

# NEWS RELEASE

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15 May 2014

## Old Mutual plc Interim Management Statement

### Operational performance remains strong in the first quarter

- Gross sales up 24%\* to £6.2 billion (up 12% in reported currency)
- Funds under management up 2%\* at £297.1 billion
- Group Net Client Cash Flow of £(0.5) billion (Q1 2013: £3.9 billion)
  - Old Mutual Wealth NCCF of £1.1 billion (Q1 2013: £0.4 billion)
  - USAM outflows in fixed income and equities
- Nedbank net interest income up 9% with significantly reduced credit loss ratio of 89 bps

### Significant developments

- Old Mutual Wealth very well placed to benefit from proposed changes to UK's retirement regime
- Continued strategic delivery:
  - Announced intention to proceed with minority IPO of USAM in 2014, subject to market conditions
  - Announced acquisition of Intrinsic and agreed to buy outstanding 50% of Cirilium, Intrinsic's core investment proposition
  - Reached agreement to sell Skandia Germany and Skandia Austria, regulatory approval received for the sale of Skandia Poland
  - Completed Faulu acquisition in Kenya

### Julian Roberts, Group Chief Executive, commented:

*"Old Mutual Wealth and Emerging Markets both produced very strong sales in the quarter. We are very excited about the opportunities for Old Mutual Wealth following the announced changes to the annuitisation rules and we are well positioned to help customers in the UK meet their retirement needs. In Emerging Markets, I am delighted with the excellent sales in South Africa despite the challenging environment for consumers and we are making good progress towards our ambition to become Africa's financial services champion."*

*"Nedbank has had an excellent start to the year and we are seeing progress in the restructuring of Mutual & Federal, although there remains a significant amount of work to be done."*

*"Following very strong inflows throughout 2013, the first quarter saw outflows in USAM, primarily in the fixed income, US and international equities asset classes. USAM has a strong management team and we continue to look for ways to improve and grow the business."*

*"Given the recent regulatory changes in the UK, the long-term structural growth trends in Africa and the resilient South African financial services market, Old Mutual remains well placed to maintain its strong operational performance, notwithstanding the impact of the movement of the rand on our results as reported in sterling."*

\* on a constant currency basis

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<b>Group highlights for the three months ended 31 March 2014 (£m)</b>	<b>Q1 2014</b>	<b>Q1 2013 (constant currency)</b>	<b>% change (constant currency)</b>	<b>Q1 2013 (as reported)</b>	<b>% change (as reported)</b>
<b>Gross sales</b>					
Emerging Markets	<b>2,300</b>	1,944	18%	2,512	(8)%
Old Mutual Wealth	<b>3,949</b>	3,085	28%	3,085	28%
<b>Total gross sales</b>	<b>6,249</b>	5,029	24%	5,597	12%
<b>Covered sales (APE)</b>					
Emerging Markets	<b>121</b>	94	29%	121	-
Old Mutual Wealth	<b>155</b>	148	5%	148	5%
<b>Total covered sales (APE)</b>	<b>276</b>	242	14%	269	3%
<b>Non-covered sales <sup>1</sup></b>					
Emerging Markets	<b>1,636</b>	1,370	19%	1,770	(8)%
Old Mutual Wealth	<b>2,420</b>	1,546	57%	1,546	57%
<b>Total non-covered sales</b>	<b>4,056</b>	2,916	39%	3,316	22%
<b>Group highlights for the three months ended 31 March 2014 (£bn)</b>	<b>Q1 2014</b>	<b>% of opening FUM <sup>2</sup></b>		<b>Q1 2013 (as reported)</b>	<b>% change (as reported)</b>
<b>Net client cash flow (NCCF)</b>					
Emerging Markets	<b>0.2</b>	2%		0.4	(50)%
Nedbank	<b>0.3</b>	10%		0.5	(40)%
Old Mutual Wealth	<b>1.1</b>	6%		0.4	175%
US Asset Management	<b>(2.1)</b>	(5)%		2.6	(181)%
<b>NCCF from core operations</b>	<b>(0.5)</b>	(1)%		3.9	(113)%
<b>Group highlights at 31 March 2014 (£bn)</b>	<b>31 March 2014</b>	<b>31 December 2013 (constant currency)</b>	<b>% change (constant currency)</b>	<b>31 December 2013 (as reported)</b>	<b>% change (as reported)</b>
<b>Funds under management (FUM)</b>					
Emerging Markets <sup>3</sup>	<b>48.6</b>	47.9	1%	48.3	-
Nedbank	<b>12.1</b>	11.6	4%	11.7	3%
Old Mutual Wealth	<b>80.2</b>	78.5	2%	78.5	2%
US Asset Management	<b>156.2</b>	154.3	1%	155.3	1%
<b>FUM from core operations</b>	<b>297.1</b>	292.3	2%	293.8	1%
Note: percentage movements in the above table are based on rounded sterling numbers					

<sup>1</sup> Non-covered sales include mutual funds, unit trust and other non-covered sales

<sup>2</sup> Calculated using annualised NCCF

<sup>3</sup> FUM at 31 December 2013 restated to include Property & Casualty FUM of £0.2 billion

# Interim Management Statement

## Overview

### External Environment

The first quarter of the year was characterised by macro-economic concerns in many emerging markets, although the International Monetary Fund is forecasting that sub-Saharan Africa will see GDP growth of 5.4% in 2014, and 5.5% in 2015. In South Africa, the strikes in the mining sector coupled with inflationary pressure affected the economy and GDP forecasts for the year were revised down from 2.8% to 2.3%. The UK and the US continued their recovery. The average rand to sterling exchange rate depreciated by 29% relative to the first quarter of 2013. The JSE All Share and Russell 1000 Value both saw slight gains, ending the quarter up 3% and 2% respectively, with the JSE at all-time highs, while the FTSE100 Index declined by 2%.

### Group Overview

Gross sales on a constant currency basis were up 24% (12% as reported) to £6.2 billion. FUM at the quarter end grew by 2% in constant currency to £297.1 billion with positive market movements in South Africa and the US partially offset by the US Asset Management (USAM) net outflows in the quarter. Excluding USAM, Group NCCF was £1.6 billion against £1.3 billion in the first quarter of 2013.

### Emerging Markets

Emerging Markets maintained its strong momentum in the first quarter, with gross sales up 18% to R41.3 billion. Retail Affluent in South Africa performed well, with gross sales up 32% benefiting in particular from strong growth of the new single premium product propositions introduced in 2013, and positive Retail Affluent net flows of R2.0 billion (Q1 2013: R0.1 billion). Following the successful launch of Old Mutual Wealth in South Africa last year, it has continued to perform strongly attracting R1.1 billion in net flows in the first three months of the year. In Mass Foundation, gross sales were up 14% and life APE sales up 10%, reflecting our increased focus on the quality of new business, particularly given the pressure on disposable income faced by consumers in this market segment. Corporate regular premium sales were up significantly benefiting from particularly good group assurance sales and umbrella schemes. OMIG secured a number of large mandates with gross sales up 29%. Asia & Latin America regular premium life APE sales were up 133% partly due to the first time inclusion of group business in India.

In Africa (excluding South Africa), we continue to build scale with gross sales up 27%. We have now completed the acquisition of Faulu, the Kenyan micro-finance company, and are actively looking at other opportunities in both East and West Africa, particularly in bancassurance. We have signed new distribution agreements with Mainstreet Bank in Nigeria which has 220 branches and with Ecobank in Ghana which has approximately 80 branches. The integration of the Ghanaian acquisition, Provident Life, is progressing well, and we are rolling out an Old Mutual brand-building campaign in Nigeria.

We have decided to maintain our Long-Term Investment Return for Emerging Markets at 8.0% for 2014.

### Property & Casualty

Gross written premiums grew by 14% in the quarter to R3.2 billion with continued growth in South Africa of 7% coupled with strong growth in Africa of 114% due to the inclusion of Zimbabwe and Nigeria. Management continues to implement its business turnaround programme and we are beginning to see signs of operational improvement, but this will take time to be reflected in the financial results.

### Nedbank

Nedbank has made good progress in its strategic focus areas. Net interest income growth was solid, increasing by 9% to R5.6 billion, with the net interest margin at the same level as full year 2013 at 3.57% (Q1 2013: 3.62%). Although non-interest revenue in total only grew 3% to R4.5 billion, commission and fees were up 6%. The improvement in the credit loss ratio to 0.89% from 1.22% in the comparative period is a result of the risk management actions undertaken.

The full text of Nedbank's Q1 2014 trading update, released on 13 May 2014 and also announced by Old Mutual on the same day, can be accessed on Nedbank's website at: <http://www.nedbankgroup.co.za/quarterlytradingupdates.asp>

### Old Mutual Wealth

Old Mutual Wealth has had a very good quarter, with NCCF of £1.1 billion, up from £0.4 billion in Q1 2013 when we experienced some disruption following the introduction of regulatory changes. In the UK, gross sales were £1.3 billion on the Platform, with 28% of new business sales going to Old Mutual Global Investors (OMGI) (Q1 2013: 14%). FUM on the Platform now stands at £28.1 billion with total FUM increasing by 2% to £80.2 billion. Overall OMGI gross sales of £2.5 billion were up 66% on Q1 2013, with the Alternatives and Equities asset classes performing particularly well. OMGI

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were ranked the number one fund manager by net retail sales in the Pridham Report for the first quarter. In International, gross sales of £427 million were down 5%, due to slower sales in Hong Kong, Singapore and Latin America, although European, South African and UK sales performed well. We have seen £19 million of Nordic outflows in the quarter and expect a further £180 million of these before year end.

External factors also moved in our favour during the period with the 2014 Budget statement signalling radical changes to the UK pension system. Old Mutual Wealth does not write annuities but is one of the leading providers of pension income drawdown products in the UK. We offer our customers flexibility via our pension platform as well as providing investment solutions in OMGI's *Generation* funds that enable them to manage their retirement income options.

In February 2014 we had agreed to buy Intrinsic, one of the UK's largest financial adviser networks, as we believe the provision of financial advice is of fundamental and growing importance in retail financial services. Should the UK Government's proposal for Defined Contribution pension schemes to provide impartial advice to members approaching retirement be adopted, this could lead to significant opportunities for Intrinsic. We have also reached agreement with Henderson Global Investors to acquire its 50% stake in the Intrinsic Cirilium Investment Company Limited ("Cirilium"). Cirilium is the core investment proposition for Intrinsic's restricted financial advisers and consists of five multi-manager portfolios, each tailored to a different risk / reward investment profile.

In March 2014 we announced that we had agreed to sell Skandia Germany and Skandia Austria for a consideration of €220 million in cash, plus interest to completion. We expect the sale of Skandia Poland to complete shortly now that we have received regulatory approval.

### US Asset Management

USAM saw its FUM increase by \$3.2 billion to \$260.6 billion due to strong market movements which were partially offset by net outflows of \$3.6 billion. Outflows were largely from global fixed income strategies as well as US domestic and international equities.

The industry is experiencing a period of heightened volatility in NCCF. Recent strong equity market performance, as well as the impact on bond markets of continued low interest rates, is resulting in asset reallocation decisions by trustees and changes in recommendations by their investment consultants. Likewise, as is normal in a period of management transition, such as the one currently occurring at Rogge, there is a higher probability of volatility in inflows and outflows.

### Cash and liquidity

At 31 March 2014, the Group holding company had £1.4 billion of available liquidity headroom, including £0.6 billion of liquid assets. Available liquid assets improved by £0.1 billion from 31 December 2013 as a result of cash inflows from the business units, partially offset by corporate expenses and payment of debt interest.

### Financial Groups Directive (FGD)

The Group's regulatory capital surplus, calculated under the EU Financial Groups Directive, was £1.8 billion at 31 March 2014 (31 December 2013: £2.1 billion) and this represents a statutory cover of 158%. The decrease in surplus and coverage ratio follows the recommendation of our 2013 final dividend of £294 million and a decrease in Nedbank's contribution to FGD as a result of an increase in its capital requirement, the redemption of part of Nedbank's subordinated debt in line with its capital planning and the reduction of qualifying additional tier 1 capital instruments issued by Nedbank prior to 2013 as part of its ongoing transition to Basel III capital levels. Nedbank issued Basel III compliant tier 2 debt instruments in April which will result in a positive impact on FGD of approximately £0.1 billion.

### Capital and Risk Management

In conjunction with regulatory developments in Europe (Solvency II) and South Africa (Solvency Assessment and Management), Old Mutual has been developing its own economic capital model in order to monitor and manage its risk profile. At 31 December 2013, Old Mutual reported an economic capital surplus of £4.8 billion, which implies an economic capital cover ratio of 216%. This assumes that there are no restrictions on the transfer of surplus between group companies. The economic capital position is resilient to changes in various economic factors after modelling a series of standard market sensitivities.

These results are derived from our own economic capital model which has not, and will not, be reviewed and approved by the Prudential Regulation Authority and therefore no inference should be drawn as to our eventual Solvency II position. In addition, the economic capital position is not an assessment of distributable capital or cash. Any local regulatory approvals, including exchange controls, constrain the deployment of surplus capital. The results have not been subject to external independent review.

A separate announcement on economic capital has been made today.

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## Material events and transactions

There were no material events or transactions in the period up to the date of this announcement, save for those already disclosed in this IMS.

## Annual General Meeting and Report and Accounts

At Old Mutual's 2014 Annual General Meeting to be held today at 11am (UK time), Group Chief Executive Julian Roberts will make a presentation to shareholders, which will be available on the Group website. In his presentation, Mr Roberts will provide an update on the value created through the acquisition of Skandia in 2006. The reported value uplift resulting from the Skandia acquisition is £2.0 billion.

In our 2013 Annual Report and Accounts the Group announced a target pre-tax value of synergies of circa R1 billion to be met by 2016 across OMSA, Nedbank and Mutual & Federal on a run rate basis.

## Market Consistent Embedded Value (MCEV)

Further to the February 2014 preliminary results announcement, given the changes in the operational make-up and scale of Old Mutual Wealth, we will no longer be reporting MCEV information for this business.

As Old Mutual Wealth develops into a more vertically integrated wealth management business, we will seek to provide shareholders with information which reflects the key features of this business.

To assist with continuity of reported information, we will provide a reconciliation of IFRS Net Asset Value (and tangible IFRS Net Asset Value) to an estimated MCEV position for Old Mutual Wealth for 2014 interim and preliminary results reporting. MCEV disclosure for Emerging Markets will continue and will be presented in rand, being the functional currency of this business.

## Outlook

Given the recent regulatory changes in the UK, the long-term structural growth trends in Africa and the resilient South African financial services market, Old Mutual remains well placed to maintain its strong operational performance, notwithstanding the impact of the movement of the rand on our results as reported in sterling.

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## Enquiries

### Investor Relations

Patrick Bowes	UK	+44 20 7002 7440
Dominic Lagan	UK	+44 20 7002 7190

### Media

William Baldwin-Charles		+44 20 7002 7133
		+44 7834 524 833

### Notes to this announcement

- All figures refer to core continuing operations. Core continuing operations exclude the results of the Bermuda business, which is classified as non-core.
- Constant currency figures are calculated by translating local currency prior period figures at the prevailing exchange rates for the period under review.
- Life assurance APE sales are calculated as the sum of (annualised) new regular premiums and 10% of the new single premiums written in an annual reporting period.

### Cautionary statement

This announcement contains forward-looking statements relating to certain of Old Mutual plc's plans and its current goals and expectations relating to its future financial condition, performance and results. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond Old Mutual plc's control, including, among other things, global, UK and South African domestic, economic and business conditions, market-related risks such as fluctuations in interest rates and exchange rates, policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties, future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and regulations in territories where Old Mutual plc or its affiliates operate.

As a result, Old Mutual plc's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set out in its forward-looking statements. Old Mutual plc undertakes no obligation to update any forward-looking statements contained in this announcement or any other forward-looking statements that it may make.

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

### Sterling exchange rates

		Q1 2014*	Q1 2013*	Appreciation / (depreciation) of local currency	FY 2013	Appreciation / (depreciation) of local currency
Rand	Average Rate	17.95	13.90	(29)%	15.10	(19)%
	Closing Rate	17.55	14.01	(25)%	17.43	(1)%
USD	Average Rate	1.66	1.55	(7)%	1.57	(6)%
	Closing Rate	1.67	1.52	(10)%	1.66	(1)%

\* Average rate is for the three months to 31 March

### Notes to editors

This Interim Management Statement has been prepared in accordance with section 4.3 of the Disclosure and Transparency Rules (DTR) and covers the period 1 January 2014 to 15 May 2014. A Financial Disclosure Supplement relating to the Company's results can be found on our website. This contains key financial data for the three months ended 31 March 2014 and twelve months ended 31 December 2013.

Management will host a conference call for investors and analysts at 08.30am BST (09.30am CET and 09:30am South African time) on 15 May 2014.

Investors and analysts who wish to participate in the conference call should dial the following numbers quoting conference pin code 23815172#:

UK/International	+44 20 3139 4830
US	+1 718 873 9077
South Africa	+27 21 672 4008

A replay facility will be available until midnight on 29 May 2014 on the following number, quoting pin code 647639#:

UK/International	+44 20 3426 2807
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Copies of this Interim Management Statement, together with biographical details of the executive directors of Old Mutual plc, are available in electronic format to download from the Company's website at [www.oldmutual.com](http://www.oldmutual.com).

# Interim Management Statement – Appendix

## Emerging Markets data tables (Rand)

### Gross sales and funds under management <sup>1</sup>

Rbn

	FUM 1-Jan-14	Gross sales <sup>2</sup>	Redemptions	Net flows	Market and other movements <sup>4</sup>	FUM 31-Mar-14
Retail Affluent	150.3	15.9	(13.9)	2.0	5.4	157.7
Mass Foundation <sup>3</sup>	-	2.1	(1.0)	1.1	(1.1)	-
Corporate	1.4	3.7	(5.3)	(1.6)	1.7	1.5
OMIG <sup>3</sup>	506.9	8.0	(6.7)	1.3	2.1	510.3
Property & Casualty <sup>5</sup>	2.9	-	-	-	(0.7)	2.2
<b>Total South Africa</b>	<b>661.5</b>	<b>29.7</b>	<b>(26.9)</b>	<b>2.8</b>	<b>7.4</b>	<b>671.7</b>
<b>Africa (ex. SA) <sup>5</sup></b>	<b>53.9</b>	<b>3.3</b>	<b>(3.4)</b>	<b>(0.1)</b>	<b>1.2</b>	<b>55.0</b>
<b>Asia &amp; Latin America</b>	<b>125.4</b>	<b>8.3</b>	<b>(7.2)</b>	<b>1.1</b>	<b>(1.7)</b>	<b>124.8</b>
<b>Total Emerging Markets <sup>6</sup></b>	<b>840.8</b>	<b>41.3</b>	<b>(37.5)</b>	<b>3.8</b>	<b>6.9</b>	<b>851.5</b>

Rbn

	FUM 1-Jan-13	Gross sales <sup>2</sup>	Redemptions	Net flows	Market and other movements <sup>4</sup>	FUM 31-Mar-13
Retail Affluent	121.2	12.1	(12.0)	0.1	6.3	127.6
Mass Foundation <sup>3</sup>	-	1.8	(0.8)	1.0	(1.0)	-
Corporate	1.3	3.5	(4.4)	(0.9)	0.9	1.3
OMIG <sup>3</sup>	463.3	6.2	(5.4)	0.8	6.4	470.5
Property & Casualty	2.9	-	-	-	-	2.9
<b>Total South Africa</b>	<b>588.7</b>	<b>23.6</b>	<b>(22.6)</b>	<b>1.0</b>	<b>12.6</b>	<b>602.3</b>
<b>Africa (ex. SA)</b>	<b>38.4</b>	<b>2.6</b>	<b>(1.5)</b>	<b>1.1</b>	<b>3.7</b>	<b>43.2</b>
<b>Asia &amp; Latin America</b>	<b>100.4</b>	<b>8.7</b>	<b>(5.1)</b>	<b>3.6</b>	<b>18.7</b>	<b>122.7</b>
<b>Total Emerging Markets <sup>6</sup></b>	<b>727.5</b>	<b>34.9</b>	<b>(29.2)</b>	<b>5.7</b>	<b>35.0</b>	<b>768.2</b>

<sup>1</sup> FUM shown on an end manager basis

<sup>2</sup> Gross sales are cash inflows for the period and thus include prior period recurring premium flows

<sup>3</sup> Mass Foundation gross sales are recorded by segment but all FUM is managed by OMIG

<sup>4</sup> Includes the foreign exchange impact of translating FUM managed outside of South Africa

<sup>5</sup> From Q1 2014 Property & Casualty FUM has been allocated by geographic location (R0.7 billion reclassification of P&C Africa FUM included in 'Market and other movements'). Comparatives have not been restated.

<sup>6</sup> Opening FUM at 1 January 2013 restated to include Property & Casualty FUM of R2.9 billion

### Gross sales <sup>1</sup>

Rm

	Q1 2014	Q1 2013	% change
Retail Affluent	15,939	12,106	32%
Mass Foundation	2,059	1,812	14%
Corporate	3,690	3,524	5%
OMIG	8,046	6,227	29%
<b>Total South Africa</b>	<b>29,734</b>	<b>23,669</b>	<b>26%</b>
<b>Africa (ex. SA)</b>	<b>3,268</b>	<b>2,574</b>	<b>27%</b>
<b>Asia &amp; Latin America</b>	<b>8,292</b>	<b>8,656</b>	<b>(4)%</b>
<b>Total Emerging Markets</b>	<b>41,294</b>	<b>34,899</b>	<b>18%</b>

<sup>1</sup> Gross sales are cash inflows for the period and thus include prior period recurring premium flows



# Interim Management Statement – Appendix

## Covered sales (APE)

By cluster:	Rm								
	Single premium APE			Regular premium APE			Total APE		
	Q1 2014	Q1 2013	% change	Q1 2014	Q1 2013	% change	Q1 2014	Q1 2013	% change
Retail Affluent	333	231	44%	311	348	(11)%	644	579	11%
Mass Foundation <sup>1</sup>	1	1	-	634	575	10%	635	576	10%
Corporate	107	122	(12)%	298	43	593%	405	165	145%
<b>Total South Africa</b>	<b>441</b>	<b>354</b>	<b>25%</b>	<b>1,243</b>	<b>966</b>	<b>29%</b>	<b>1,684</b>	<b>1,320</b>	<b>28%</b>
<b>Africa (ex. SA) <sup>2</sup></b>	<b>32</b>	<b>48</b>	<b>(33)%</b>	<b>137</b>	<b>128</b>	<b>7%</b>	<b>169</b>	<b>176</b>	<b>(4)%</b>
<b>Asia &amp; Latin America <sup>3</sup></b>	<b>97</b>	<b>89</b>	<b>9%</b>	<b>233</b>	<b>100</b>	<b>133%</b>	<b>330</b>	<b>189</b>	<b>75%</b>
<b>Total Emerging Markets</b>	<b>570</b>	<b>491</b>	<b>16%</b>	<b>1,613</b>	<b>1,194</b>	<b>35%</b>	<b>2,183</b>	<b>1,685</b>	<b>30%</b>

By product:	Rm								
	Single premium APE			Regular premium APE			Total APE		
	Q1 2014	Q1 2013	% change	Q1 2014	Q1 2013	% change	Q1 2014	Q1 2013	% change
Savings	509	385	32%	771	609	27%	1,280	994	29%
Protection <sup>1</sup>	-	-	-	842	585	44%	842	585	44%
Annuity	61	106	(42)%	-	-	-	61	106	(42)%
<b>Total Emerging Markets</b>	<b>570</b>	<b>491</b>	<b>16%</b>	<b>1,613</b>	<b>1,194</b>	<b>35%</b>	<b>2,183</b>	<b>1,685</b>	<b>30%</b>

<sup>1</sup> OMF credit life sales are included within Mass Foundation protection sales (R49 million in Q1 2014 and R48 million in Q1 2013)

<sup>2</sup> For FY 2013, Africa (ex. SA) life APE sales are reported net of minority interest whereas previously these were reported gross of minority interest with the full impact for FY 2013 being booked in Q4 2013. From Q1 2014 Africa (ex. SA) excludes renewal sales (FY 2013: R55 million). Comparatives have not been restated. Africa (ex. SA) life APE sales restated for Q1 2013 (net of minority interest and excluding renewals) would be R142 million

<sup>3</sup> Asia & Latin America represents Mexico and a proportional share of India and China. India group business sales are reported from 1 January 2014 (Q1 2014: R54 million). Comparatives have not been restated

## Non-covered sales

	Rm								
	Unit trust / mutual fund sales			Other non-covered sales			Total non-covered sales		
	Q1 2014	Q1 2013	% change	Q1 2014	Q1 2013	% change	Q1 2014	Q1 2013	% change
South Africa <sup>1</sup>	7,975	6,454	24%	12,389	9,219	34%	20,364	15,673	30%
Africa (ex. SA)	1,594	1,110	44%	590	659	(10)%	2,184	1,769	23%
Asia & Latin America <sup>2</sup>	6,828	7,148	(4)%	-	-	-	6,828	7,148	(4)%
<b>Total Emerging Markets</b>	<b>16,397</b>	<b>14,712</b>	<b>11%</b>	<b>12,979</b>	<b>9,878</b>	<b>31%</b>	<b>29,376</b>	<b>24,590</b>	<b>19%</b>

<sup>1</sup> Within South African Retail Affluent, Old Mutual Investment Services recognises LISP sales on which it earns fees irrespective of where the underlying funds are managed. Where these funds are managed by Old Mutual Unit Trusts ("OMUT"), OMUT also recognises a sale. These intra-segment sales for Q1 2014 amount to R2,590 million (Q1 2013: R2,470 million)

<sup>2</sup> Represents Colombia and Mexico



## Old Mutual Wealth data tables (Sterling)

### Gross sales and funds under management

£bn

	FUM 1-Jan-14	Gross sales	Redemptions	Net flows	Market and other movements	FUM 31-Mar-14
<b>Invest &amp; Grow markets</b>						
UK Platform <sup>1</sup>	27.3	1.3	(0.8)	0.5	0.3	28.1
UK Other <sup>2</sup>	5.6	0.2	(0.2)	-	(0.1)	5.5
International	15.0	0.4	(0.3)	0.1	-	15.1
Old Mutual Global Investors <sup>3 4</sup>	16.0	2.5	(1.4)	1.1	0.3	17.4
<b>Total Invest &amp; Grow</b>	<b>63.9</b>	<b>4.4</b>	<b>(2.7)</b>	<b>1.7</b>	<b>0.5</b>	<b>66.1</b>
<b>Manage for Value markets</b>						
Europe - open book <sup>5</sup>	6.6	0.3	(0.2)	0.1	-	6.7
Heritage business <sup>6</sup>	15.4	0.2	(0.5)	(0.3)	0.3	15.4
<b>Total Manage for Value</b>	<b>22.0</b>	<b>0.5</b>	<b>(0.7)</b>	<b>(0.2)</b>	<b>0.3</b>	<b>22.1</b>
Elimination of intra-Group assets <sup>4 7</sup>	(7.4)	(1.0)	0.6	(0.4)	(0.2)	(8.0)
<b>Total Old Mutual Wealth</b>	<b>78.5</b>	<b>3.9</b>	<b>(2.8)</b>	<b>1.1</b>	<b>0.6</b>	<b>80.2</b>

£bn

	FUM 1-Jan-13	Gross sales	Redemptions	Net flows	Market and other movements	FUM 31-Mar-13
<b>Invest &amp; Grow markets</b>						
UK Platform <sup>1</sup>	22.6	1.0	(0.5)	0.5	1.6	24.7
UK Other <sup>2</sup>	4.7	0.2	(0.2)	-	0.2	4.9
International	13.9	0.4	(0.2)	0.2	0.7	14.8
Old Mutual Global Investors <sup>3 4</sup>	13.8	1.5	(1.4)	0.1	1.1	15.0
<b>Total Invest &amp; Grow</b>	<b>55.0</b>	<b>3.1</b>	<b>(2.3)</b>	<b>0.8</b>	<b>3.6</b>	<b>59.4</b>
<b>Manage for Value markets</b>						
Europe - open book <sup>5</sup>	5.9	0.4	(0.2)	0.2	0.3	6.4
Heritage business <sup>6</sup>	14.3	0.2	(0.5)	(0.3)	1.1	15.1
<b>Total Manage for Value</b>	<b>20.2</b>	<b>0.6</b>	<b>(0.7)</b>	<b>(0.1)</b>	<b>1.4</b>	<b>21.5</b>
Elimination of intra-Group assets <sup>4 7</sup>	(6.0)	(0.6)	0.3	(0.3)	(0.1)	(6.4)
<b>Total Old Mutual Wealth</b>	<b>69.2</b>	<b>3.1</b>	<b>(2.7)</b>	<b>0.4</b>	<b>4.9</b>	<b>74.5</b>

<sup>1</sup> UK Platform FUM excludes intra-Group assets from our International business of £1.5 billion at 31 March 2014 (31 March 2013: £1.5 billion)

<sup>2</sup> Includes Protection, Series 6 pensions and UK Institutional business

<sup>3</sup> OMGI redemptions include Nordic sale-related net outflow of £19 million in Q1 2014 (Q1 2013: £225 million)

<sup>4</sup> OMGI and intra-Group eliminations include gross inflows from the Heritage business of £0.3 billion (Q1 2013: £0.4 billion)

<sup>5</sup> Includes business written in France, Italy and Poland

<sup>6</sup> Includes UK Heritage and Europe Heritage (Germany, Austria, Switzerland and Liechtenstein)

<sup>7</sup> Assets and flows managed by OMGI on behalf of other Old Mutual Wealth businesses

# Interim Management Statement – Appendix

## Gross sales

	£m		
	Q1 2014	Q1 2013	% change
<b>Invest &amp; Grow markets</b>			
UK Platform	1,253	949	32%
UK Other <sup>1</sup>	202	219	(8)%
International	427	449	(5)%
Old Mutual Global Investors	2,476	1,492	66%
<b>Total Invest &amp; Grow</b>	<b>4,358</b>	<b>3,109</b>	<b>40%</b>
<b>Manage for Value markets</b>			
Europe - open book <sup>2</sup>	356	400	(11)%
Heritage business <sup>3</sup>	177	195	(9)%
<b>Total Manage for Value</b>	<b>533</b>	<b>595</b>	<b>(10)%</b>
Elimination of intra-Group sales <sup>4</sup>	(942)	(619)	(52)%
<b>Total Old Mutual Wealth</b>	<b>3,949</b>	<b>3,085</b>	<b>28%</b>

<sup>1</sup> Includes Protection, Series 6 pensions and UK Institutional business

<sup>2</sup> Includes business written in France, Italy and Poland

<sup>3</sup> Includes UK Heritage and Europe Heritage (Germany, Austria, Switzerland and Liechtenstein)

<sup>4</sup> Assets and flows managed by OMGI on behalf of other Old Mutual Wealth businesses

## Covered sales

	£m								
	Gross single premium			APE regular premium			Total APE		
	Q1 2014	Q1 2013	% change	Q1 2014	Q1 2013	% change	Q1 2014	Q1 2013	% change
<b>Invest &amp; Grow markets</b>									
UK Platform	542	433	25%	7	6	17%	61	49	24%
UK Other <sup>1</sup>	18	20	(10)%	4	5	(20)%	6	8	(25)%
International	379	399	(5)%	8	7	14%	46	47	(2)%
<b>Total Invest &amp; Grow</b>	<b>939</b>	<b>852</b>	<b>10%</b>	<b>19</b>	<b>18</b>	<b>6%</b>	<b>113</b>	<b>104</b>	<b>9%</b>
<b>Manage for Value markets</b>									
Europe - open book <sup>2</sup>	278	359	(23)%	8	3	167%	36	39	(8)%
Heritage business <sup>3</sup>	10	11	(9)%	5	5	-	6	5	20%
<b>Total Manage for Value</b>	<b>288</b>	<b>370</b>	<b>(22)%</b>	<b>13</b>	<b>8</b>	<b>63%</b>	<b>42</b>	<b>44</b>	<b>(5)%</b>
<b>Total Old Mutual Wealth</b>	<b>1,227</b>	<b>1,222</b>	<b>-</b>	<b>32</b>	<b>26</b>	<b>23%</b>	<b>155</b>	<b>148</b>	<b>5%</b>

<sup>1</sup> Includes Protection and Series 6 pensions

<sup>2</sup> Includes business written in France, Italy and Poland

<sup>3</sup> Includes UK Heritage and Europe Heritage (Germany, Austria, Switzerland and Liechtenstein)

# Interim Management Statement – Appendix

## Non-covered sales

	£m		
	Q1 2014	Q1 2013	% change
<b>Invest &amp; Grow markets</b>			
UK Platform	680	489	39%
UK Other <sup>1</sup>	153	166	(8)%
Old Mutual Global Investors	2,476	1,492	66%
<b>Total Invest &amp; Grow</b>	<b>3,309</b>	<b>2,147</b>	<b>54%</b>
<b>Manage for Value markets</b>			
Europe - open book <sup>2</sup>	52	16	225%
Heritage business <sup>3</sup>	1	2	(50)%
<b>Total Manage for Value</b>	<b>53</b>	<b>18</b>	<b>194%</b>
Elimination of intra-Group sales <sup>4</sup>	(942)	(619)	(52)%
<b>Total Old Mutual Wealth</b>	<b>2,420</b>	<b>1,546</b>	<b>57%</b>

<sup>1</sup> Includes UK Institutional business

<sup>2</sup> Includes business written in France, Italy and Poland

<sup>3</sup> Includes UK Heritage and Europe Heritage (Germany, Austria, Switzerland and Liechtenstein)

<sup>4</sup> Assets and flows managed by OMGI on behalf of other Old Mutual Wealth businesses

## Bermuda surrender development

The development of the Bermuda policyholder account values is shown below:

	\$m		
	31-Mar-14	31-Dec-13	% change
Account Value: GMAB	956	1,031	(7)%
Account Value: Non-GMAB	377	407	(7)%
Total Account Value	1,333	1,438	(7)%

## Bermuda reserve development

The movement in guarantee reserves over the last year is shown below. Note that all fifth anniversary payments were met by the end of August 2013:

	\$m		
	31-Mar-14	31-Dec-13	31-Mar-13
Guarantee reserves: UGO GMAB <sup>1</sup>	81	79	153
Guarantee reserves: CGO GMAB <sup>2</sup>	5	5	9
Total	86	84	162

<sup>1</sup> Universal Guaranteed Option (UGO) Guaranteed Minimum Accumulation Benefit (GMAB)

<sup>2</sup> Capital Guarantee Option (CGO) Guaranteed Minimum Accumulation Benefit (GMAB)