

PRELIMINARY RESULTS 2013

28 February 2014

INSURANCE | INVESTMENT | SAVINGS | BANKING



OLDMUTUAL

DISCLAIMER

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Old Mutual plc undertakes no obligation to update the forward-looking statements contained in this presentation or any other forward-looking statements it may make.

Nothing in this presentation shall constitute an offer to sell or the solicitation of an offer to buy securities.

AGENDA

Group and BU performance

Julian Roberts, Group CEO

Financial review

Philip Broadley, Group Finance Director

Strategic progress & summary

Julian Roberts, Group CEO

GOOD FINANCIAL PERFORMANCE

Gross sales up 17%¹ at £25.4 bn

£15.5 bn NCCF², equivalent to 6% of opening FuM; NCCF positive in all businesses

Funds under Management up 19%¹ at £294 bn²

£811m free surplus generated

AOP³ £1.6bn, up 15% in constant currency (reported: flat)

EPS 18.4 pence per share, up 21% in constant currency (reported: up 5%)

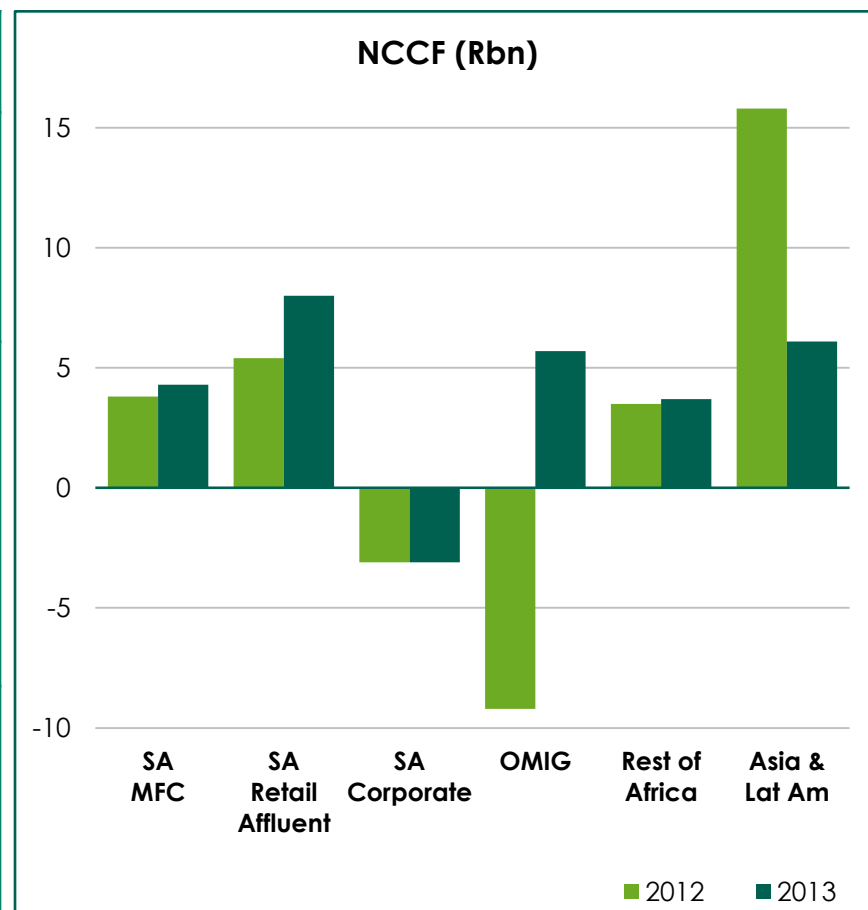
Group ROE⁴ 13.6%

Full year dividend 8.1 pence per share, up 16%

1. Percentages in constant currency.
2. Core business only.
3. AOP, pre-tax and NCI, based on core business only.
4. Core business IFRS AOP (post tax and NCI) divided by average ordinary shareholders' equity.

OLD MUTUAL EMERGING MARKETS

Rbn	2012	2013
AOP (IFRS, pre-tax) (Rm) ¹	7,955	8,911
AOP (IFRS, pre-tax) (£m)	611	590
Gross sales	152	165
Life sales (APE) (Rm) ²	6,808	8,442
Non-life sales ²	116	116
NCCF	16.2	24.7
FUM	724.6	837.9



1. Comparatives restated to reflect the allocation of 100% of iWYZE to Property & Casualty (previously 50% to OMEM).
2. From 1 Jan 2013 the following changes have been made to the classification of sales and comparatives have not been restated: Sales in India & China have been classified as life (APE) rather than non-life sales; life sales in Rest of Africa are reported net of minority interests (previously reported gross); client broker account flows in Kenya are no longer classified as non-covered sales.

NEDBANK

Rm	2012	2013	Change
AOP (IFRS, pre-tax) ¹	10,738	12,026	12%
AOP (IFRS, pre-tax) (£m) ¹	825	797	(3%)
Net interest income	19,680	21,220	8%
Non-interest revenue	17,324	19,361	12%
Impairments	5,199	5,565	(7%)
Credit loss ratio	1.05%	1.06%	(1 bps)
Common equity tier 1 ratio ²	11.6%	12.5%	90 bps

1. Comparatives have been restated to reflect accounting policy changes required by IAS19.

2. Based on Basel III capital criteria; 2012 restated.

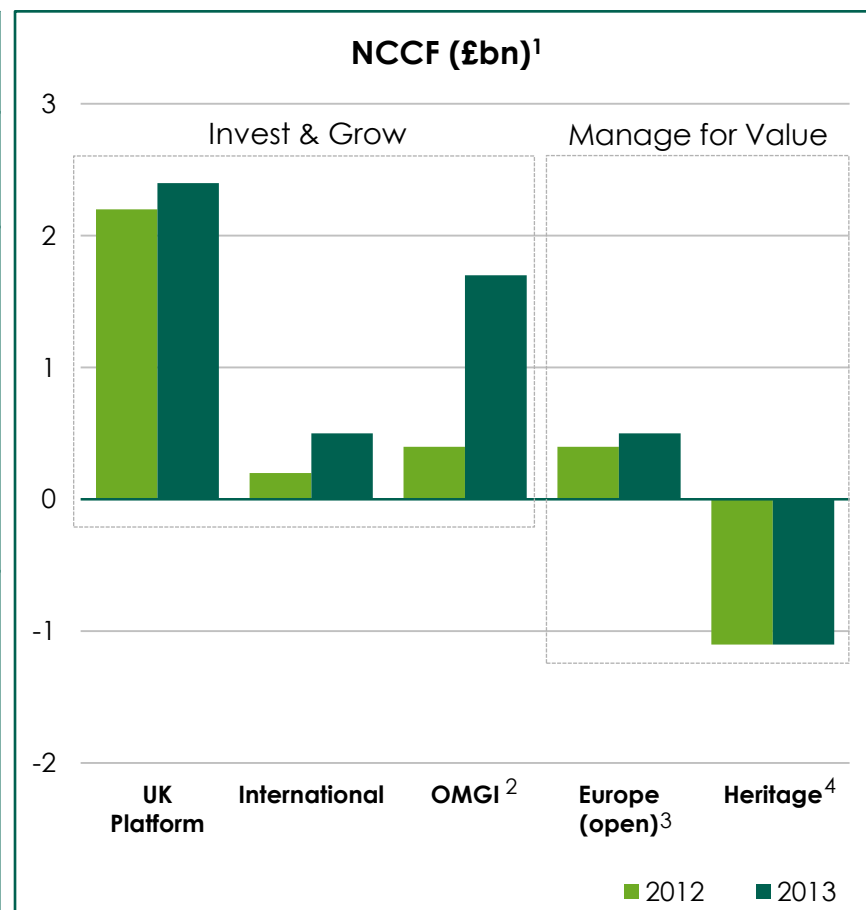
PROPERTY & CASUALTY

Rm	2012 ¹	2013	Change
AOP (IFRS, pre-tax)	475	58	(88%)
AOP (IFRS, pre-tax) (£m)	37	4	(89%)
Gross written premiums	9,706	11,315	17%
Claims ratio	72.4%	75.5%	(310 bps)
Underwriting result	(132)	(437)	(231%)
Return on equity	7.1%	0.6%	(650 bps)

1. Comparatives restated to reflect the allocation of 100% of iWYZE to Property & Casualty (previously 50% to OMEM).

OLD MUTUAL WEALTH

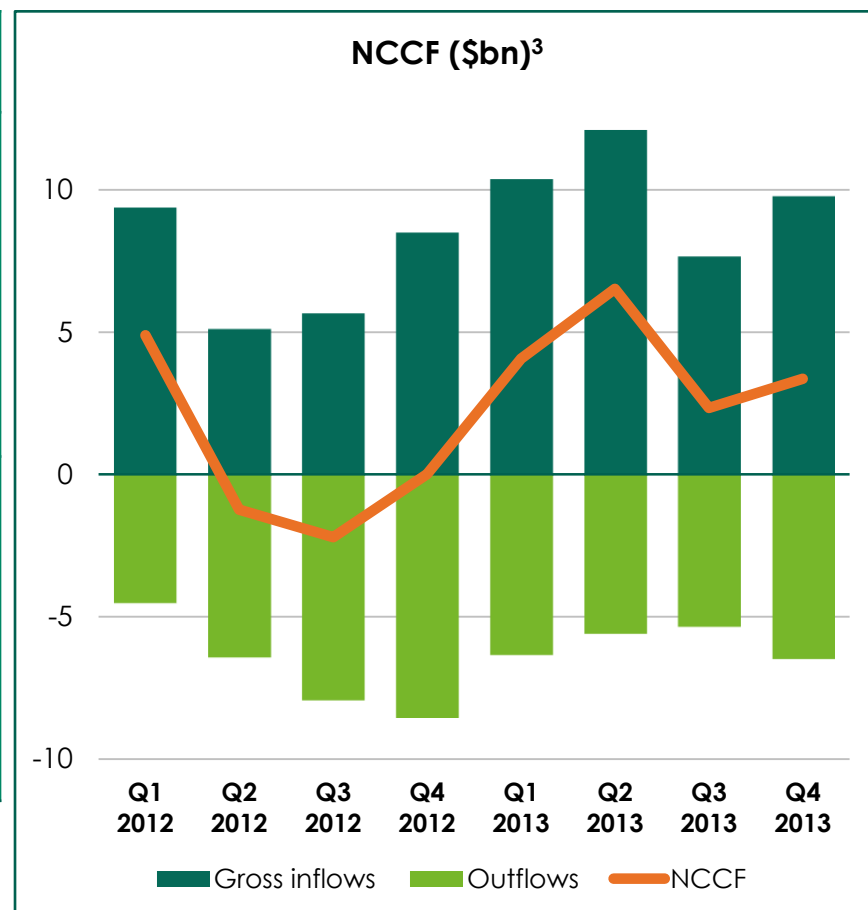
£bn	2012 ¹	2013
AOP (IFRS, pre-tax) (£m)	195	217
Gross sales	11.6	14.4
Life sales (APE) (£m)	610	606
Non-life sales (£m)	5,612	8,207
NCCF	2.0	2.3
NCCF exc. Nordic outflows	2.1	3.3
FUM	69.2	78.5



1. From Q2 2012 OMAM (UK) has been reported within OMGI rather than USAM; 2012 not restated.
2. Excludes Nordic outflows but includes flows managed by OMGI on behalf of other Old Mutual Wealth businesses (2013: £0.6bn, 2012: £0.1bn).
3. Includes business written in France, Italy and Poland.
4. Includes UK heritage and OMW Europe closed book (Germany, Austria and Switzerland).

US ASSET MANAGEMENT

\$bn	2012	2013
AOP (IFRS, pre-tax) (\$m)	144	174
AOP (IFRS, pre-tax) (£m)	91	111
Operating margin ¹	28%	33%
Gross cash inflows	32.1	39.9
NCCF ²	(0.4)	16.3
FuM	208.6	257.4



1. Operating margin is before non-controlling interests; post-NCI operating margin is 29% (2012: 24%). Comparative margin has been restated following the adoption of IFRS 10 in respect of Heitman.
2. NCCF includes hard asset disposals; client-driven net flows are \$17.3bn (2012: \$1.6bn).
3. Excludes the impact of affiliates divested in 2012, although includes Echo Point which was discontinued in Q4 2013.

FINANCIAL REVIEW

28 February 2014

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AGENDA

Group profit

Cash

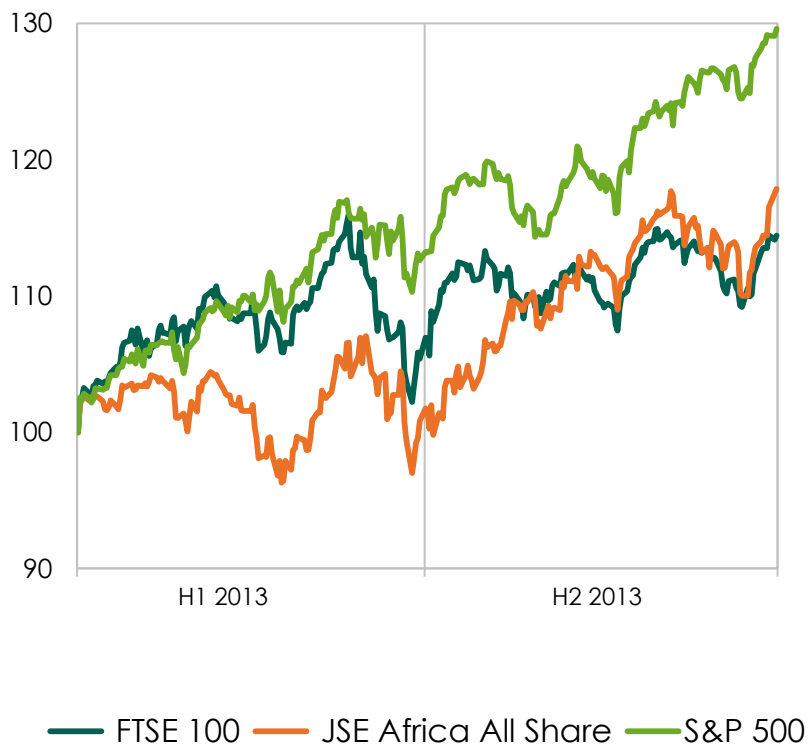
Capital & balance sheet

Dividend

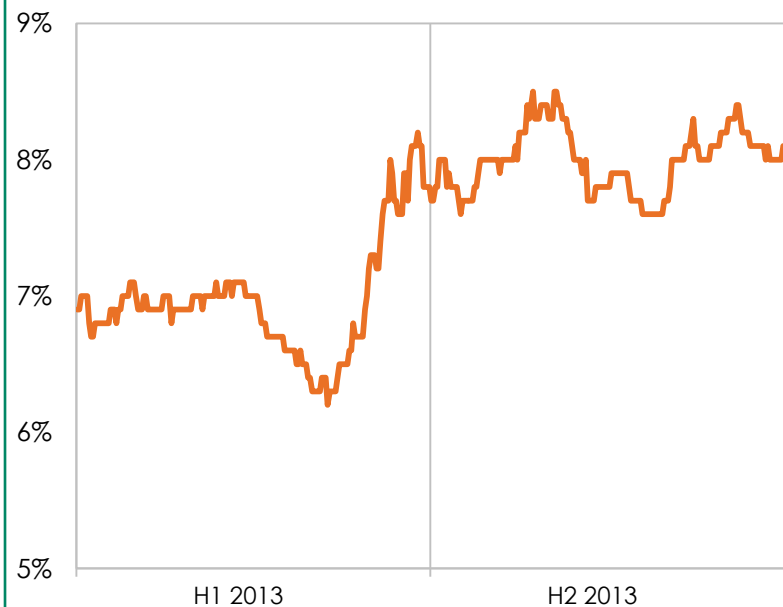
Financial summary

MACRO ENVIRONMENT

Equity markets¹



FSV 10-year government bond yields



OMEM LTIR rate increased to 8.6% for 2014 (2013: 8.0%)

1. Rebased to 1 Jan 2013=100.

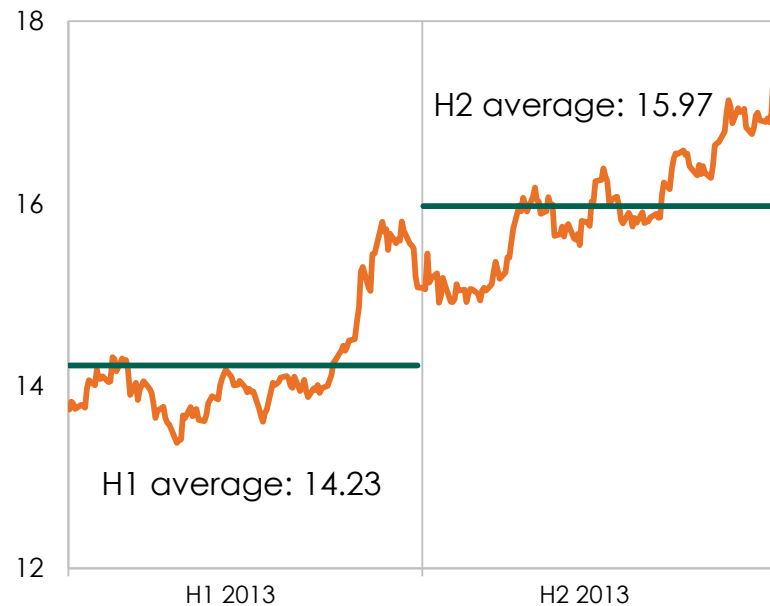
MACRO ENVIRONMENT

Currency (USD:GBP)



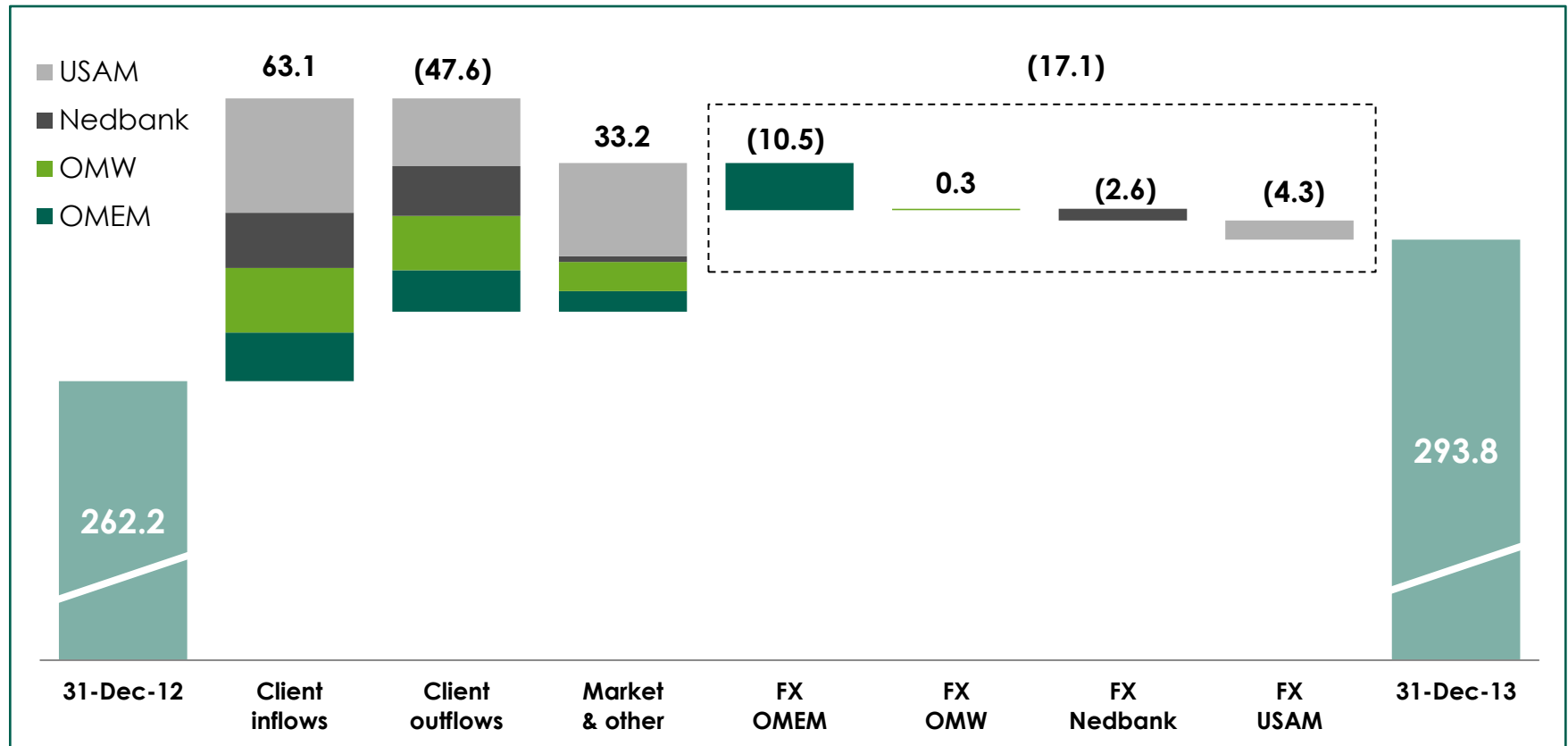
Closing rate 21 Feb 2014: 1.66

Currency (ZAR:GBP)



Closing rate 21 Feb 2014: 18.18

MOVEMENT IN FuM (£bn)



OPERATING PROFIT ANALYSIS: IFRS AOP

Group Profit
Cash
Balance Sheet
Dividend
Financial Summary

£m	2012 ¹	2013	Change in const. curr ²
Emerging Markets	611	590	12%
Nedbank	825	797	12%
Property & Casualty	37	4	(88%)
Old Mutual Wealth	195	217	11%
US Asset Management	91	111	21%
Business unit AOP (pre-tax and NCI)	1,759	1,719	10%
Finance costs	(130)	(92)	29%
Other ³	(17)	(15)	38%
AOP pre-tax and NCI	1,612	1,612	15%
Taxation	(440)	(424)	(11%)
Non-controlling interests	(331)	(298)	(3%)
IFRS AOP post-tax and NCI	841	890	22%

1. Comparatives have been restated to reflect accounting policy changes required by IAS 19, as well as the allocation of 100% of iWYZE to Property & Casualty (previously 50% to OMEM).
2. Change shown as positive indicates improvement (in constant currency); change shown as negative indicates adverse variance (in constant currency).
3. Includes LTIR on excess assets, interest payable to non-core operations, corporate costs & other expenses/income.



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FUM AND MARGINS

	Old Mutual Wealth (£bn)		Emerging Markets (Rbn)	
	2012	2013	2012	2013
Opening FuM	62.6 ¹	69.2	626.3	724.6
Inflows	11.9 ²	14.4	152.0	165.0
Outflows	(9.9)	(12.1)	(135.8)	(140.3)
Market and other	4.6	7.0	82.1	88.6
Closing FuM	69.2	78.5	724.6	837.9
AOP (IFRS, pre-tax) (£m/Rm)	195	217	7,955 ³	8,911
Net operating margin (bps) ⁴	29.6	29.4	117.8	114.1
Return on equity	13%	16%	25%	25%

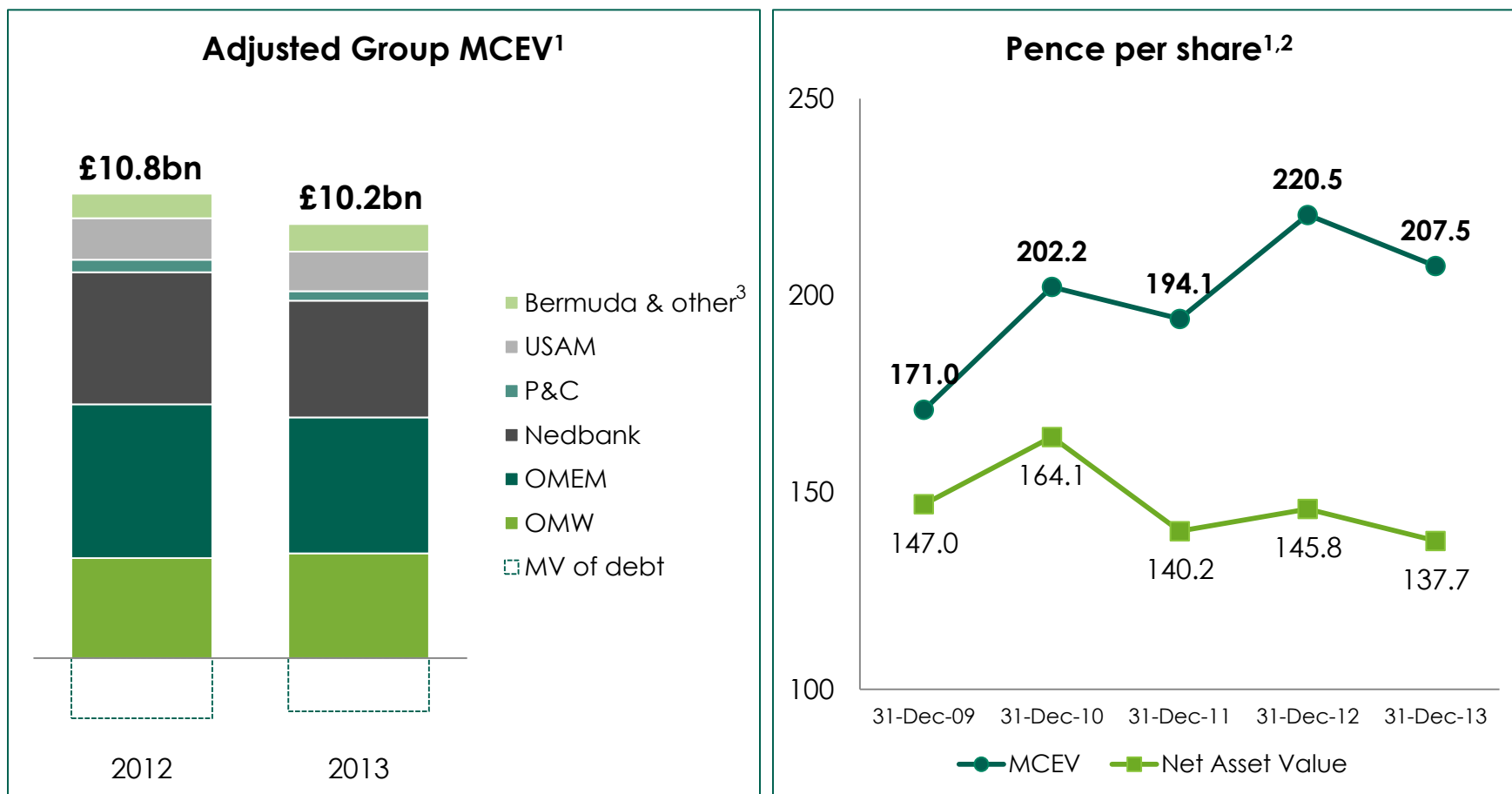
1. Restated to include £4bn of FuM in respect of OMAM(UK).
2. Restated to include £0.3bn of sales from OMAM(UK) in Q1 2012.
3. Comparative restated to reflect the allocation of 100% of iWYZE to Property & Casualty (previously 50% to OMEM).
4. Margins calculated on the average balance of FuM during the year.

MCEV

	2012	2013
Adjusted operating Group MCEV earnings per share (pence) ¹		
Covered business	9.0	10.0
Non-covered business	6.4	7.9
Total	15.4	17.9
Covered business (Emerging Markets & Old Mutual Wealth)		
VNB (post-tax) (£m)	197	212
PVNBP margin (post-tax)	2.3%	2.4%
APE margin (post-tax)	18%	19%

1. 2013 MCEV earnings per share includes non-core continuing operations of 0.6p (2012: 2.0p). In 2013 discontinued operations were nil (2012: 0.5p).

MCEV



1. The December 2012 adjusted Group MCEV and MCEV per share have been restated to reflect changes in accounting policies.
2. IFRS net asset value per share is as reported other than December 2012 which has been restated to reflect changes in accounting policies.
3. "Other" includes Group assets and liabilities not included elsewhere, including holding company cash.

CONVERSION OF BUSINESS UNIT PROFIT TO PLC CASH

2013 (£m)	AOP (post-tax & NCI)	Net free surplus generated	BU remittance ¹	% of AOP converted into BU remittance
Emerging Markets	424	420	171 ²	40%
Nedbank	315	139 ³	139	44%
Property & Casualty	(1)	(32)	24	-
Old Mutual Wealth	177	180	105	59%
USAM	84	104	105	125%
2013 before group & finance costs	999	811	544	54%
2012 ⁴	1,003	814 (81%)	470	47%
2011	1,060	803 (76%)	446	42%

81% conversion of
AOP into free surplus

1. Excludes cash flows from disposals and funding of businesses.
2. Required OMEM contribution to Group dividend in excess of amounts received from Nedbank and Property & Casualty.
3. Nedbank free surplus represents OM share of Nedbank dividend.
4. AOP has been restated to reflect accounting policy changes required by IAS 19.



SOURCES AND USES OF PLC CASH

£m	2013	
PLC opening balance	472	
Operational remittances from BUs	544	SA: £334m UK/US/Euro: £210m
Ordinary cash dividends	(335)	SA: £172m UK: £163m
Interest paid	(78)	
Group costs	(34)	
Other operational flows	38	
Central costs and dividend	(409)	
Debt repayment	(176)	
Net capital flows	114	Intra-group transfers: £164m Funding: (£50m)
PLC closing balance	545	

SOURCES AND USES OF PLC CASH

£m		2012	2013
Operational remittances (Rand)	Emerging Markets	108	171
	Nedbank	138	139
	Property & Casualty	12	24
		258	334
Ordinary cash dividends	SA register	(147)	(172)
	UK register	(121)	(163)
		(268)	(335)
Operational remittances (hard currency)	OM Wealth	145	105
	USAM	67	105
		212	210
Structural hard currency outflows	Interest	(142)	(78)
	Group costs	(54)	(34)
		(196)	(112)

CAPITAL & LIQUIDITY

Group Profit
Cash
Balance Sheet
Dividend
Financial Summary

Group FGD (£bn)	31 Dec 2008	31 Dec 2009	31 Dec 2010	31 Dec 2011	31 Dec 2012 ¹	31 Dec 2013	ZAR/GBP @25.0
Capital resources	4.3	5.8	6.7	5.7	5.7	5.2	4.2
Capital requirement	3.6	4.3	4.6	3.7	3.6	3.1	2.4
Surplus	0.7	1.5	2.1	2.0	2.1	2.1	1.8
Coverage ratio %	121%	135%	146%	154%	159%	169%	178%
Liquidity ²	0.6	1.2	1.4	1.5	1.7	1.3	

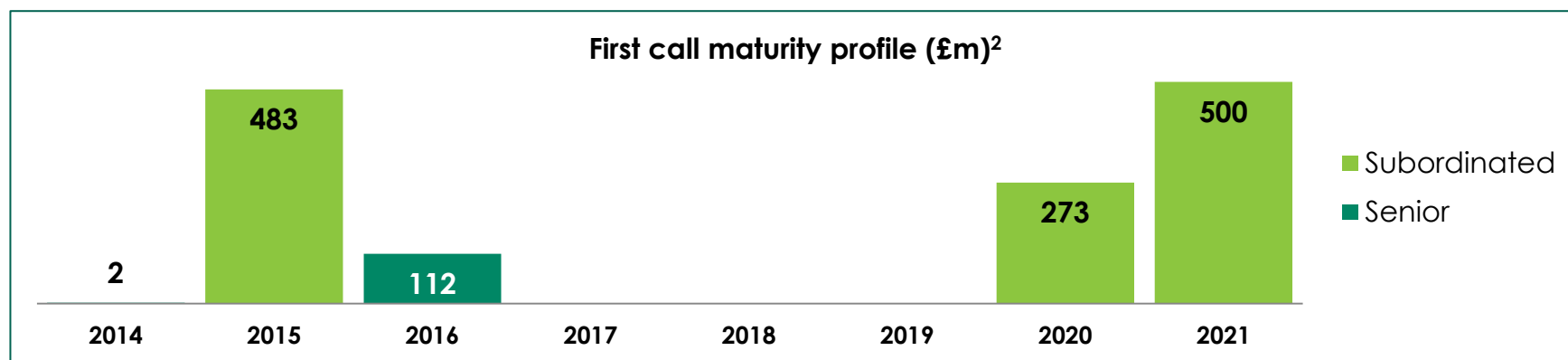
1. As submitted to the PRA.

2. Liquid assets and undrawn committed facilities available to the Group holding company.



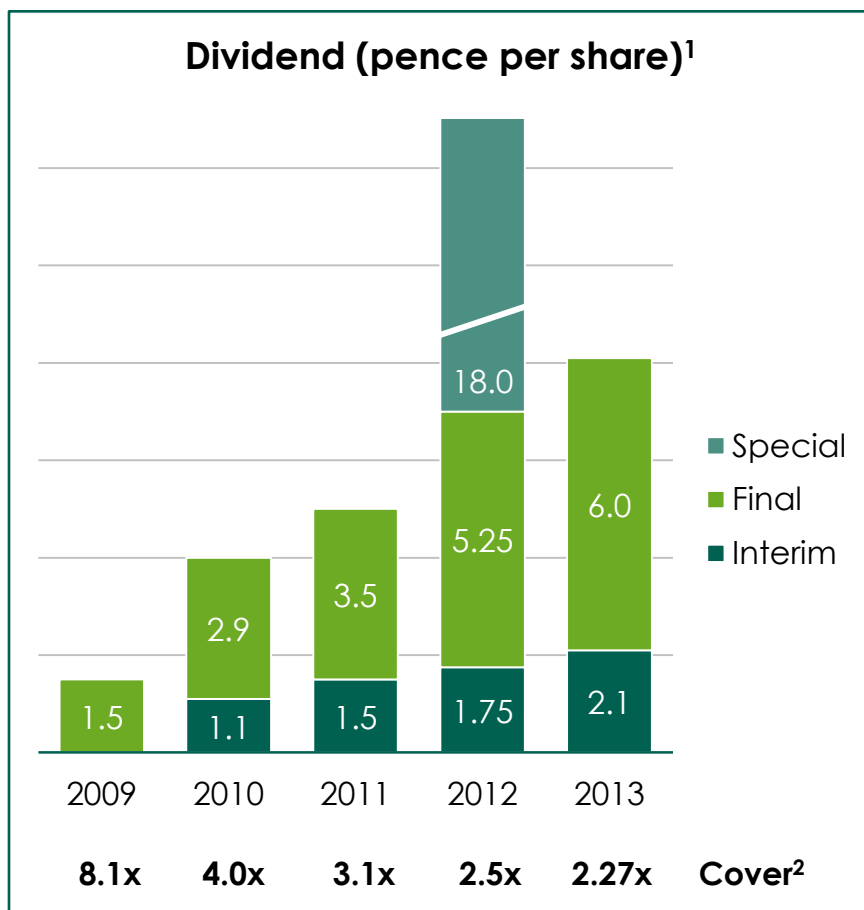
DEBT

£bn	31 Dec 2009	31 Dec 2010	31 Dec 2011	31 Dec 2012	31 Dec 2013
Gross debt (IFRS basis)	2.8	2.9	2.5	1.6	1.3
Debt (net of holding company cash)	2.3	2.4	2.0	1.0	0.7
Total net gearing	20.1%	18.1%	15.6%	8.5%	6.5%
Total interest cover	7.2x	8.1x	8.3x ¹	8.8x	14.4x
Hard interest cover	1.8x	2.6x	2.3x ¹	1.9x	4.2x



1. Interest cover at 31 Dec 2011 includes Nordic (sold in 2012 and reported as discontinued for FY 2011).
2. All values shown at nominal value at 31 December 2013 foreign exchange rates.

DIVIDEND



- 6.0p per share final ordinary dividend recommended
- Full year sterling dividend 8.1p, up 16%
 - c. 48% increase in rand dividend³
- Progressive dividend policy
 - Targeting 2 to 2.25 times cover
 - Interim dividend set routinely at c.30% of prior year total dividend
- Dividend progression supported by earnings, cash flow and low servicing cost of debt

1. Dividend is as paid, unadjusted for the share consolidation in 2012.
 2. Cover based on AOP EPS as reported at each year end; does not include any retrospective restatements.
 3. Using exchange rate at 21 February (18.18); exact rate will be determined on 10 April 2014.

FINANCIAL SUMMARY 2013

- Profit growth continues:
 - AOP up 15% at £1,612m¹
- Cash generation remains strong:
 - £811m free surplus generation
- Balance sheet is sound:
 - FGD coverage ratio 169%
- Progressive dividend:
 - Full year dividend up 16% at 8.1p per ordinary share

1. AOP pre-tax and NCI, change at constant currency.

STRATEGIC PROGRESS & SUMMARY

28 February 2014

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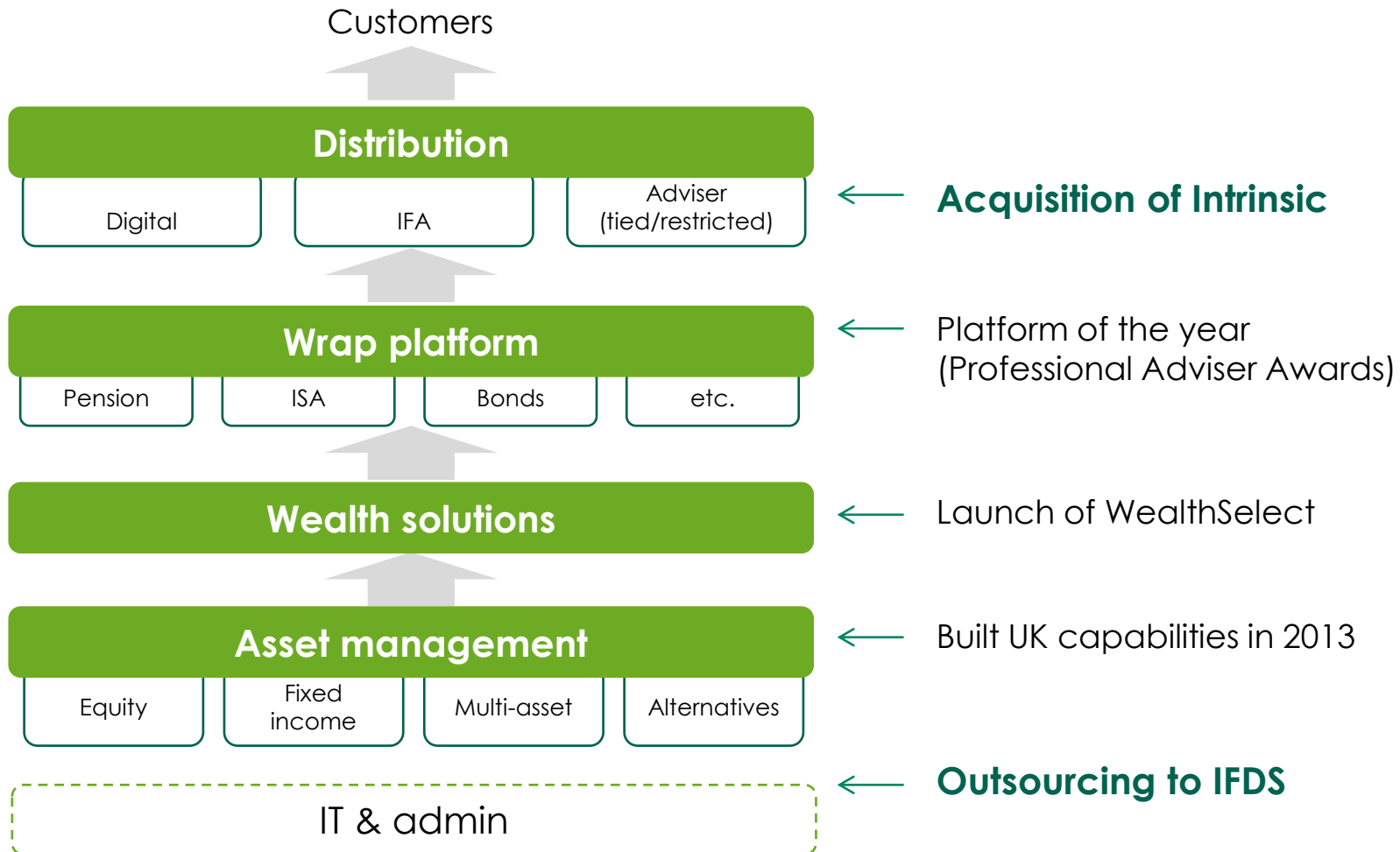
STRATEGY FOR GROWTH

South Africa	Be the leading financial services group
Africa	Become an African financial services champion
Old Mutual Wealth	Build the best retail investment business in the UK
US Asset Management	Grow and improve our asset management business
Group-wide	Be recognised as a leader in Responsible Business

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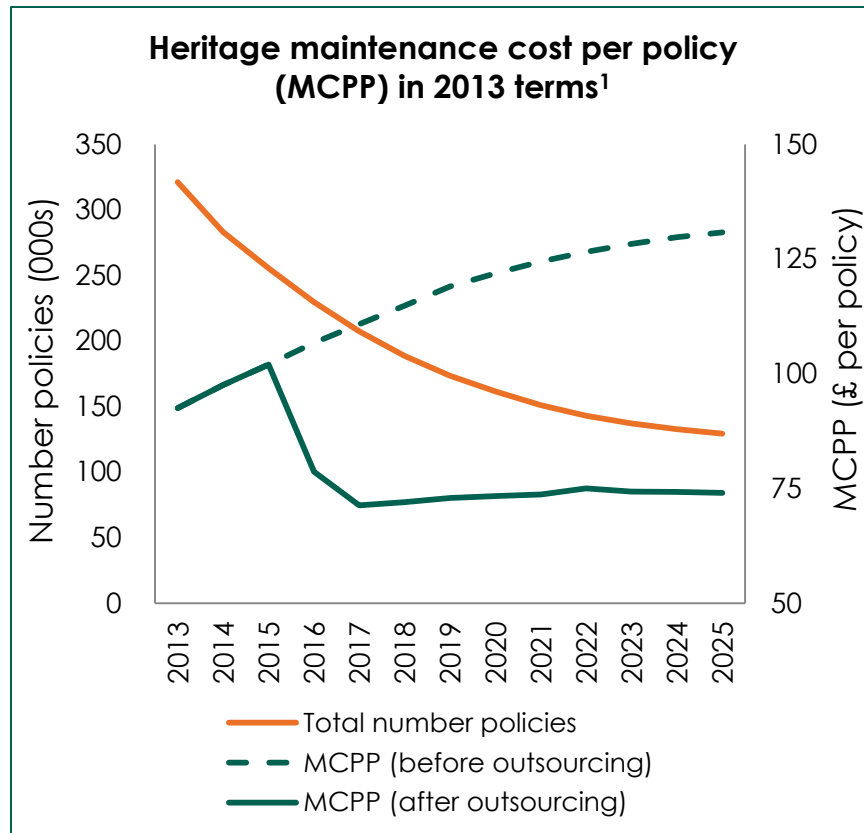
BECOMING THE BEST RETAIL INVESTMENT BUSINESS IN THE UK



ACQUISITION OF INTRINSIC

- One of the UK's largest networks of financial advisers
 - 1 in 10 financial advisers in the UK is now part of the Intrinsic Group
 - 3,000 advisers; of which 1,000 are restricted
 - £200m fees per annum
-
- Restricted advisers will offer Old Mutual Wealth's investment proposition
 - Independent advisers will offer Old Mutual Wealth's investment proposition as well as other providers' solutions
 - Old Mutual Wealth will provide some selective protection solutions through both restricted and independent advisers
-
- The Intrinsic acquisition will result in a material increase in the assets managed directly by Old Mutual Wealth over time

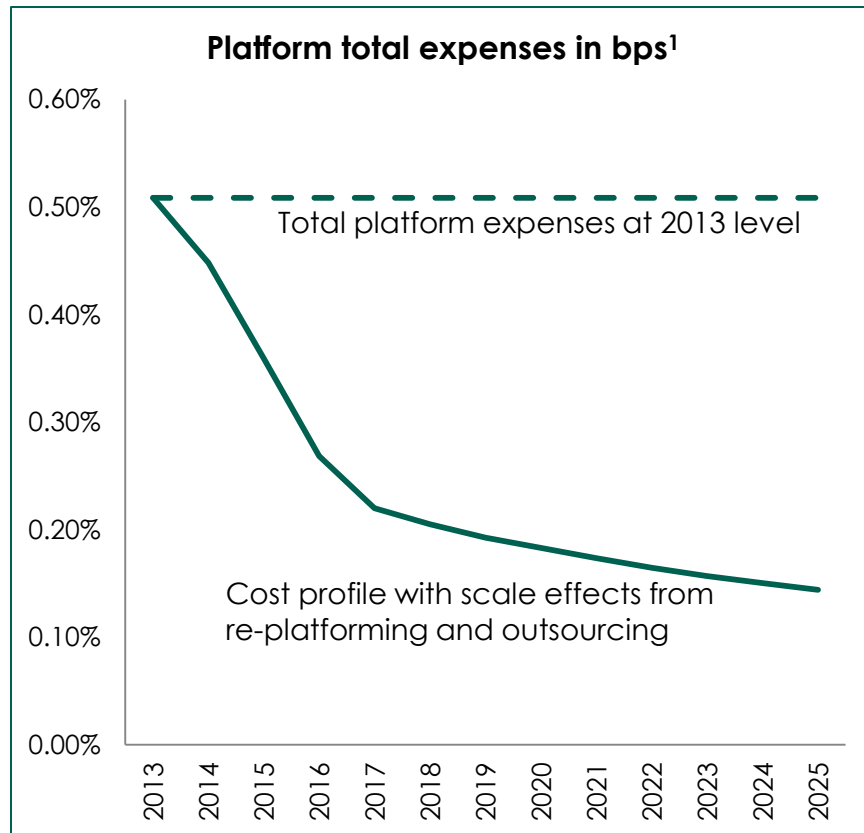
REDUCING UNIT COSTS ON HERITAGE BOOK THROUGH OUTSOURCING



- Moving from fixed cost base to variable cost base
- Transformation costs of c. £70m
 - £10m already incurred
 - c. £60m over 2014-2016
- Expected run-rate savings (end-2016 onwards) of £10m pa compared to remaining with current infrastructure

1. Modelled outcomes subject to various assumptions.

SCALE EFFECTS ENABLED BY OUTSOURCING

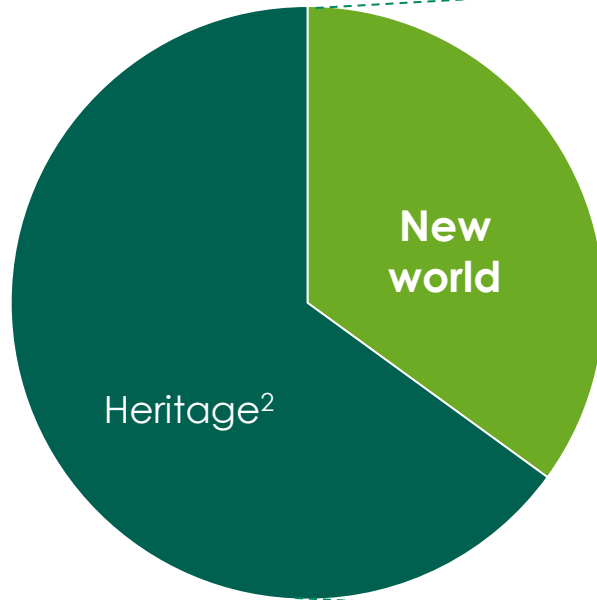


- Creating a modern, scalable and function-rich platform
 - Broader product opportunities
 - Improved speed to market for product development
- Transformation costs of c. £90m
 - £10m already incurred
 - c. £80m over 2014-2016
- Expected run-rate savings (end-2016 onwards) of £20m pa compared to remaining on current platform

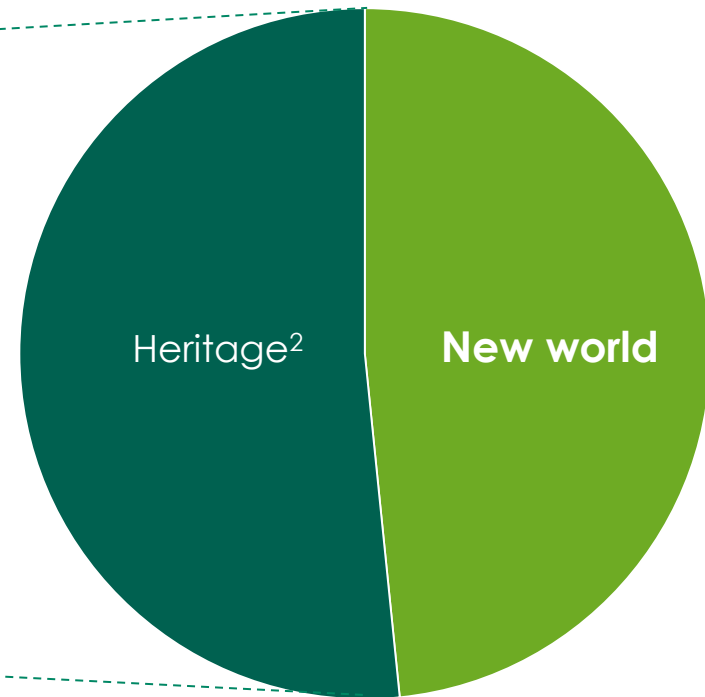
1. Modelled outcomes subject to various assumptions.

TRANSFORMING INTO A MODERN INTEGRATED WEALTH MANAGEMENT BUSINESS

IFRS AOP pre-tax profit
2012: £160m¹



2013: £217m



1. Excludes £13m profit from Finland, sold during the year, and £22m of benefits related to exceptional policyholder tax.
2. Closed books.



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SOUTH AFRICA & AFRICA: MOMENTUM CONTINUES



- **The case for Africa remains compelling**
- Economic, demographic and consumer trends are positive
- GDP growth continues
 - South Africa 2014 forecast 2.8% (source: IMF, Jan 2014)
 - Sub-Saharan Africa 2014 forecast 6.1% (source: IMF, Jan 2014)
- African consumer markets remain buoyant despite pressure on household incomes

Strategic progress	Business growth
<p>Acquisitions:</p> <ul style="list-style-type: none"> • Life and Property & Casualty businesses of Oceanic in Nigeria • Provident Life Assurance Company in Ghana. • Majority stake in Faulu Kenya (subject to closing conditions) • Nedbank acquiring 36.4% stake in Banco Unico in Mozambique • Nedbank option to acquire 20% of ETI <p>OMEM, Nedbank, Mutual & Federal collaboration:</p> <ul style="list-style-type: none"> • Significant level of sales generated in 2013 • Proposed LTIP arrangement in 2014 	<p>Expanding in the growth markets of SA:</p> <ul style="list-style-type: none"> • 280,000 new Mass Foundation customers • 21% increase in gross sales in Retail Affluent • >500,000 new retail customers in Nedbank <p>Gaining traction in Africa:</p> <ul style="list-style-type: none"> • 1.9 million customers in Africa, outside SA • Life sales in Africa up by 31% (pre-minorities) • NCCF R3.7bn (US\$0.4bn) • FuM R54bn (end manager basis) at 31 Dec 2013 (US\$5.1bn)

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SUMMARY

Business growing strongly

Sound capital base

Excellent cash generation

Progressive dividend policy

Clear on strategy, priorities and targets: driving for growth

A good year in 2013



Q&A

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