

# ALTERNATIVE VIEW OF ADJUSTED GROUP NAV AND ROE

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INVESTMENT | SAVINGS | INSURANCE | BANKING



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# ADJUSTED GROUP NAV

£m	HY 2015			FY 2014			
	Equity attributable to equity holders of the parent	Adjusted Group NAV	AOP after tax & NCI	Equity attributable to equity holders of the parent	Adjusted Group NAV	AOP after tax & NCI	Implied multiple
<b>Old Mutual Emerging Markets</b>	<b>1,866</b>	<b>3,724</b>	<b>226</b>	<b>1,929</b>	<b>3,835</b>	<b>410</b>	<b>9</b>
Life & Savings	996	2,864	164	1,188	3,108	282	11
Asset Management	329	329	22	336	336	68	5
Property & Casualty	345	345	14	189	189	21	9
Banking & Lending	196	186	26	216	202	39	5
<b>Nedbank</b>	<b>1,942</b>	<b>3,270</b>	<b>161</b>	<b>2,067</b>	<b>3,575</b>	<b>301</b>	<b>12</b>
<b>Old Mutual Wealth <sup>1</sup></b>	<b>1,928</b>	<b>2,138</b>	<b>132</b>	<b>2,125</b>	<b>2,343</b>	<b>158</b>	<b>15</b>
Open books <sup>2</sup>	1,502	1,502	95	1,517	1,517	98	15
UK Heritage	362	571	32	369	586	47	12
Europe – closed book <sup>3</sup>	65	65	5	240	240	13	18
<b>Institutional Asset Management <sup>4</sup></b>	<b>577</b>	<b>897</b>	<b>46</b>	<b>653</b>	<b>986</b>	<b>96</b>	<b>10</b>
<b>Other and non-core operations</b>	<b>875</b>	<b>363</b>		<b>632</b>	<b>150</b>		
<b>Group</b>	<b>7,188</b>	<b>10,392</b>		<b>7,406</b>	<b>10,889</b>		

1. The comparative AOP post-tax and NCI value for Old Mutual Wealth is shown after removing AOP of divested European businesses (£21m).

2. The IFRS NAV of Quilter Cheviot (represented by assets acquired and goodwill) as well as the loan from GHO to fund this acquisition is included in the June 2015 Open books value. If the loan were treated as equity the adjusted NAV for Old Mutual Wealth would increase to £2,704 million and the Other and non-core operations value would decrease to £(203) million. This would increase the implied multiple presented on slide A44 from 8x to 10x.

3. Comprises Switzerland at held for sale value at 30 June 2015.

4. Adjusted Group NAV column for Institutional Asset Management reflects the market value of OMAM at 31 December 2014.

# RETURN ON EQUITY

<b>Group and local ROE (annualised basis) H1 2015 (£m)</b>	<b>AOP</b>	<b>Shareholder equity excl. intangibles<sup>1</sup></b>	<b>Return on shareholder equity excl. intangibles<sup>2</sup></b>	<b>Local ROE</b>
Old Mutual Emerging Markets	226	1,497	28.3%	23.2%
Nedbank	161	1,699	18.3%	17.3%
Old Mutual Wealth <sup>5</sup>	132	260	44.4%	17.0%
Institutional Asset Management	46	23	>100%	15.0%
Central Activities	(63)	3,090 <sup>1,3</sup>	-	-
<b>Group RoE</b>	<b>502</b>	<b>6,569</b>	<b>15.0%<sup>4</sup></b>	<b>15.0%<sup>4</sup></b>

1. Shareholders' equity is at 30 June 2015. Business unit figures exclude the Group share of 'Goodwill and other intangible assets' as reported in the segmental balance sheet; however these assets are included in the Group ROE.

2. Calculated as AOP post-tax and NCI divided by average shareholders' equity excluding 'goodwill and other intangible assets'.

3. Includes 'Goodwill and other intangible assets' and excludes the perpetual preferred callable securities and non-core operations.

4. Group ROE is calculated using average ordinary shareholders' equity (i.e. excluding perpetual preferred callable securities) and excludes non-core operations.

5. Shareholder's equity for Old Mutual Wealth includes the tangible assets of Quilter Cheviot, the related goodwill and other intangible assets are included in central activities.



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