* 5.2x (Dec 2004 3x)
- Economic capital robust

\* Non Africa incl. Group admin. (EBITDA)

# Momentum continues to build...

All businesses delivering good profit growth

- ROE 17.8%
- Strong cash inflows
- Nedbank recovery on track
- Underlying EV profits up strongly
- EV at 137.5p (Dec 2004: 139.7p) per share



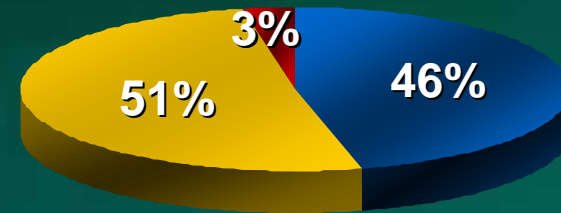
# Looking Ahead

Jim Sutcliffe  
Chief Executive

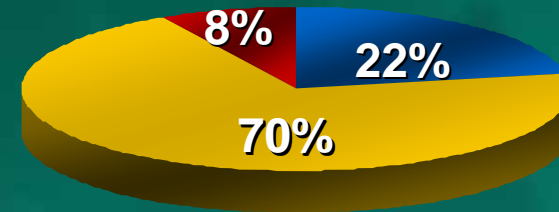
# Old Mutual's journey...

- Use a strong SA base to build an international financial services group
- Provide high quality investment skills to build and protect client assets
- Target customer-focused regional businesses

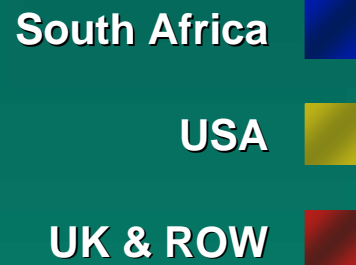
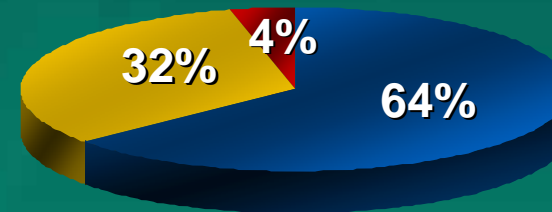
Life new business H1 2005 APE £318m



Funds under management H1 2005 £158bn



Embedded value H1 2005 £5.3bn



## ...with the potential to go further

### Key indicators demonstrate momentum:

- ROE 17.8%
- Adjusted EPS 8.4p
- FUM £158bn
- EV 137.5p
- ROEV 15.4%

### Three platforms driving growth:

- SA – powerful market position
- US – established businesses gaining momentum
- UK – start-ups gaining market recognition

**Strength in depth and breadth**



# Delivering on strategy

- Driving organic growth
- Taking market opportunities

**Looking to the future with confidence**



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# Appendix

# Appendix – table of contents

- Business Unit targets
- OMSA supplementary information
- Nedbank and Mutual & Federal
- US Life supplementary information
- US Asset Management supplementary information
- Tax
- Group supplementary information
- EV profits

# 1. Business Unit targets

Business Units	Target	Objective
OMSA	Margins ROE	High teens > 20%
Nedbank	ROE C:I	> 20% in 2007 55% in 2007
M&F	U/W ROE	> 4% > 20%
US Life	Margins ROE Cash	Mid teens > 12% In respect of 2007
USAM	Net funds flows	\$5bn - \$10bn pa
UK	Selestia Run rate	Break even end '06 at £2bn

## 2. OMSA – individual single life sales

<b>APE sales (Rm)</b>	<b>H1 2005</b>	<b>H1 2004</b>	<b>Change</b>
Savings	<b>247</b>	<b>229</b>	<b>8%</b>
Annuities	<b>82</b>	<b>76</b>	<b>8%</b>
Other	<b>5</b>	<b>6</b>	<b>(17%)</b>
Old Mutual International	<b>65</b>	<b>48</b>	<b>35%</b>
<b>Total individual single incl. OMI</b>	<b>399</b>	<b>359</b>	<b>11%</b>
<b>Unit trust sales</b>	<b>3,666</b>	<b>2,027</b>	<b>81%</b>



### 3. OMSA – individual recurring life sales

<b>APE sales (Rm)</b>	<b>H1 2005</b>	<b>H1 2004</b>	<b>Change</b>
Savings	<b>327</b>	<b>291</b>	<b>12%</b>
Protection	<b>302</b>	<b>262</b>	<b>15%</b>
Group Schemes	<b>309</b>	<b>295</b>	<b>5%</b>
Old Mutual International	<b>2</b>	<b>5</b>	<b>(60%)</b>
<b>Total individual recurring incl. OMI</b>	<b>940</b>	<b>853</b>	<b>10%</b>

## 4. OMSA – group sales

<b>APE sales (Rm)</b>	<b>H1 2005</b>	<b>H1 2004</b>	<b>Change</b>
<b>Single</b>			
Savings	<b>128</b>	89	44%
Annuity	<b>54</b>	16	238%
<b>Total group single</b>	<b>182</b>	105	73%
<b>Recurring</b>			
Savings	<b>20</b>	26	(23%)
Healthcare	<b>278</b>	275	1%
Protection	<b>81</b>	67	21%
<b>Total group recurring</b>	<b>379</b>	368	3%

## 5. OMLAC(SA) net cash flow

Rbn	H1 2005			H1 2004		
	Individual	Group	Total	Individual	Group	Total
<b>Premiums</b>						
Single premiums	4,031	3,448	7,479	3,422	2,547	5,969
Recurring premiums	5,542	1,622	7,164	5,250	1,784	7,034
<b>Total premiums</b>	<b>9,573</b>	<b>5,070</b>	<b>14,643</b>	<b>8,672</b>	<b>4,331</b>	<b>13,003</b>
<b>Claims</b>						
Death and disability	969	653	1,622	981	791	1,772
Maturity	2,894	286	3,180	3,310	232	3,542
Annuities	1,567	1,324	2,891	1,425	1,363	2,788
Terminations	3,739	6,918	10,657	2,550	5,162	7,712
<b>Total</b>	<b>9,169</b>	<b>9,181</b>	<b>18,350</b>	<b>8,266</b>	<b>7,548</b>	<b>15,814</b>
<b>Net cash flow</b>	<b>404</b>	<b>(4,111)</b>	<b>(3,707)</b>	<b>406</b>	<b>(3,217)</b>	<b>(2,811)</b>

## 6. SA Life return on capital

<u>Rm</u>	<u>H1 2005</u>	<u>H1 2004</u>
<b>Allocated capital (bn)</b>	<b>16.4</b>	<b>16.9</b>
Life assurance technical result*	1.7	1.9
Attributable tax on operating profit	(0.6)	(0.6)
Return on allocated capital (net of tax)	0.7	0.9
<b>Total return (annualised)</b>	<b>3.8</b>	<b>4.5</b>
Return on allocated capital	<b>24%</b>	<b>28%</b>

\*Excludes OMI

## 7. OMSA – funds under management

<b>SA FUM (Rbn)</b>	<b>June 2005</b>	<b>Dec 2004</b>	<b>Change</b>
Policyholders	216	211	2%
Asset Management	96	97	(1%)
Unit Trusts	4	4	-
<b>Client funds</b>	<b>316</b>	<b>312</b>	<b>1%</b>
Shareholders	27	26	4%
<b>Total OMSA SA* FUM</b>	<b>343</b>	<b>338</b>	<b>1%</b>

\*Excludes OMI

## 8. OMAM(SA) – investment performance

### OMAM(SA) continues to deliver strong investment performance

- 50% of specialist benchmark unit trusts managed by OMAM(SA) outperformed their benchmarks over one year (33% over three years ended 30 June 2005).
- Ranked second out of the eleven institutional asset managers (in the Alexander Forbes Large Manager Watch (Global) Survey) over the 12 months ended June 2005. Ranked fourth out of nine managers over the three years to June 2005.
- 35% of total peer group unit trusts managed by OMAM(SA) were placed in the top quartile over one year to 31 June 2005. (53% over three years).
- 80% over 1 year (94% over 3 years) to 30 June 2005 of funds managed by OMAM(SA) weighted by value outperformed their benchmarks.



## 9. SA Life solvency position

<u>Rbn</u>	<u>H1 2005</u>	<u>H1 2004</u>
Net assets	<b>280.2</b>	235.8
Actuarial liabilities	<b>242.5</b>	204.8
Excess assets	<b>37.7</b>	31.0
Statutory capital Adequacy Requirement	<b>11.0</b>	12.2
Statutory capital cover (before regulatory asset limitations)	<b>3.4</b>	2.5
Estimate of regulatory limitations	<b>11.0</b>	5.5
Excess assets after regulatory limitations	<b>26.9</b>	25.2
Statutory capital cover (after regulatory asset limitations)	<b>2.4</b>	2.1

## 10. Nedbank – rec of adjusted operating profit per OM plc to Nedcor headline earnings

Rm	H1 2005	H1 2004
Banking	2,045	783
Asset management	67	115
<b>Adjusted operating profit per Old Mutual</b>	<b>2,112</b>	<b>898</b>
Tax on adjusted operating profit	(469)	(109)
Minorities	(212)	(189)
IAS39 EU “Carve-out”	(17)	55
Other adjustments	(16)	147
<b>Headline earnings</b>	<b>1,398</b>	<b>802</b>

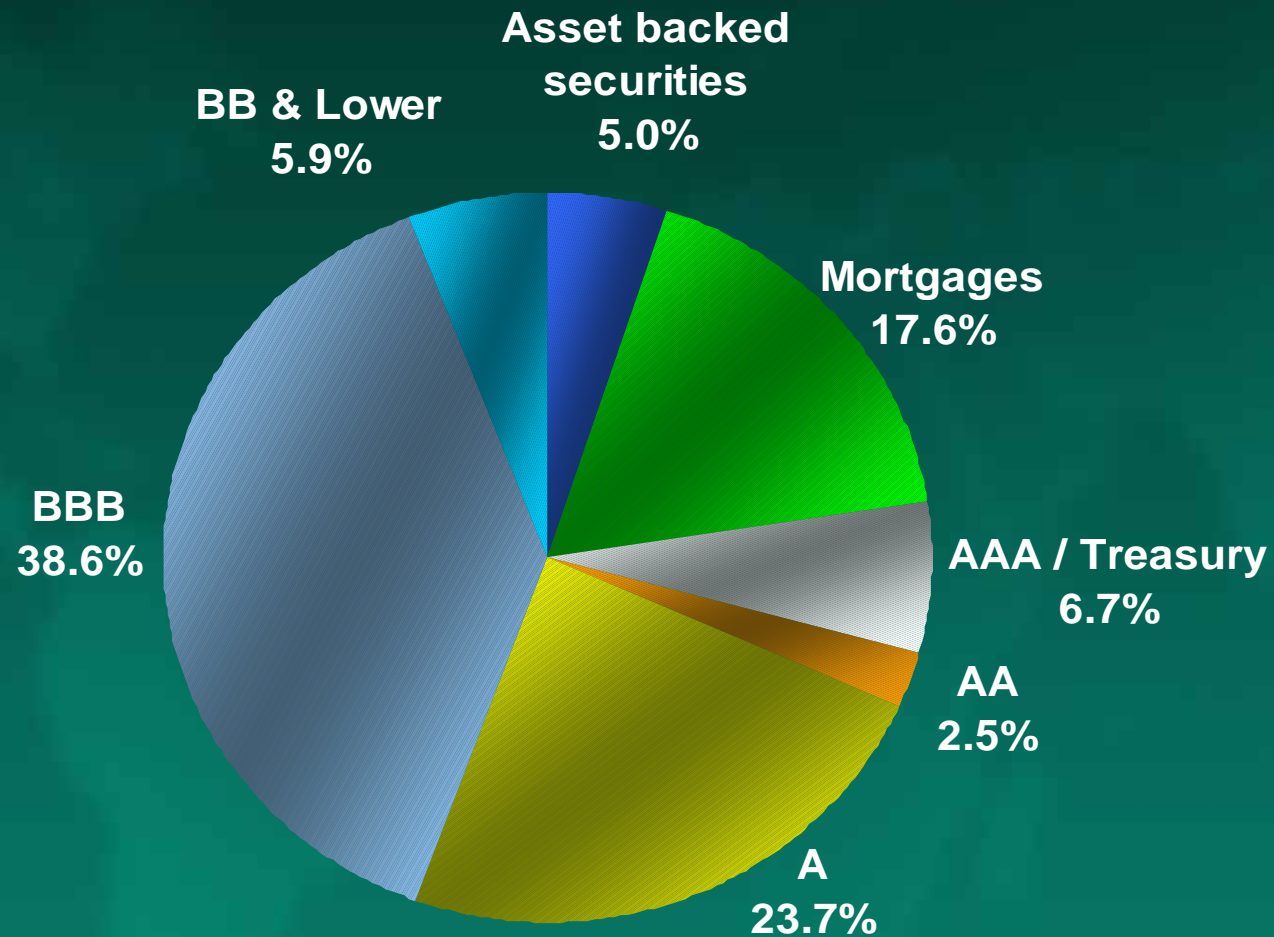
# 11. Mutual & Federal – reconciliation to OM plc adjusted operating profits

Rm	H1 2005	H1 2004
<b>Adjusted operating profit</b>	<b>573</b>	<b>639</b>
Contingency reserve adjustment	-	-
Nedbank investment	<b>10</b>	<b>41</b>
Associates	<b>(2)</b>	<b>(30)</b>
Abnormal costs	-	-
Other adjustments	-	-
<b>Operating profit including LTIR reported by M&amp;F</b>	<b>581</b>	<b>650</b>

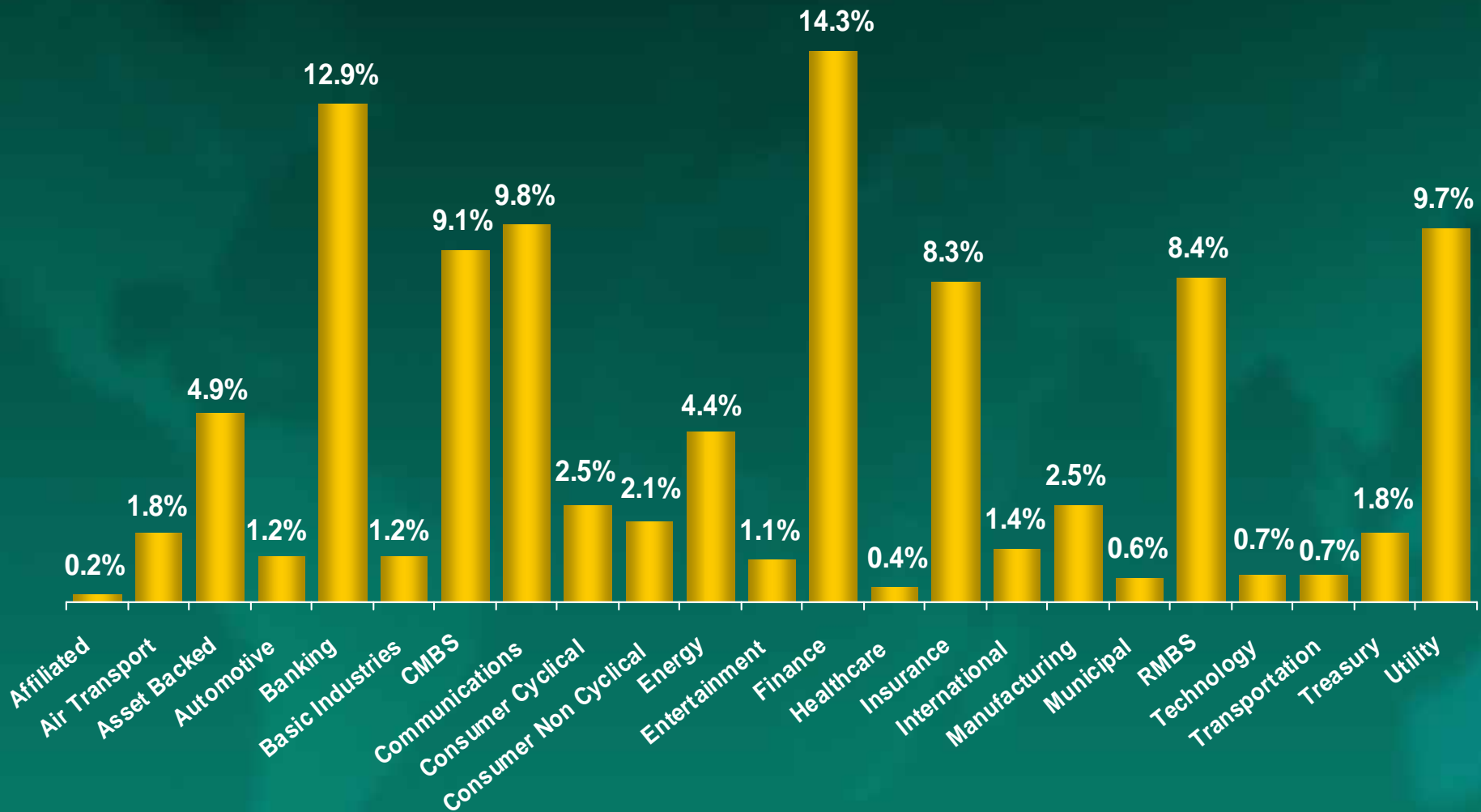
## 12. US Life – sales analysis

<b>Product APE \$m</b>	<b>H1 2005</b>	<b>H1 2004</b>
<b>Fixed annuities</b>	<b>7.3</b>	<b>7.6</b>
<b>Immediate annuities</b>	<b>32.6</b>	<b>40.7</b>
<b>Equity indexed annuities</b>	<b>119.6</b>	<b>119.5</b>
<b>Life</b>	<b>73.3</b>	<b>48.4</b>
<b>OMNIA</b>	<b>35.5</b>	<b>17.6</b>
<b>Other</b>	<b>7.5</b>	<b>17.1</b>
<b>Total</b>	<b>275.8</b>	<b>250.9</b>

# 13. US Life – bond portfolio June 2005



# 14. US Life – bond portfolio June 2005



## 15. US Life – financial strength

	June 2005	June 2004
A.M. Best rating (F&G)	A	A
Portfolio average credit quality	A2	A2
Defaults/impairments (\$m)	0	0
Realised gains (\$m)	60	35



## 16. US Asset Management – additional disclosure

Income statement (\$m)	H1 2005	2004	2003
Management fees	317	579	490
Performance and transaction fees	12	68	58
Other revenues	28	34	17
<b>Total revenues</b>	<b>357</b>	<b>672</b>	<b>565</b>
Fixed expenses	175	326	299
Variable compensation expenses	88	182	132
<b>Total expenses</b>	<b>263</b>	<b>509</b>	<b>431</b>
<b>Operating income</b>	<b>94</b>	<b>163</b>	<b>134</b>
Operating margin	26%	24%	24%

# 17. US Asset Management – additional disclosure

Fund mix (\$bn)	Current estimated management fee rates (bps)	Indicative benchmark	H1 2005	Dec 2004	Dec 2003*
<b>Equity</b>					
US value	40-50	S&P Barra Value	72	65	54
US growth	65-75	Russell 1000 Growth	8	9	11
US core	45-55	S&P 500	8	12	6
Non-US	35-45	MSCI EAFE	24	19	14
			112	103	84
<b>Fixed income</b>					
	10-15	Lehman Aggregate Bond Index	67	61	53
<b>Alternative/real estate</b>	40-50	3 Month T-Bill/Wilshire RE	21	17	16
<b>Cash collateral</b>	2-3	3 Month T-Bill	9	4	1
<b>Total</b>	<b>35**</b>		<b>209</b>	<b>185</b>	<b>154</b>

\*Excluding affiliates disposed    \*\* H1 2005 average

## 18. US Asset Management – additional disclosure

<b>Fund roll forward (\$bn)*</b>	<b>H1 2005</b>	<b>2004</b>	<b>2003</b>
<b>Beginning of period FUM</b>	<b>185</b>	<b>154</b>	<b>123</b>
Net cash flow	20	12	5
Market action	4	19	26
<b>End of period FUM</b>	<b>209</b>	<b>185</b>	<b>154</b>
<b>Average FUM</b>	<b>195</b>	<b>165</b>	<b>136</b>

\*Excluding affiliates disposed

## 19. US Asset Management – investment performance

### US Asset Management continues to deliver strong investment performance

- At 31 March 2005, 75% and 95% of assets were outperforming their benchmarks over three and five years respectively
- Over the same period, 87% and 86% of assets ranked top half of peer group

# 20. Tax

£m	H1 2005			H1 2004		
	Adj Op profit	Tax	Effective rate	Adj Op profit	Tax	Effective rate
<b>South Africa</b>						
Life assurance & asset management	244	73	30%	248	70	28%
Banking	181	40	22%	74	7	9%
General insurance	49	14	28%	52	13	24%
	<b>474</b>	<b>127</b>	<b>27%</b>	<b>374</b>	<b>90</b>	<b>24%</b>
<b>United States</b>						
Asset management	51	(3)	(5%)	47	8	17%
Life	50	12	25%	40	11	28%
	<b>101</b>	<b>9</b>	<b>9%</b>	<b>87</b>	<b>19</b>	<b>22%</b>
<b>UK and Rest of World</b>	<b>(21)</b>	<b>(3)</b>	<b>-%</b>	<b>(33)</b>	<b>-</b>	<b>-</b>
<b>Total Group</b>	<b>554</b>	<b>133</b>	<b>24%</b>	<b>428</b>	<b>109</b>	<b>25%</b>

## 21. Further strong delivery in the first half

	H1 2005	H1 2004	Change
OMSA	2,765	2,952	(6%)
Nedbank (including UK/RoW)	2,112	898	135%
Mutual & Federal	573	639	(10%)
Rest of Africa	68	49	39%
<b>South Africa incl. ROA (Rm)</b>	<b>5,518</b>	<b>4,538</b>	<b>22%</b>
<b>South Africa including ROA £m</b>	<b>474</b>	<b>374</b>	<b>27%</b>
US Life	93	73	27%
US Asset Management	94	85	11%
<b>US (\$m)</b>	<b>187</b>	<b>158</b>	<b>18%</b>
<b>US £m</b>	<b>101</b>	<b>87</b>	<b>16%</b>
<b>UK &amp; RoW £m</b>	<b>9</b>	<b>-</b>	<b>-%</b>
Debt and other income	(30)	(33)	9%
<b>Adjusted operating profit</b>	<b>554</b>	<b>428</b>	<b>29%</b>
Tax	(133)	(109)	22%
Minority interests	(104)	(63)	65%
<b>Adjusted operating profit after tax and minority interests</b>	<b>317</b>	<b>256</b>	<b>24%</b>

## 22. Embedded value split by geography

£m	June 2005	Dec 2004
South Africa including Rest of Africa	4,348	4,571
North America	2,156	1,848
UK & Rest of World	204	149
Debt	(1,405)	(1,184)
<b>Adjusted embedded value</b>	<b>5,303</b>	<b>5,384</b>



## 23. Embedded value split by product

£m	H1 2005	H1 2004	Change
Covered Business	3,603	2,944	22%
Asset Management	1,174	969	21%
Banking	1,368	1,102	24%
General Insurance	414	405	3%
Other	160	134	19%
Debt	(1,416)	(1,168)	21%
<b>Adjusted embedded value</b>	<b>5,303</b>	<b>4,386</b>	<b>21%</b>

## 24. Old Mutual Life sales – value of new business (after tax)

£m	H1 2005	Margin	H1 2004	Margin
Individual*	15	13%	17	17%
Group*	10	20%	9	22%
<b>Total Africa life*</b>	<b>25</b>	<b>15%</b>	<b>26</b>	<b>19%</b>
United States	29	20%	21	15%
UK & Rest of World	0.4	5%	(1)	(16%)
<b>Total</b>	<b>54</b>	<b>17%</b>	<b>46</b>	<b>16%</b>

\*Excluding OMI

## 25. Group operating return on EV

£m	H1 2005	H1 2004
Adjusted operating profit after tax and minorities	380	301
Expected equity return on pro-forma adjustment	32	11
Adjusted operating profit	412	312
Opening adjusted EV	5,384	4,106
Capital raised	3	-
Dividends paid	(118)	(106)
Opening EV + Capital / 2 – Dividend / 6	5,363	4,088
<b>RoEV (annualised)</b>	<b>15.4%</b>	<b>15.3%</b>

## 26. EEV profits – Sterling

£m	H1 2005	H1 2004
Life	345	334
Non-life	293	163
<b>Adjusted operating profit before tax</b>	<b>638</b>	<b>497</b>
Short-term fluctuations in inv ret	233	(232)
Other items before tax	15	(91)
Tax & minorities	(324)	(104)
<b>Net profit</b>	<b>562</b>	<b>70</b>
<b>Basic EPS (p)</b>	<b>16.2</b>	<b>2.0</b>

## 27. EEV profits – Rand

Rm	H1 2005	H1 2004
Life	4,014	4,059
Non-life	3,406	1,973
<b>Adjusted operating profit before tax</b>	<b>7,420</b>	<b>6,032</b>
Short-term fluctuations in inv ret	2,715	(2,816)
Other items before tax	175	(1,103)
Tax & minorities	(3,773)	(1,264)
<b>Net profit</b>	<b>6,537</b>	<b>849</b>
<b>Basic EPS (c)</b>	<b>188.5</b>	<b>24.8</b>

## 28. Group embedded value (EEV) – Sterling

£m	H1 2005	H1 2004
<b>Opening balance</b>	<b>4,407</b>	3,641
Profit for the year	423	93
Foreign exchange gain	(223)	171
Dividend paid and proposed	(118)	(106)
Capital injection	343	3
<b>Closing balance</b>	<b>4,832</b>	3,802
Nedbank and M&F to market value	482	272
Market value of own shares held in policyholder funds	339	312
Adjustment to remove preferred callable securities	(350)	-
<b>Adjusted embedded value</b>	<b>5,303</b>	4,386
<b>Adjusted EV per share (p)</b>	<b>137.5</b>	114.0

## 29. Group embedded value (EEV) – Rand

Rm	H1 2005	H1 2004
<b>Opening Group EEV</b>	<b>47,808</b>	<b>43,462</b>
Profit for the year	<b>4,921</b>	1,128
Foreign exchange gain	<b>2,457</b>	(363)
Dividend paid and proposed	<b>(1,373)</b>	(1,288)
Capital injection	<b>3,990</b>	39
<b>Closing balance</b>	<b>57,803</b>	<b>42,978</b>
Nedbank and M&F to market value	<b>5,766</b>	3,075
Market value of own shares held in policyholder funds	<b>4,055</b>	3,527
Adjustment to remove preferred callable securities	<b>(4,187)</b>	-
<b>Adjusted embedded value</b>	<b>63,437</b>	<b>49,580</b>
<b>Adjusted EV per share (c)</b>	<b>1,645</b>	<b>1,288</b>



## 30. SA Life operating return on EV

<u>Rm</u>	H1 2005	H1 2004
Life assurance adjusted operating profit before tax	<b>2,971</b>	<b>3,387</b>
Attributed tax	<b>(869)</b>	<b>(1,034)</b>
Adjusted operating profit after tax	<b>2,102</b>	<b>2,353</b>
Opening EV	<b>26,391</b>	<b>25,644</b>
ROEV (annualised)	<b>16.6%</b>	<b>19.2%</b>