

# Q3 2014 INVESTOR UPDATE

November 2014

INVESTMENT | SAVINGS | INSURANCE | BANKING



**OLDMUTUAL**

# DISCLAIMER

This presentation may contain certain forward-looking statements with respect 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 which are beyond Old Mutual plc's control including amongst other things, international and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which Old Mutual plc and 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 forth in Old Mutual plc's forward looking statements.

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

# GOOD TRADING PERFORMANCE & FURTHER STRATEGIC EXECUTION

## **Gross sales £6.2bn** (Q3 2013: £6.5bn<sup>1</sup>)

- Emerging Markets gross sales R43.2bn, up 1%
- Old Mutual Wealth gross sales £3.8bn, up 1%

## **NCCF<sup>2</sup> £0.6bn positive** (Q3 2013: £2.6bn positive<sup>1</sup>)

- NCCF excluding non-US based boutique £2.5bn (Q3 2013: £1.7bn)

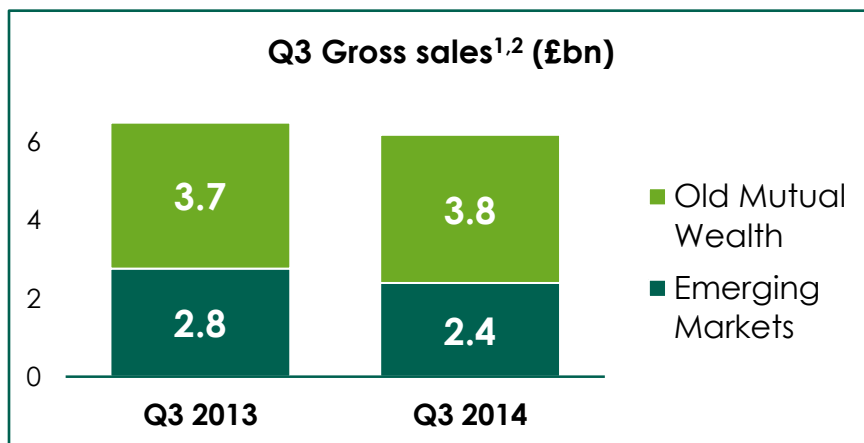
## **Funds under Management<sup>2</sup> up 5%<sup>3</sup> to £308bn**

## **Continued progress against strategic objectives**

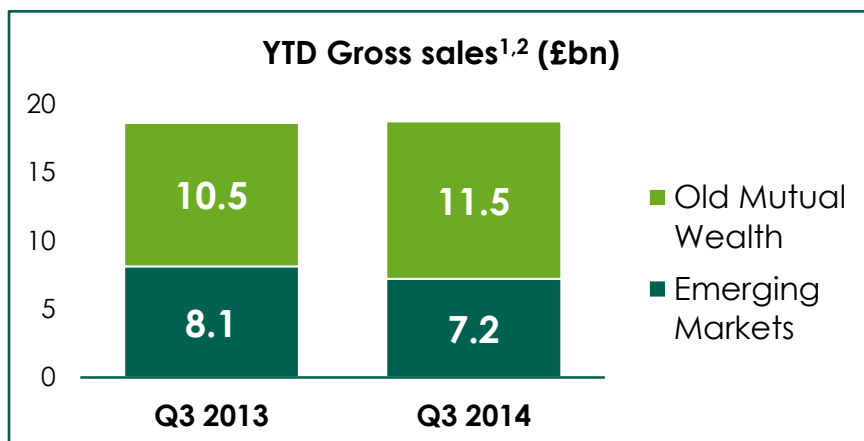
- Increased stake in Old Mutual Finance from 50% to 75%
- UK Skandia businesses rebranded as Old Mutual Wealth
- Agreed sale of additional non-core operations in Europe
- Completed sale of Skandia Germany & Skandia Austria (1 October)
- Added further asset capabilities to OMGI: Asian Equities, European Small Cap, Fixed Income – Absolute Return
- Nedbank exercised its rights to subscribe for 20% of ETI (2 October)
- Completed IPO of OM Asset Management (15 October)
- Announced strategic acquisition of Quilter Cheviot (17 October)

1. As reported with no adjustment for currency.  
2. Core business only.  
3. Since 31 December 2013.

# GROUP OVERVIEW: SALES & NCCF



NCCF (£bn) – Q3	Q3 2013	Q3 2014
Emerging Markets	0.3	<b>0.0</b>
Nedbank	0.2	<b>(0.2)</b>
Old Mutual Wealth	0.6	<b>0.8</b>
Institutional AM <sup>3</sup>	1.5	<b>0.0</b>
<b>Group core operations</b>	2.6	<b>0.6</b>
<i>exc. non-US based boutique</i>	1.7	<b>2.5</b>

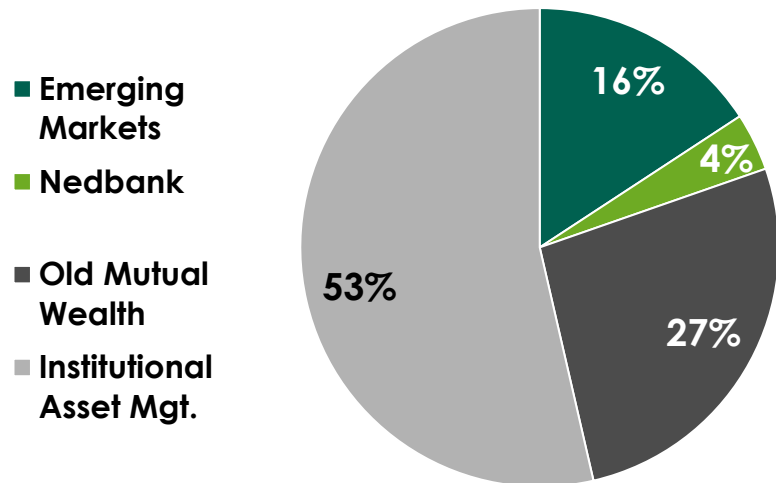


NCCF (£bn) - YTD	Q3 2013	Q3 2014
Emerging Markets	1.1	<b>0.5</b>
Nedbank	0.8	<b>0.4</b>
Old Mutual Wealth	1.4	<b>2.0</b>
Institutional AM <sup>3</sup>	8.4	<b>(0.7)</b>
<b>Group core operations</b>	11.7	<b>2.2</b>
<i>exc. non-US based boutique</i>	7.7	<b>6.3</b>

1. Gross sales are cash inflows for the period and thus include prior period recurring-premium flows.
2. As reported, no adjustment for currency.
3. Includes both the US-based affiliates in OM Asset Management and Rogge which was transferred to Old Mutual plc in Q2 2014. 2013 also includes Echo Point which was discontinued in Q4 2013.

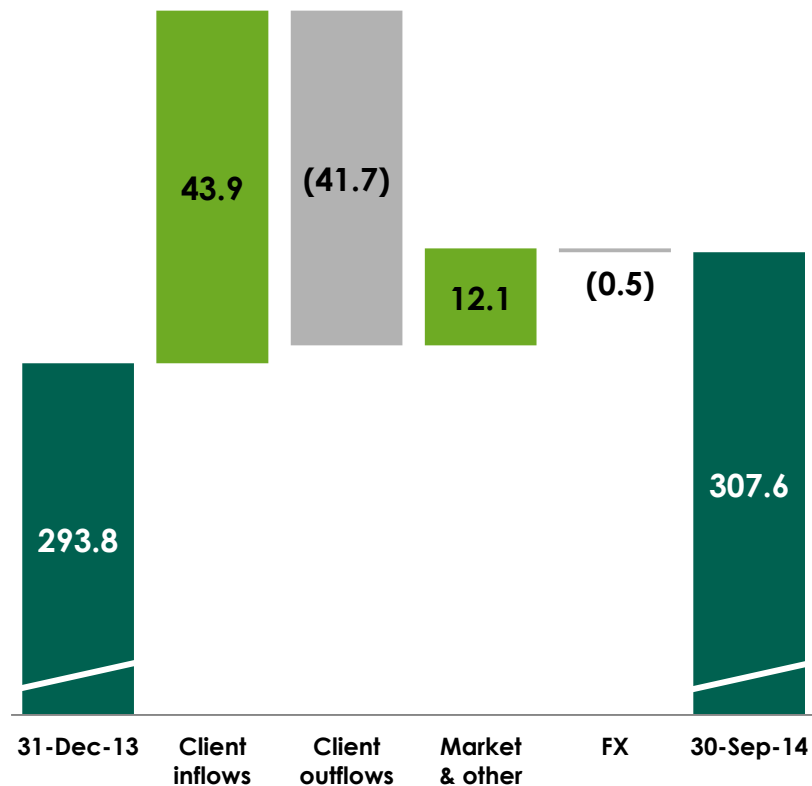
# GROUP OVERVIEW: FuM

Funds under Management  
at 30 Sept 2014

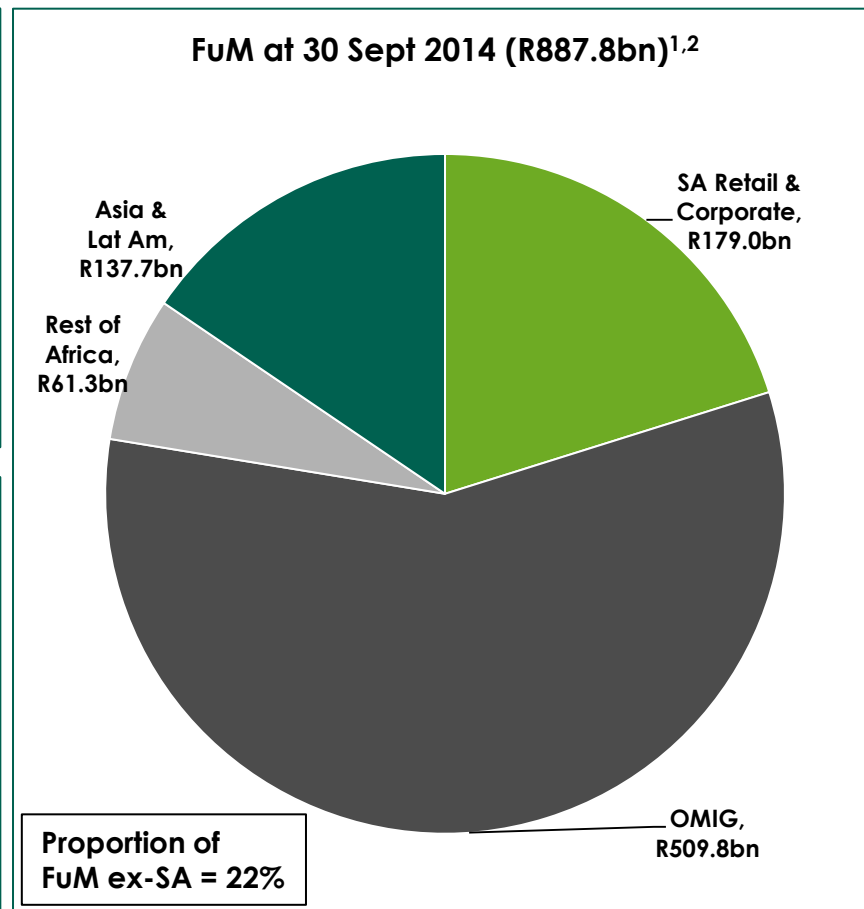
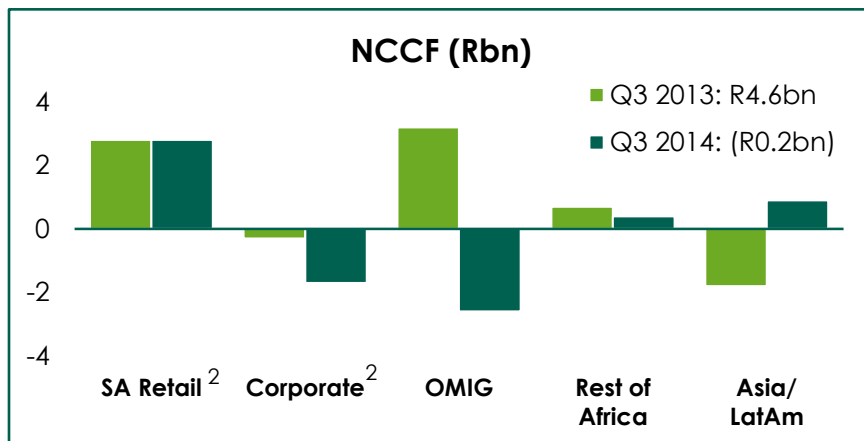
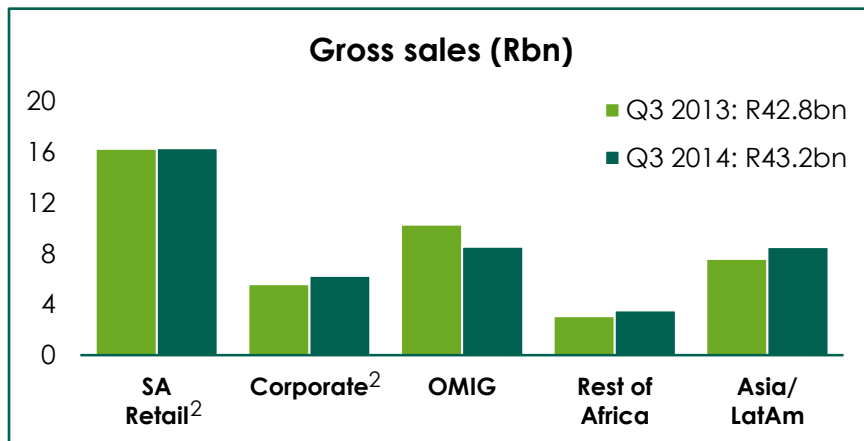


Total: £307.6bn  
(£293.8bn at 31 Dec 2013)

Movement in FuM (£bn)

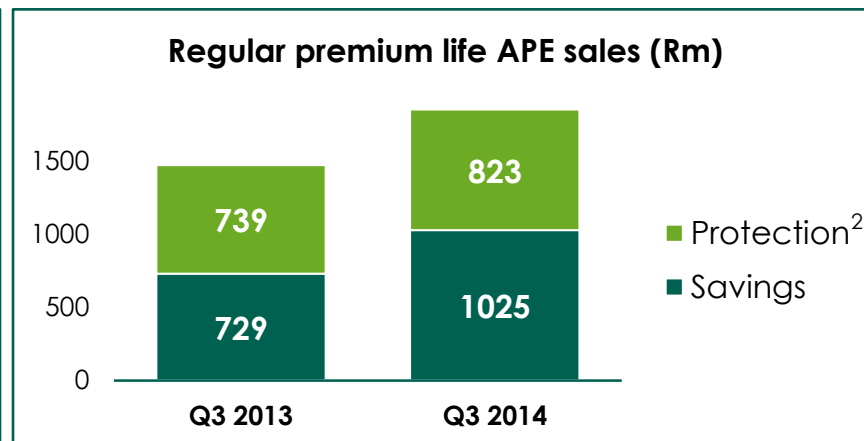
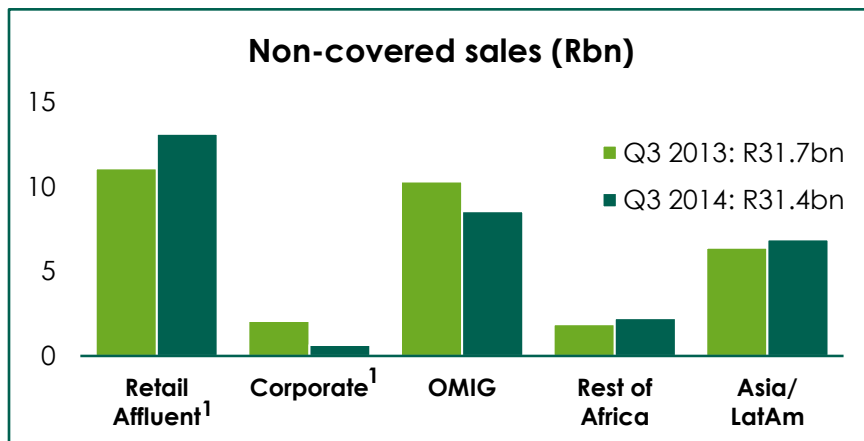
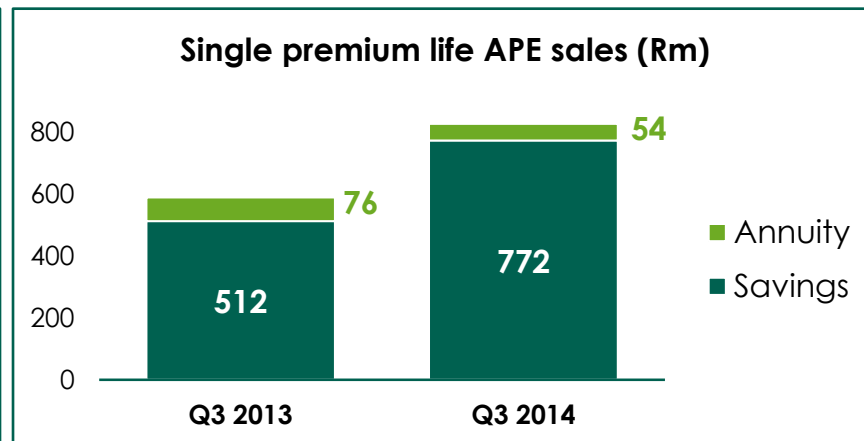
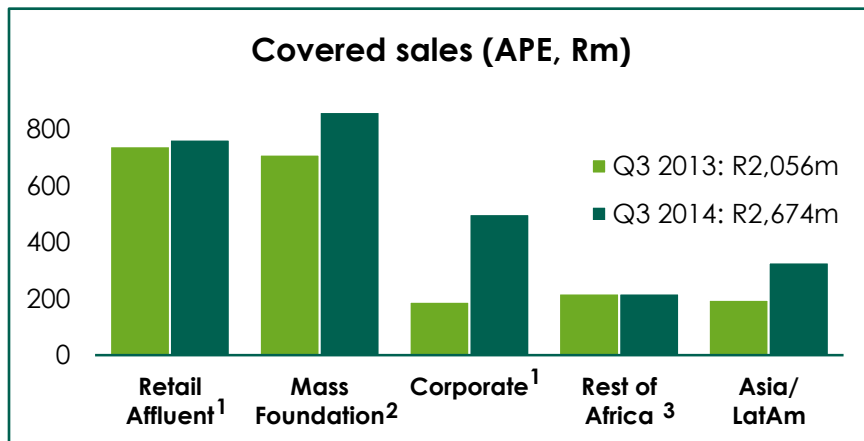


# EMERGING MARKETS



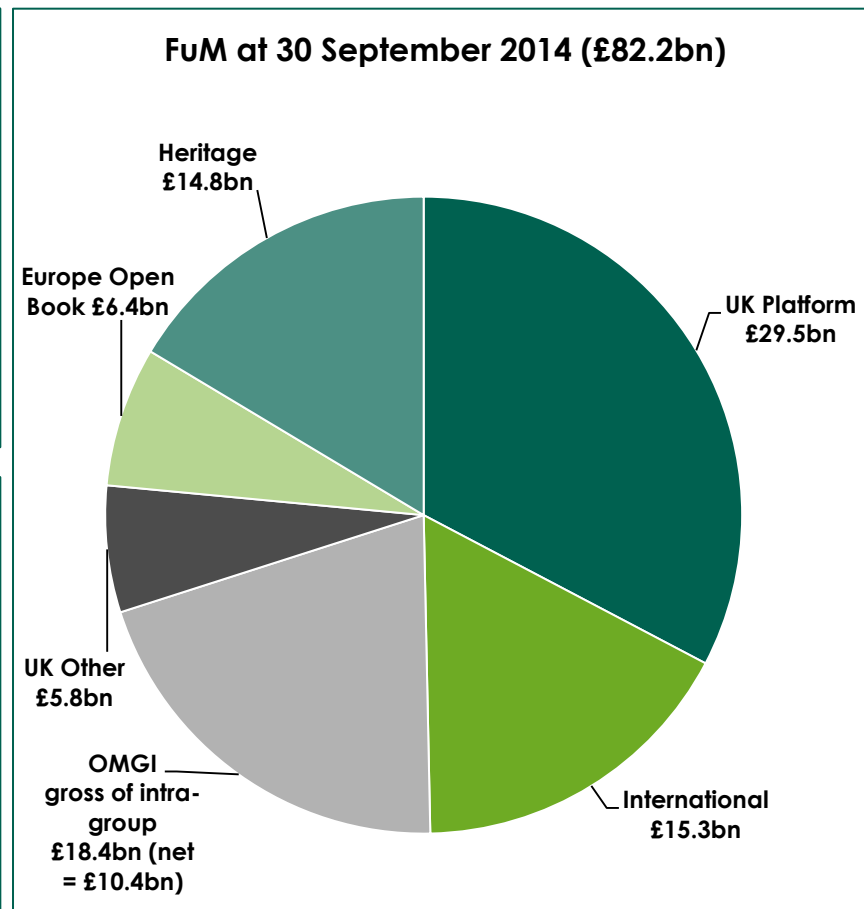
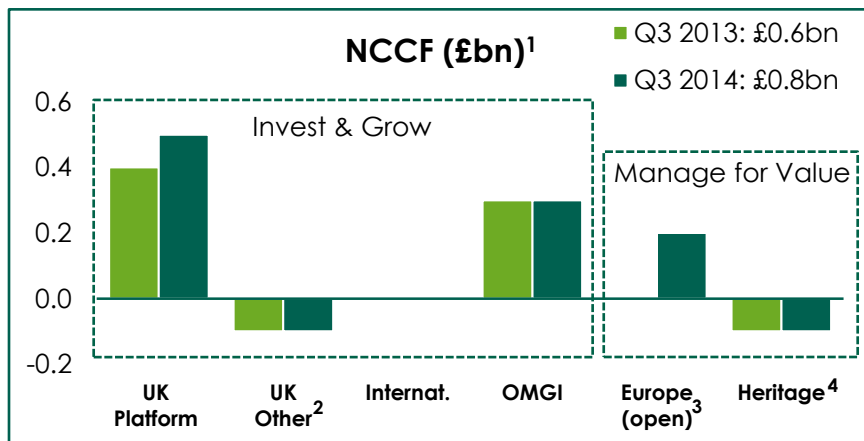
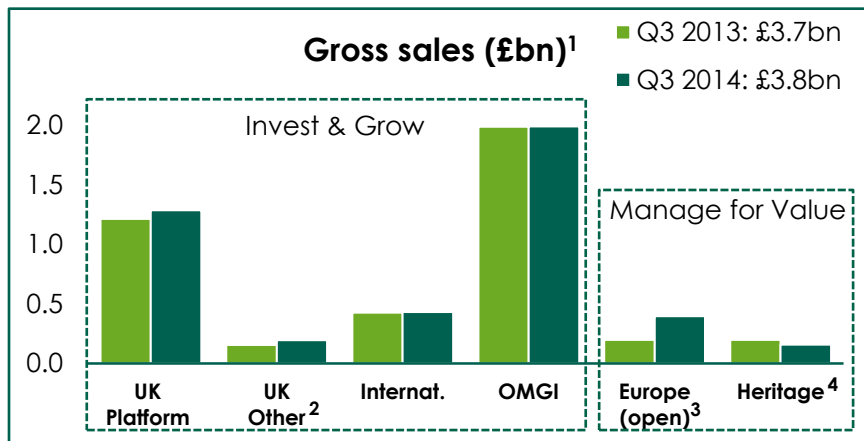
1. Stated on an end-manager basis. Includes R2.2bn held by P&C South Africa (included in SA Retail & Corporate for presentation purposes).
2. From H1 2014 Acsis and Symmetry institutional business has been recorded in Corporate. Previously this was recorded in Retail Affluent. Comparatives have been restated.

# EMERGING MARKETS



1. From H1 2014 Acis and Symmetry institutional business has been recorded in Corporate. Previously this was recorded in Retail Affluent. Comparatives have been restated.
2. OMF credit life sales are included within Mass Foundation protection sales (R67 million in Q3 2014 and R56 million in Q3 2013).
3. In 2014 Rest of Africa life APE sales are reported net of minority interests whereas previously they were reported gross. From 1 Jan 2014 Rest of Africa also excludes renewal sales. Comparatives have not been restated.

# OLD MUTUAL WEALTH



1. Includes flows & assets managed by OMGI on behalf of other Old Mutual Wealth businesses. OMGI figures are shown gross of those flows whereas Old Mutual Wealth totals are shown net to avoid double-counting.
2. UK Other includes Protection, Series 6 pensions and UK Institutional business.
3. Europe Open Book includes business written in France & Italy. Poland included in Q3 2013 (sold in Q2 2014).
4. Heritage includes UK Heritage and Europe Heritage (Germany, Austria, Switzerland and Liechtenstein).



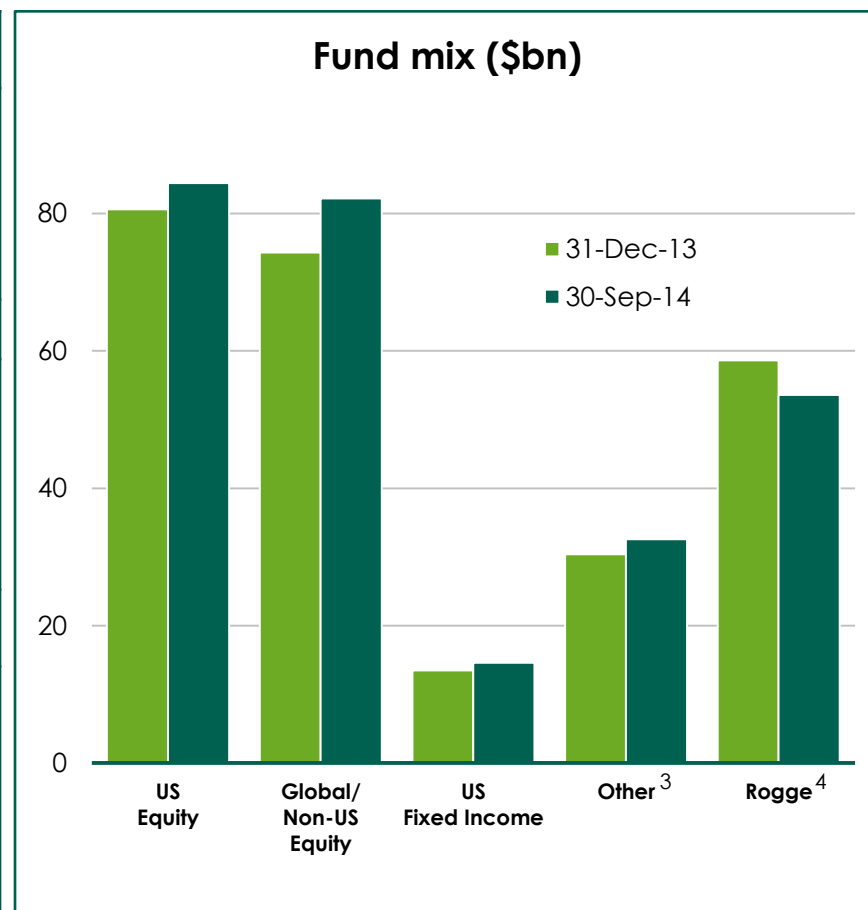
# NEDBANK

	Q3 YTD 2013	Q3 YTD 2014	Change
Net interest income (Rm)	15,725	<b>17,043</b>	8%
Net interest margin	3.58%	<b>3.53%</b>	(5 bps)
Non-interest revenue (Rm)	14,166	<b>14,509</b>	2%
Total advances (Rbn) <sup>1</sup>	579	<b>609</b>	7%
Credit loss ratio	1.15%	<b>0.77%</b>	38 bps
Common equity tier 1 ratio <sup>2</sup>	11.6%	<b>11.9%</b>	30 bps

1. Comparator is as at 31 December 2013. Percent change is on an annualised basis.
2. Based on Basel III capital criteria and includes unappropriated profits.

# INSTITUTIONAL ASSET MANAGEMENT

	Q3 2013	Q3 2014
NCCF (\$bn)		
- OM Asset Management <sup>1</sup>	0.9	<b>3.1</b>
- Non-US based boutique	1.4	<b>(2.9)</b>
	2.3	<b>0.2</b>
FuM <sup>2</sup> (\$bn)		
- OM Asset Management <sup>1</sup>	198.8	<b>213.8</b>
- Non-US based boutique	58.6	<b>53.6</b>
	257.4	<b>267.4</b>
<b>OM Asset Management<sup>1</sup></b>		
Economic Net Income (\$m)	31.7	<b>37.6</b>
ENI Operating margin (pre-NCI)	36%	<b>38%</b>



1. OM Asset Management is the recently listed entity and comprises the US-based affiliates. 2013 NCCF and FuM also includes Echo Point which was discontinued in Q4 2013.
2. FuM comparator is 31 December 2013.
3. Includes Real estate, Timber and Alternatives.
4. Rogge is Global Fixed Income and currency.

# OUR STRATEGY FOR GROWTH

In **South Africa** align OMSA, Nedbank and Mutual & Federal to become the leading and most trusted financial services group.

Build an **African** financial services champion, while continuing to grow in other emerging markets.

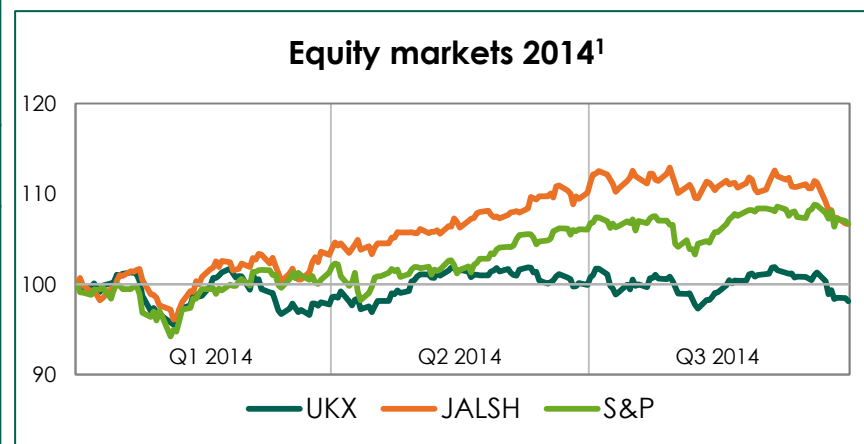
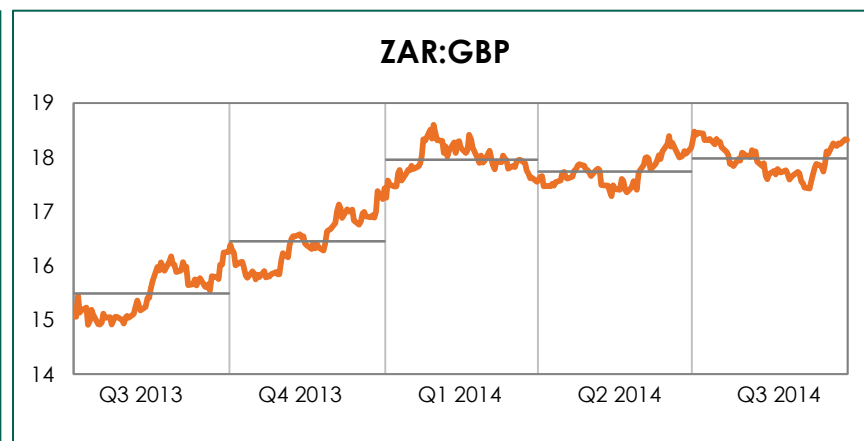
Build the best **retail investment business** in the UK.

Improve and grow our **institutional asset management business** in the US.

In each of our markets be recognised as a leader in **responsible business**.

# MACRO ENVIRONMENT

Exchange rates	Q3 2013	Q3 2014
<b>ZAR:GBP</b>		
Average rate (YTD)	14.65	17.89
Closing rate	16.26	18.32
<b>USD:GBP</b>		
Average rate (YTD)	1.55	1.67
Closing rate	1.62	1.62
Equity markets (closing)	Q3 2013	Q3 2014
FTSE 100	6,462	6,623
JSE Africa All Share	44,031	49,336
S&P 500	1,681	1,972



1. Rebased to 1 Jan 2014=100

# APPENDIX

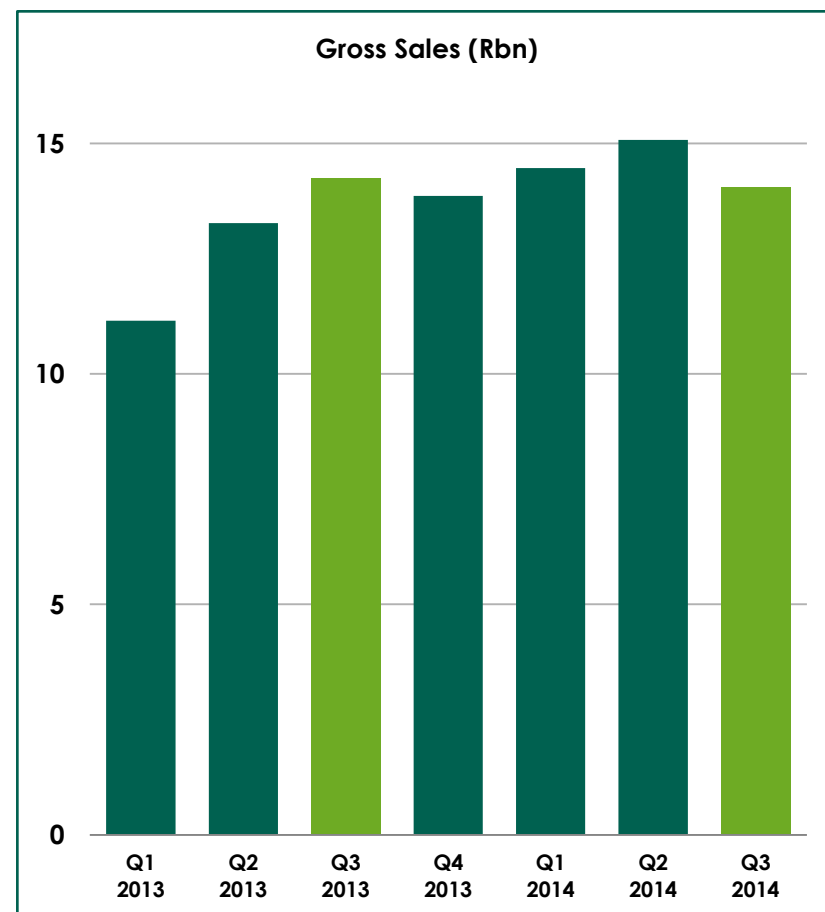
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# EMERGING MARKETS: RETAIL AFFLUENT<sup>1</sup>

Quarter	Q3 2013	Q3 2014	
Gross sales (Rm)	14,239	<b>14,049</b>	(1%)
Covered sales (APE, Rm)	740	<b>764</b>	3%
Non-covered sales (Rm)	11,081	<b>13,121</b>	18%
NCCF (Rbn)	1.7	<b>1.6</b>	(0.1)
FuM (Rbn) <sup>2</sup>	99.8	<b>119.1</b>	19%



**YTD**

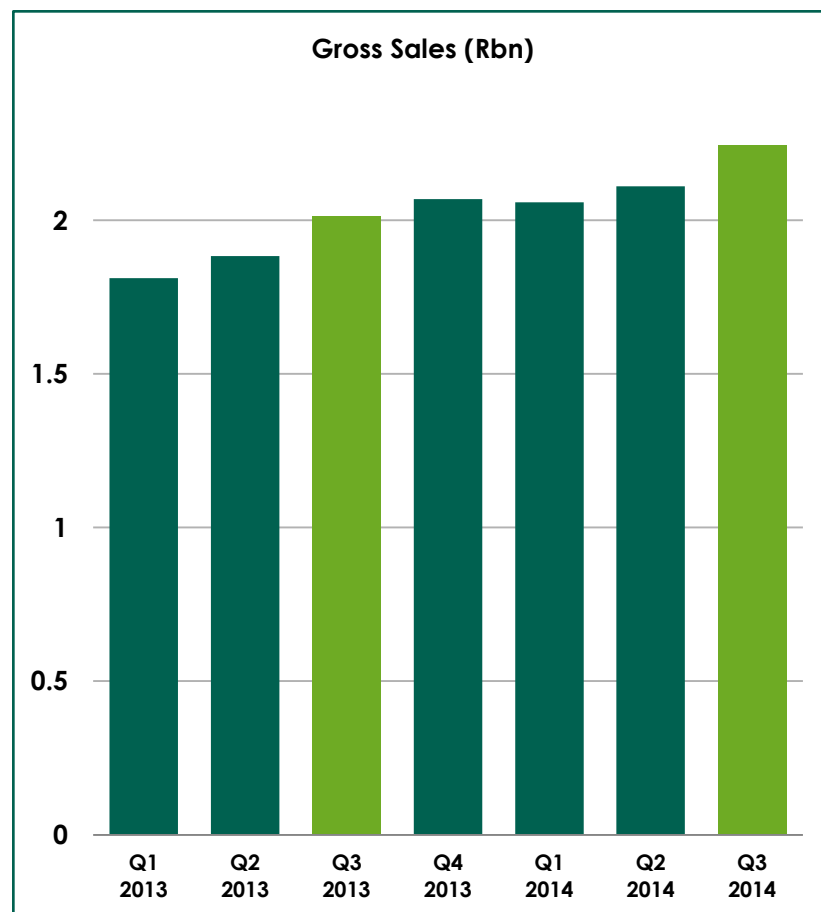
Gross sales (Rm)	38,666	<b>43,591</b>	13%
Covered sales (APE, Rm)	1,899	<b>2,031</b>	7%
Non-covered sales (Rm)	30,597	<b>35,397</b>	16%
NCCF (Rbn)	3.5	<b>4.6</b>	1.1

1. From H1 2014 Acsis and Symmetry institutional business has been recorded in Corporate. Previously this was recorded in Retail Affluent. Comparatives have been restated.
2. FUM is on an end-manager basis and comparator is 31 Dec 2013.

# EMERGING MARKETS: MASS FOUNDATION<sup>1</sup>

Quarter	Q3 2013	Q3 2014	
Gross sales (Rm)	2,014	<b>2,243</b>	11%
Covered sales (APE, Rm)	711	<b>862</b>	21%
NCCF (Rbn)	1.1	<b>1.2</b>	0.1

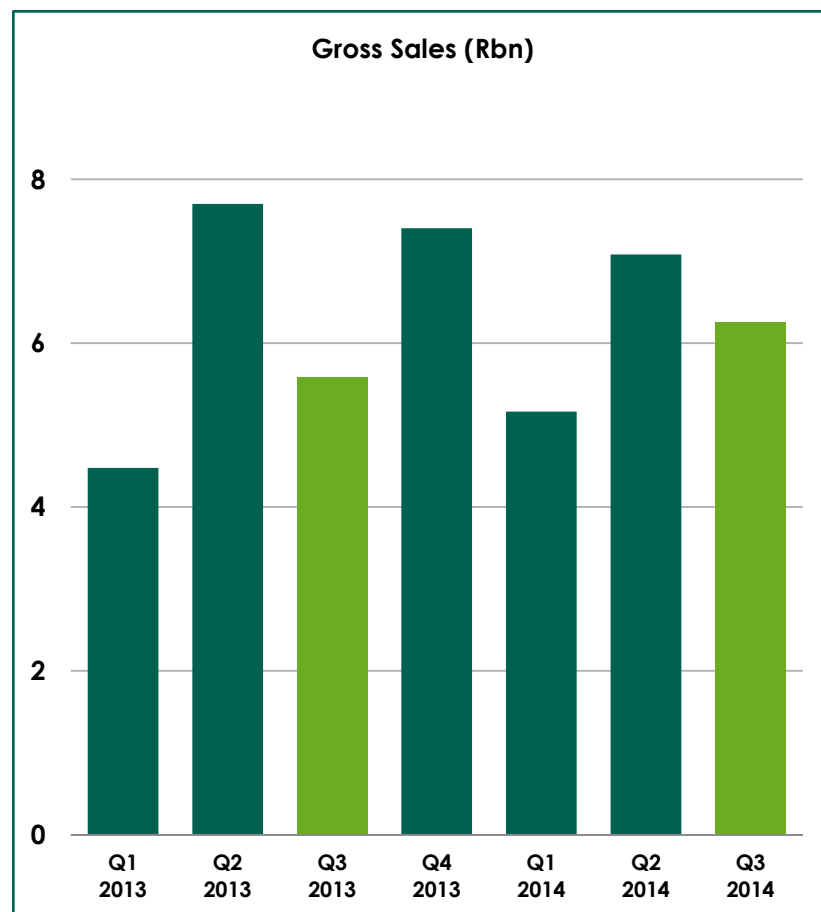
YTD			
Gross sales (Rm)	5,710	<b>6,413</b>	12%
Covered sales (APE, Rm)	2,070	<b>2,226</b>	8%
NCCF (Rbn)	3.1	<b>3.5</b>	0.4



1. Mass Foundation gross sales are recorded by segment but all FUM is managed by OMIG and therefore on an end-manager basis FUM for this segment is nil.

# EMERGING MARKETS: CORPORATE<sup>1</sup>

Quarter	Q3 2013	Q3 2014	
Gross sales (Rm)	5,587	<b>6,258</b>	12%
Covered sales (APE, Rm)	190	<b>500</b>	163%
Non-covered sales (Rm)	2,053	<b>647</b>	(68%)
NCCF (Rbn)	(0.3)	<b>(1.7)</b>	(1.4)
FuM (Rbn) <sup>2</sup>	51.9	<b>57.7</b>	11%



**YTD**

Gross sales (Rm)	17,765	<b>18,507</b>	4%
Covered sales (APE, Rm)	950	<b>1,526</b>	61%
Non-covered sales (Rm)	3,414	<b>2,062</b>	(40%)
NCCF (Rbn)	(0.9)	<b>(2.4)</b>	(1.5)

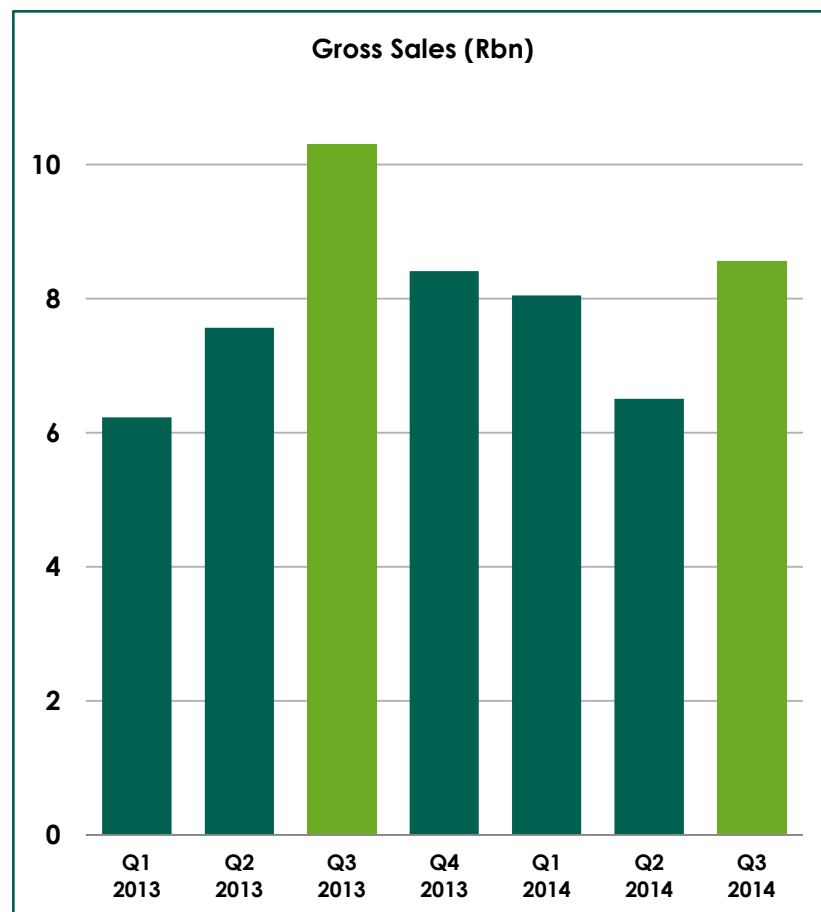
1. From H1 2014 Acsis and Symmetry institutional business has been recorded in Corporate. Previously this was recorded in Retail Affluent. Comparatives have been restated.
2. FUM is on an end-manager basis and comparator is 31 Dec 2013.



# EMERGING MARKETS: OMIG

Quarter	Q3 2013	Q3 2014	
Gross sales (Rm)	10,295	<b>8,547</b>	(17%)
NCCF (Rbn)	3.2	<b>(2.6)</b>	(5.8)
FUM (Rbn) <sup>1</sup>	506.9	<b>509.8</b>	1%

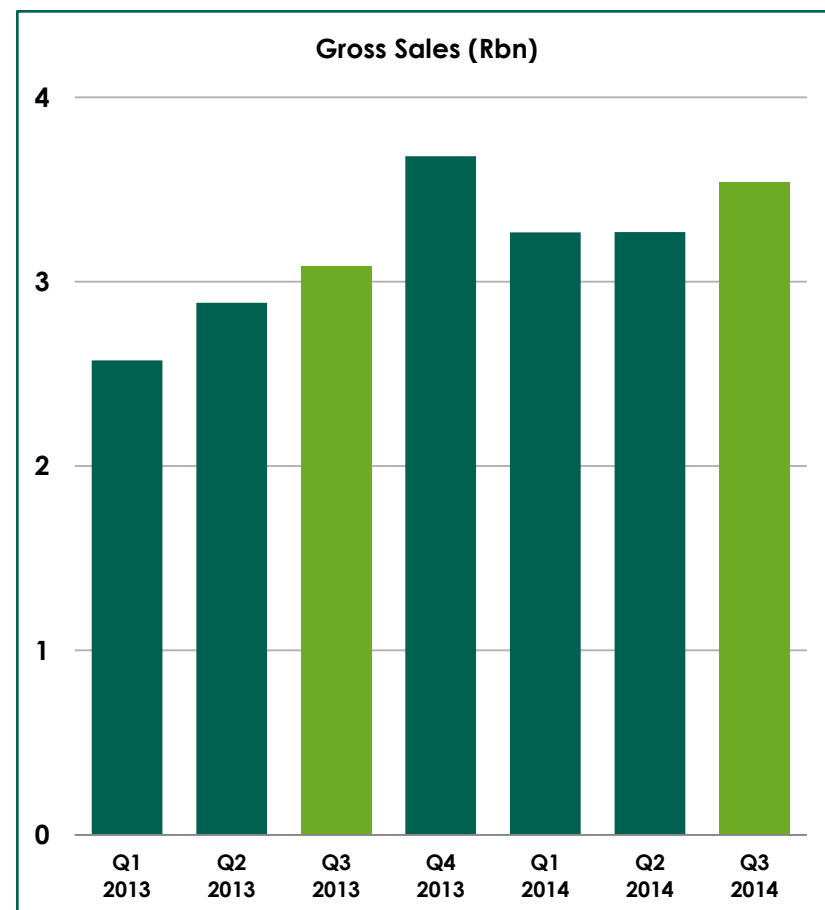
YTD			
Gross sales (Rm)	24,085	<b>23,098</b>	(4%)
NCCF (Rbn)	4.7	<b>(2.4)</b>	(7.1)



1. FUM is on an end-manager basis and comparator is 31 Dec 2013.

# EMERGING MARKETS: REST OF AFRICA

Quarter	Q3 2013	Q3 2014	
Gross sales (Rm)	3,082	<b>3,537</b>	15%
Covered sales (APE, Rm) <sup>1</sup>	219	<b>219</b>	0%
Non-covered sales (Rm)	1,876	<b>2,227</b>	19%
NCCF (Rbn)	0.7	<b>0.4</b>	(0.3)
FuM (Rbn) <sup>2,3</sup>	53.9	<b>61.3</b>	14%



**YTD**

Gross sales (Rm)	8,542	<b>10,075</b>	18%
Covered sales (APE, Rm) <sup>1</sup>	587	<b>565</b>	(4%)
Non-covered sales (Rm)	5,189	<b>6,364</b>	23%
NCCF (Rbn)	2.1	<b>1.3</b>	(0.8)

1. In 2014 Rest of Africa life APE sales are reported net of minority interests whereas previously it was reported gross.

From 1 Jan 2014 Rest of Africa also excludes renewal sales. Comparatives have not been restated.

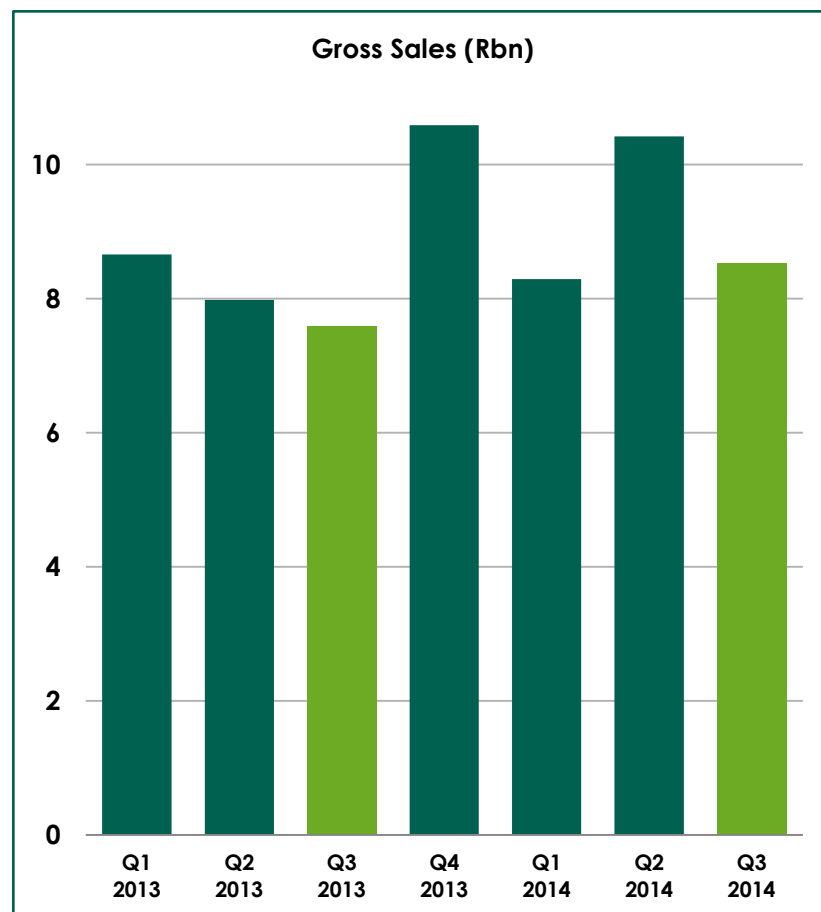
2. FuM is on an end-manager basis and comparator is 31 Dec 2013.

3. From Q1 2014 Property & Casualty FuM has been allocated by geographic location. Comparatives have not been restated.



# EMERGING MARKETS: ASIA & LATIN AMERICA<sup>1</sup>

Quarter	Q3 2013	Q3 2014	
Gross sales (Rm)	7,582	<b>8,518</b>	12%
Covered sales (APE, Rm)	196	<b>329</b>	68%
Non-covered sales (Rm)	6,386	<b>6,886</b>	8%
NCCF (Rbn)	(1.8)	<b>0.9</b>	2.7
FuM (Rbn) <sup>2</sup>	125.4	<b>139.1</b>	11%



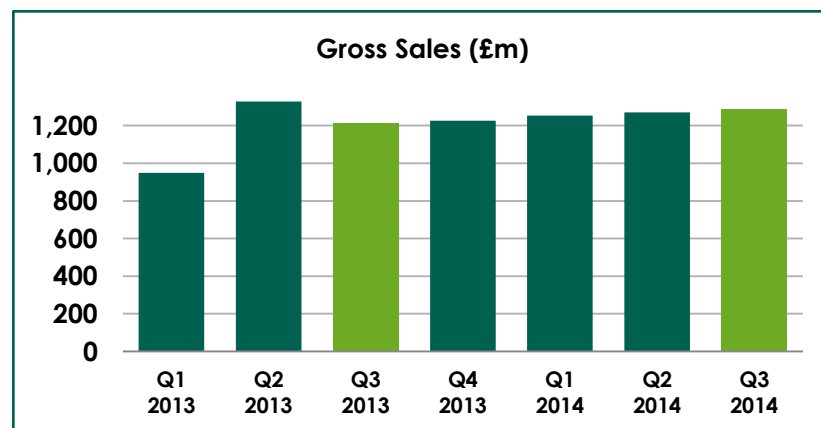
YTD

Gross sales (Rm)	24,217	<b>27,227</b>	12%
Covered sales (APE, Rm)	643	<b>870</b>	35%
Non-covered sales (Rm)	20,039	<b>22,794</b>	14%
NCCF (Rbn)	3.2	<b>4.4</b>	1.2

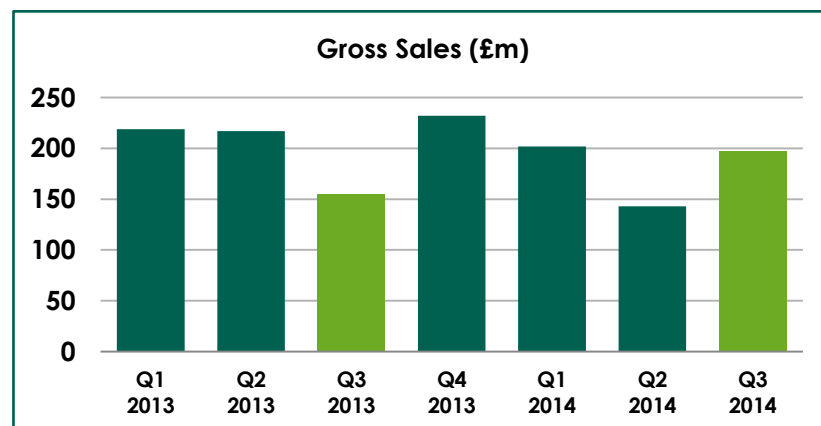
1. Asia & Latin America represents Mexico, Colombia and a proportional share of India and China. India corporate business sales are only reported from 1 January 2014 and comparatives have not been restated.
2. FUM is on an end-manager basis and comparator is 31 Dec 2013.

# OLD MUTUAL WEALTH: INVEST & GROW

UK Platform	Q3 2013	Q3 2014	
Gross sales (£m)	1,214	<b>1,286</b>	6%
NCCF (£bn)	0.4	<b>0.5</b>	0.1
FuM (£bn) <sup>1</sup>	27.3	<b>29.5</b>	8%
YTD Gross sales (£m)	3,491	<b>3,809</b>	9%
YTD NCCF (£bn)	1.7	<b>1.4</b>	(0.3)



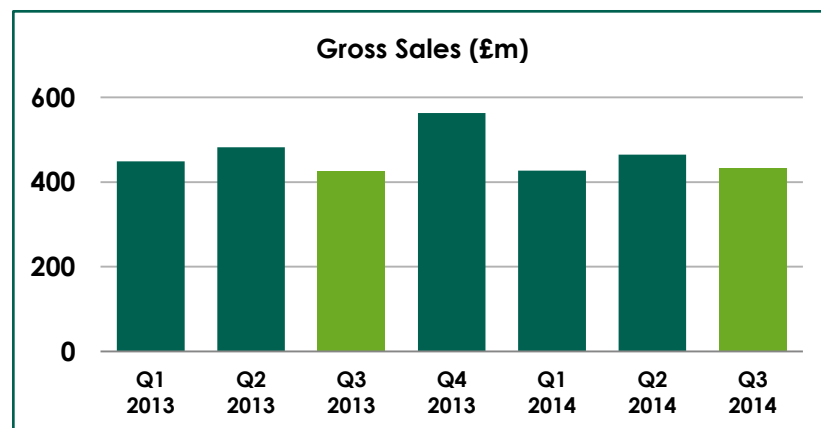
UK Other <sup>2</sup>	Q3 2013	Q3 2014	
Gross sales (£m)	155	<b>197</b>	27%
NCCF (£bn)	(0.1)	<b>(0.1)</b>	0.0
FuM (£bn) <sup>1</sup>	5.6	<b>5.8</b>	4%
YTD Gross sales (£m)	591	<b>542</b>	(8%)
YTD NCCF (£bn)	(0.1)	<b>(0.1)</b>	0.0



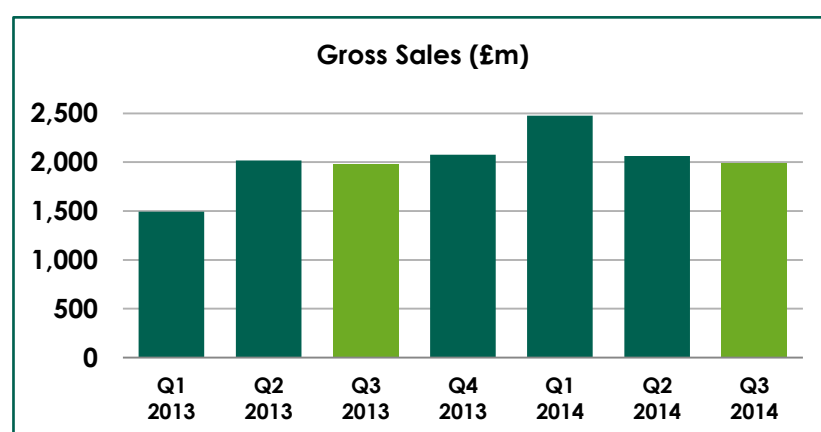
1. FUM is on an end-manager basis and comparator is 31 Dec 2013.  
 2. Includes Protection, Series 6 pensions and UK Institutional business.

# OLD MUTUAL WEALTH: INVEST & GROW

<b>International</b>	Q3 2013	Q3 2014	
Gross sales (£m)	427	<b>433</b>	1%
NCCF (£bn)	0.0	<b>0.0</b>	0.0
FuM (£bn) <sup>1</sup>	15.0	<b>15.3</b>	2%
YTD Gross sales (£m)	1,358	<b>1,325</b>	(2%)
YTD NCCF (£bn)	0.3	<b>0.1</b>	(0.2)



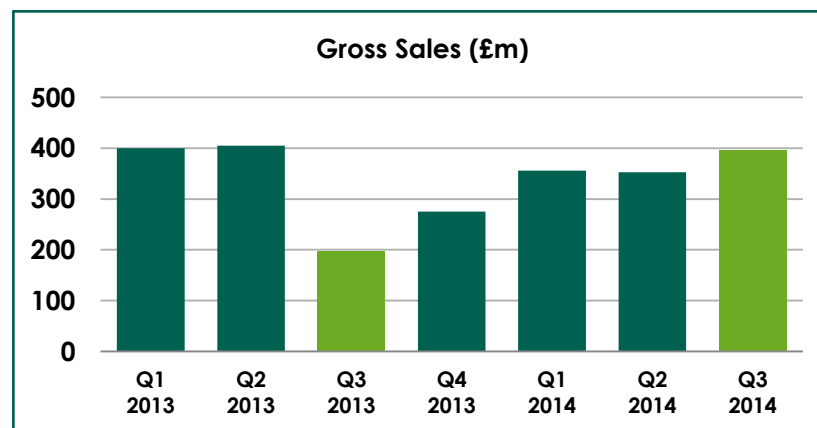
<b>OMGI</b>	Q3 2013	Q3 2014	
Gross sales (£m)	1,986	<b>1,990</b>	0%
NCCF (£bn) <sup>2</sup>	0.3	<b>0.3</b>	0.0
FuM (£bn) <sup>1,2</sup>	16.0	<b>18.4</b>	15%
<i>net of intra-Group assets<sup>3</sup></i>	8.6	<b>10.4</b>	21%
YTD Gross sales (£m)	5,496	<b>6,528</b>	19%
YTD NCCF (£bn)	0.5	<b>1.4</b>	0.9



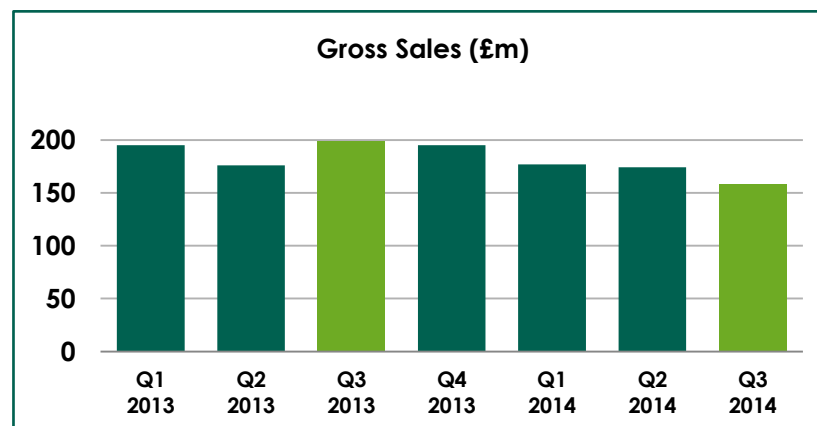
1. FUM is on an end-manager basis and comparator is 31 Dec 2013.
2. Includes £0.9bn of FuM and £0.1bn of NCCF in respect of the Cirilium fund range currently managed by Intrinsic Cirilium Investment Company.
3. Intra-Group assets are assets managed by OMGI on behalf of other Old Mutual Wealth businesses.

# OLD MUTUAL WEALTH: MANAGE FOR VALUE

Europe open book <sup>1</sup>	Q3 2013	Q3 2014	
Gross sales (£m)	198	<b>396</b>	100%
NCCF (£bn)	0.0	<b>0.2</b>	0.2
FuM (£bn) <sup>2</sup>	6.6	<b>6.4</b>	(3%)
YTD Gross sales (£m)	1,003	<b>1,105</b>	10%
YTD NCCF (£bn)	0.4	<b>0.4</b>	0.0



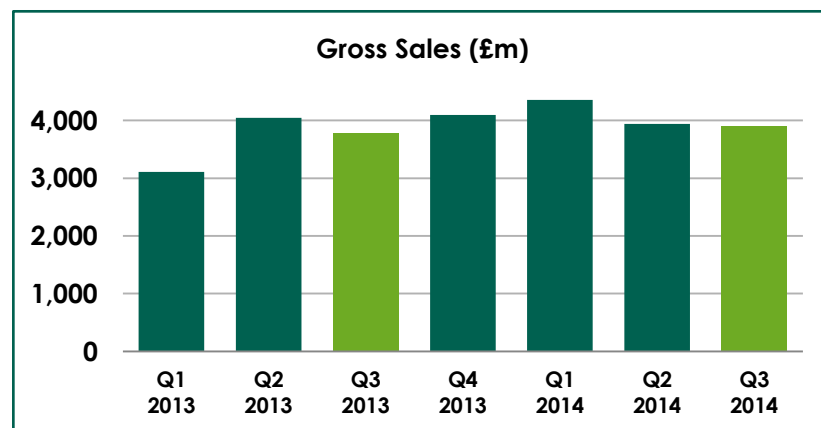
Heritage business <sup>3</sup>	Q3 2013	Q3 2014	
Gross sales (£m)	199	<b>158</b>	(21%)
NCCF (£bn)	(0.1)	<b>(0.1)</b>	0.0
FuM (£bn) <sup>2</sup>	15.4	<b>14.8</b>	(4%)
YTD Gross sales (£m)	570	<b>509</b>	(11%)
YTD NCCF (£bn)	(0.8)	<b>(0.7)</b>	0.1



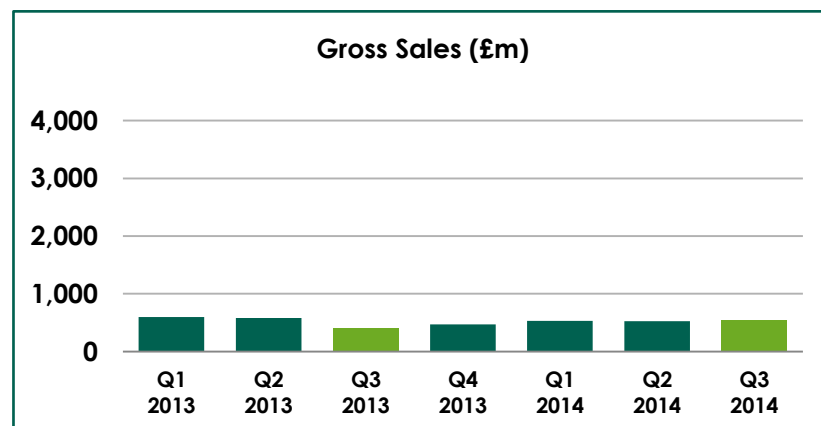
1. Includes business written in France, Italy and Poland. Poland sold 30 May 2014.
2. FUM is on an end-manager basis and comparator is 31 Dec 2013.
3. Includes UK Heritage and European Heritage (Germany, Austria, Switzerland and Liechtenstein).

# OLD MUTUAL WEALTH

<b>Invest &amp; Grow</b>	Q3 2013	Q3 2014	
Gross sales (£m)	3,782	<b>3,906</b>	3%
NCCF (£bn)	0.6	<b>0.7</b>	0.1
FuM (£bn) <sup>1</sup>	63.9	<b>69.0</b>	8%
<i>net of intra-Group assets<sup>2</sup></i>	56.5	<b>61.0</b>	8%
YTD Gross sales (£m)	10,936	<b>12,204</b>	12%
YTD NCCF (£bn)	2.4	<b>2.8</b>	0.4



<b>Manage for Value</b>	Q3 2013	Q3 2014	
Gross sales (£m)	397	<b>554</b>	40%
NCCF (£bn)	(0.1)	<b>0.1</b>	0.2
FuM (£bn) <sup>1</sup>	22.0	<b>21.2</b>	(4%)
YTD Gross sales (£m)	1,573	<b>1,614</b>	3%
YTD NCCF (£bn)	(0.4)	<b>(0.3)</b>	0.1



1. FUM is on an end-manager basis and comparator is 31 Dec 2013.

2. Intra-Group assets are assets managed by OMGI on behalf of other Old Mutual Wealth businesses.

# CONTACTS

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