

PRELIMINARY RESULTS 2014

27 February 2015

INVESTMENT | SAVINGS | INSURANCE | BANKING



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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.

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

AGENDA

Group performance and strategy

Julian Roberts, CEO

Financial review

Ingrid Johnson, GFD

Conclusion & summary

Julian Roberts, CEO

GOOD PERFORMANCE IN 2014: DOING WHAT WE SAID WE WOULD DO

Delivered strong financial results

Invested in line with our strategy

In Africa: build a **financial services champion**.
In the UK: build the leading **retail investment business**.
In the US: grow our **institutional asset management** business.
In all our markets: become recognised as the financial services **leader in responsible business**.

Sold non-core European businesses

Delivered successful IPO of Old Mutual Asset Management

Showed we are a responsible business

Completed the positioning of our businesses for growth

STRONG FINANCIAL DELIVERY

AOP¹ £1.6bn, up 16%²

Adjusted EPS 17.9 pence, up 13%²

NCCF £4.9bn³ (2% of opening FuM)

Funds under Management £319bn³, up 6%²

Full year dividend 8.7 pence per share, up 7%

1. AOP, pre-tax and NCI, based on core business only.

2. Changes in constant currency.

3. Core business. Excluding non-US affiliate, core business NCCF was £11.2bn (2013: £11.6bn).



BUILDING AN AFRICAN FINANCIAL SERVICES CHAMPION

South Africa

Strategy

- Continue to develop in the growth markets.
- Drive growth in Nedbank.
- Inter-group collaboration.

2014

- Integrated P&C businesses into OMEM.
- Increased stake in Old Mutual Finance.
- Successful launch of new products in key areas (eg. 2-IN-ONE, SuperFund).
- Improved product & service proposition in Old Mutual Wealth (Retail Affluent).

Rest of Africa

Strategy

- SADC: strengthen existing franchise.
- East Africa: strategic acquisitions.
- West Africa: organic growth supported by alliances & partnerships.







2014

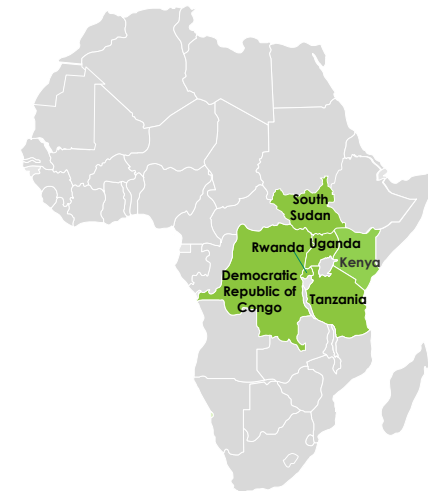
- Nedbank purchased 20% stake in ETI.
- Bank distribution agreements (West Africa).
- Brand building & product roll-out.
- R3.6bn of R5bn committed (including UAP).
- Now over 3m customers (excluding Nedbank).

AFRICAN EXPANSION: UAP

- Acquisition of 60.7% of UAP Holdings Limited:
 - Announced in January 2015.
 - Pending regulatory approvals.
 - Completion expected during 2015.
- In line with our stated expansion strategy.
 - Provides a platform to grow in East Africa.
 - Will integrate with Old Mutual Kenya.
 - Joint life business will be no. 4 in market share.
- Consideration KES 23 bn cash (c. £162m).

UAP profile¹

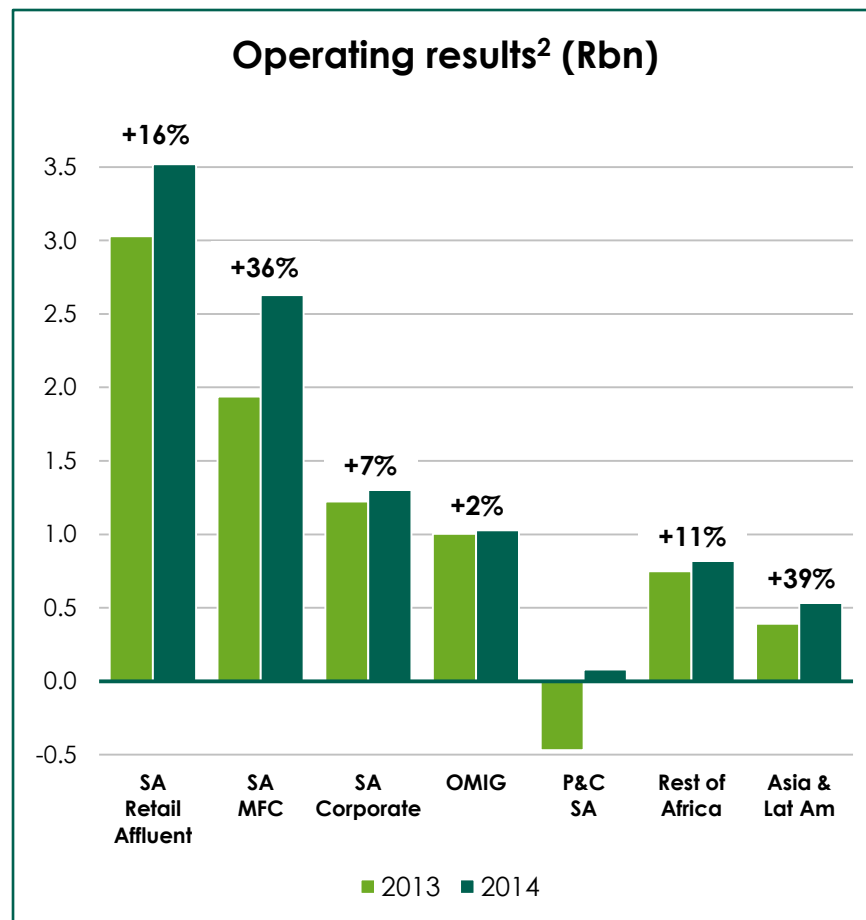
Country	Business	Market share	Market position
 Kenya	<ul style="list-style-type: none"> • General • Health • Life 	7% 13% 4%	3 rd 2 nd 8 th
 Uganda	<ul style="list-style-type: none"> • General • Health • Life 	15% 21% 12%	2 nd 2 nd 3 rd
 South Sudan	<ul style="list-style-type: none"> • General 	~90% (est.)	1 st
 Tanzania	<ul style="list-style-type: none"> • General 	Small player acquired in 2013.	
 DRC	<ul style="list-style-type: none"> • Brokerage 	-	-
 Rwanda	<ul style="list-style-type: none"> • General 	Established in 2013	



1. Market share and position based on GWP in 2013: South Sudan market share based on expert opinion. Source: AKI annual report 2013; AXCO; IRA Uganda annual report 2013.

OLD MUTUAL EMERGING MARKETS¹

Rbn	2014	Δ
AOP (pre-tax) (Rm)	11,033	23%
Gross sales	185	12%
Covered sales (APE)	9.7	15%
Non-covered sales	134	15%
NCCF	21.3	(14%)
FuM	904.9	8%
RoE	22.8%	50 bps

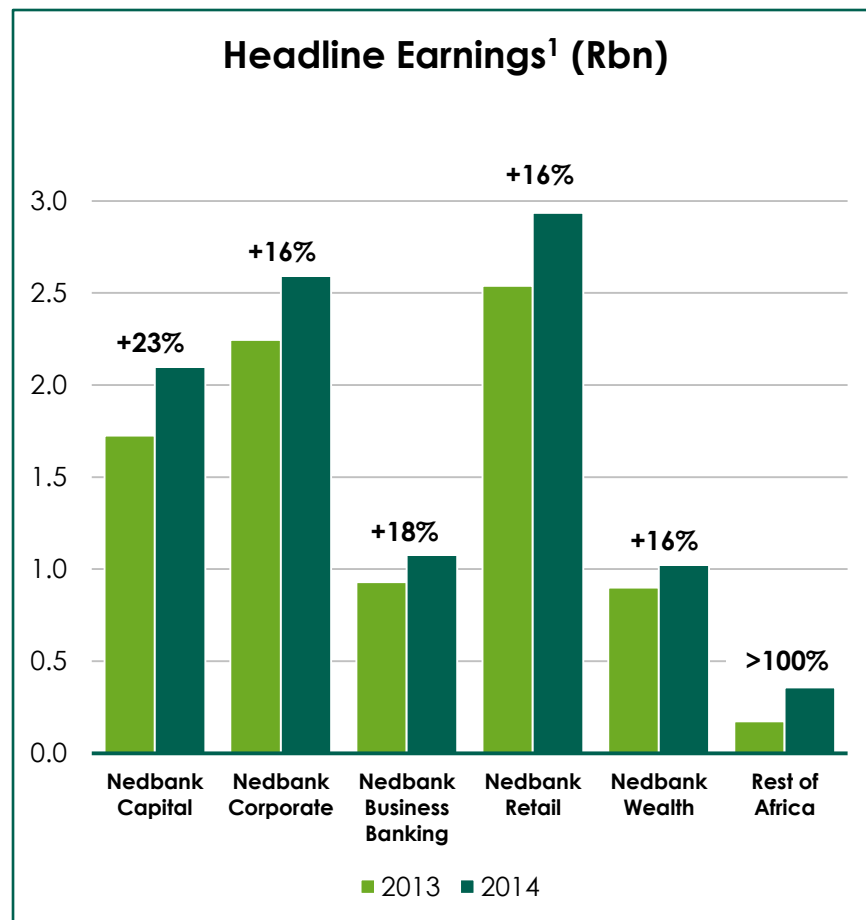


1. From 1 Jan 2014 Property & Casualty is reported as part of Emerging Markets. Comparatives restated.
 2. Adjusted operating profit, pre-tax, before LTIR and central costs.

NEDBANK

Rm	2014	Δ
AOP (pre-tax) ¹	13,757	14%
Net interest income	22,961	8%
Non-interest revenue	20,312	5%

Rm	2013	2014
Impairments	5,565	4,506
Credit loss ratio	1.06%	0.79%
Common equity Tier 1 ratio	12.5%	11.6%
RoE (exc. goodwill)	17.2%	17.2%



1. Total Headline Earnings were R9,880m (2013: R8,670m).

BUILDING THE LEADING RETAIL INVESTMENT BUSINESS IN THE UK

New world

Fundamental changes arising from **QE**.

Profound changes to **UK pensions regime**.

Low consumer trust in financial services.

Banks exited the advice market.

Need for **capital efficiency**.

Restricted advice now the norm.

Increasing but uncertain **regulation**.

From standard products to **customer needs-driven solutions**.

Need for **economies of scale**.

Digital interactivity expected.



New model

Vertically integrated;

offering **affluent & high net worth customers**

tailor-made **investment & retirement solutions**

with **advice** from independent or restricted advisers, face to face, digitally or direct

on modern tax-efficient **platforms**,

underpinned by leading **asset management** and seamless **customer service**



OLDMUTUAL

UPDATE ON INTRINSIC & QUILTER CHEVIOT

Intrinsic

- Acquisition completed July 2014 (Cirilium fully acquired December 2014)
- Now integrated into Old Mutual Wealth
- 930 restricted advisers, up 33% in 2014
- Restricted advisers delivered £178m of platform sales since acquisition
- Old Mutual protection products added to the restricted panel for 2015
- Cirilium net flows £558m in 2014, total AUM £2.0bn at 31 December.

Quilter Cheviot

- Acquisition completed February 2015: integration plans in place
- Adds discretionary investment management capability
- Opportunity to access the £0.9 trillion of high net worth investible assets
- Quality asset & earnings stream
- Clear synergy opportunities
- 2014 performance in line with expectations

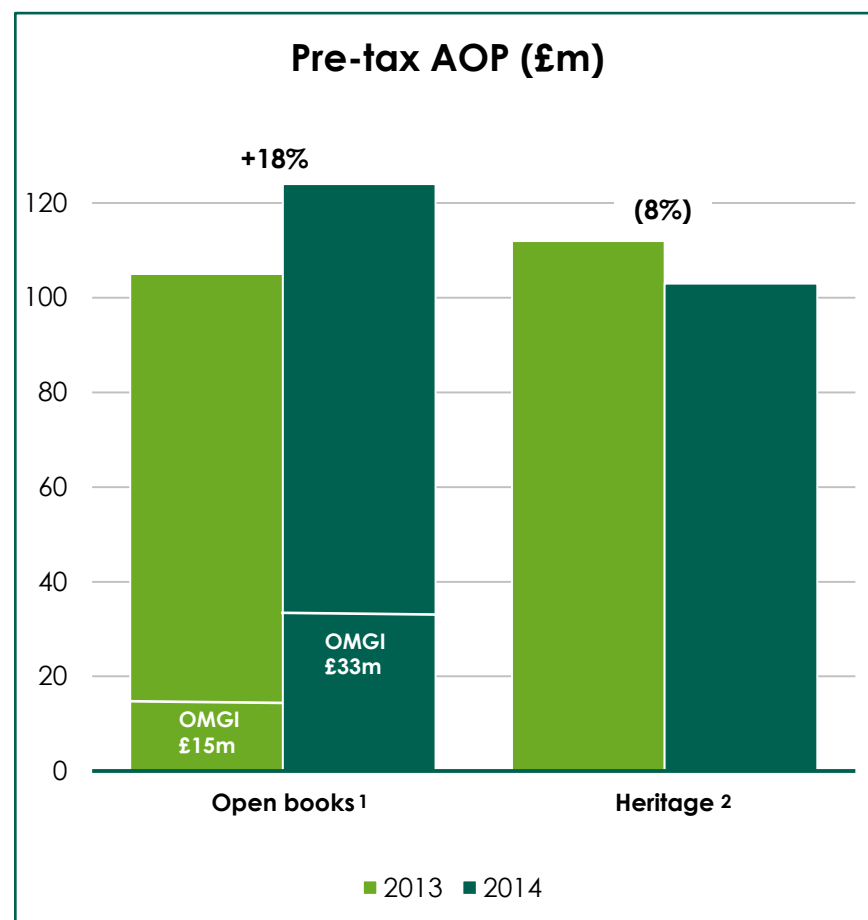
2014

NCCF	£1.1bn
FuM	£16.7bn, up 10%

OLD MUTUAL WEALTH

£bn	2014	Δ
AOP (pre-tax) (£m)	227	5%
AOP excluding divested businesses (£m)	199	11%
Gross sales	16.0	11%
NCCF	3.7	61%
FuM	82.5	5%
Operating margin	36%	-
RoE	16.5%	60 bps

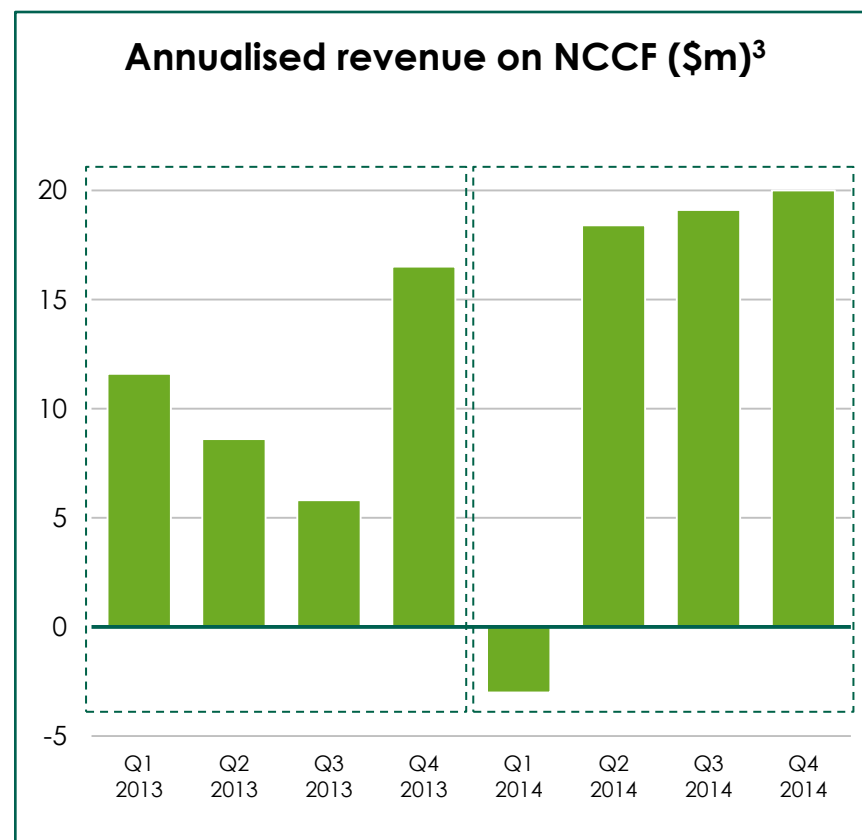
- 12% of Platform funds managed by OMGI
- OMGI accounts for 25% of Old Mutual Wealth FuM
- £178m of Intrinsic sales on the platform since acquisition



1. Includes UK, International, OMGI and open books in OMW Europe (France, Italy and Poland). Poland was sold with effect from 30 May 2014. France was sold with effect from 2 February 2015.
2. Includes UK Heritage and OMW Europe closed books (Germany, Austria and Switzerland). Germany and Austria were sold with effect from 1 October 2014.

OMAM¹: GROWING OUR INSTITUTIONAL ASSET MANAGEMENT BUSINESS IN THE US

\$bn	2014	Δ
AOP ² (pre-tax) (\$m)	211	32%
NCCF	9.5	(0.6)
FuM	220.8	11%
Operating margin ²	33%	300 bps
RoE	16.4%	130 bps



- Successful partial IPO on the NYSE.
- Global distribution: \$5.5bn gross sales.
- 20% of FuM is held by non-US clients.

1. OMAM is the listed entity which comprises the US affiliates. 2013 included Echo Point which was discontinued in Q4 2013.
 2. After affiliate key employee distributions. Note: AOP for Institutional Asset Management, including the non-US affiliate, was \$215m, up 24% (2013: \$174m).
 3. Annualised revenue is calculated by multiplying the annual gross fee rate for the relevant account by the net assets gained/lost in the account. Excludes Echo Point.

FINANCIAL REVIEW

27 February 2015

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AGENDA

Macro background

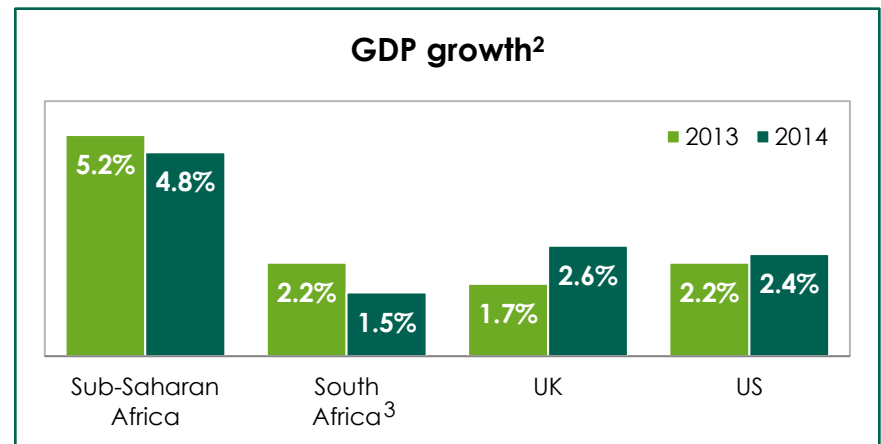
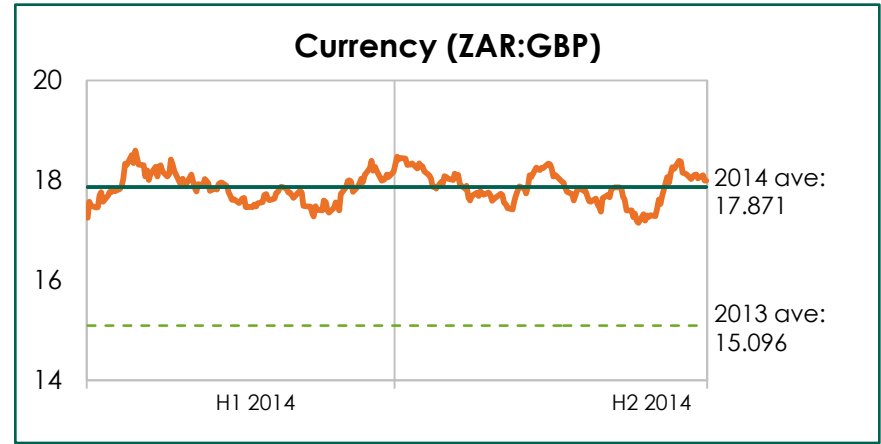
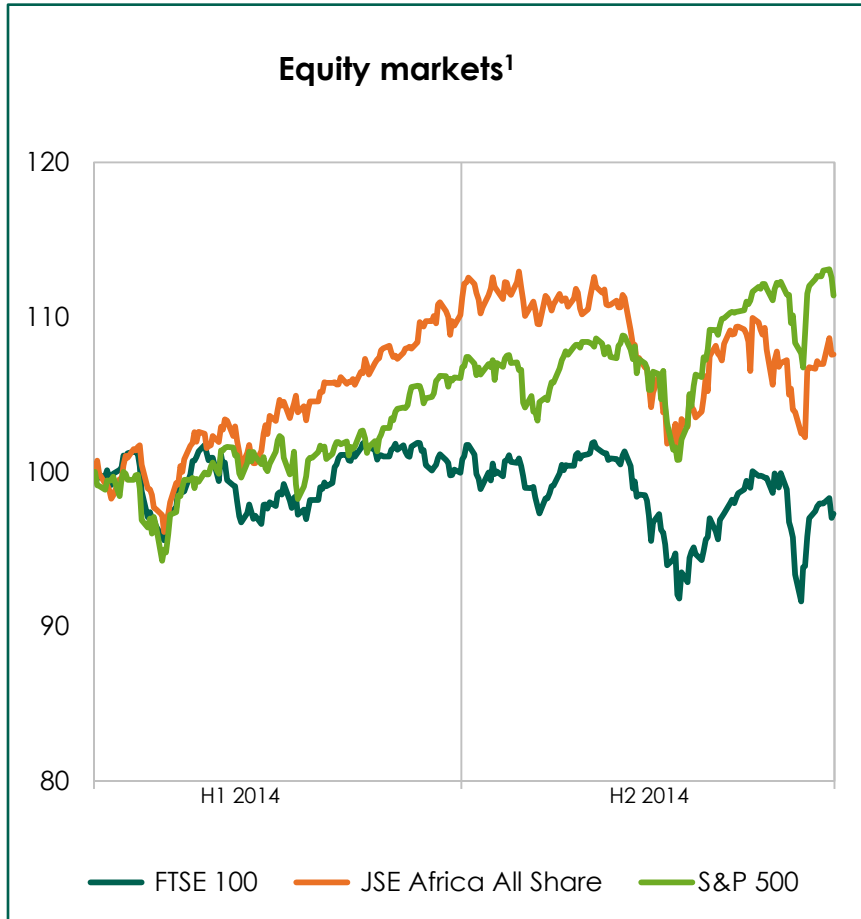
Profit

Cash, debt & capital

Dividend

Financial summary

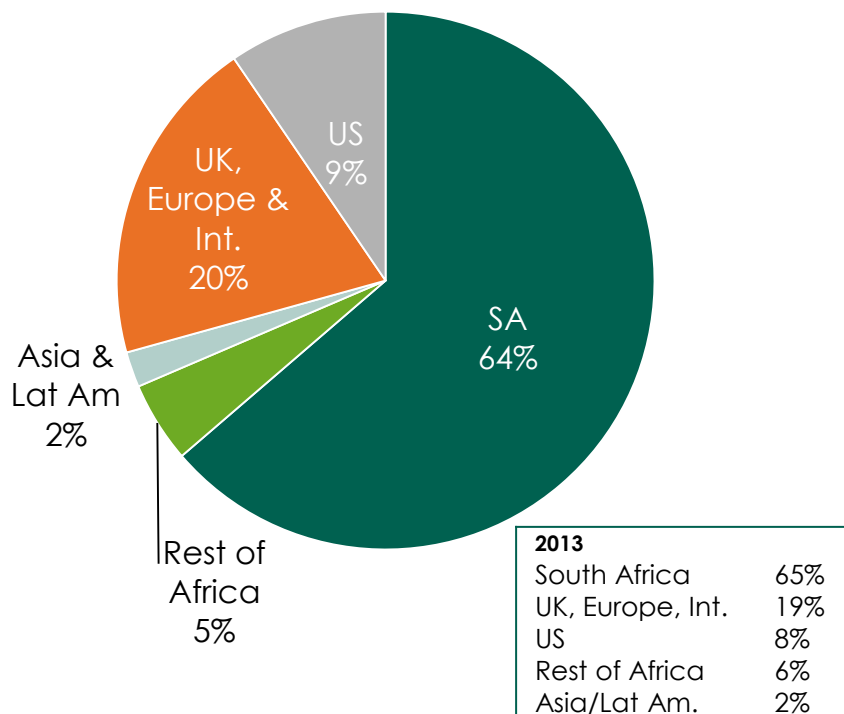
EQUITY MARKETS, CURRENCY & GDP



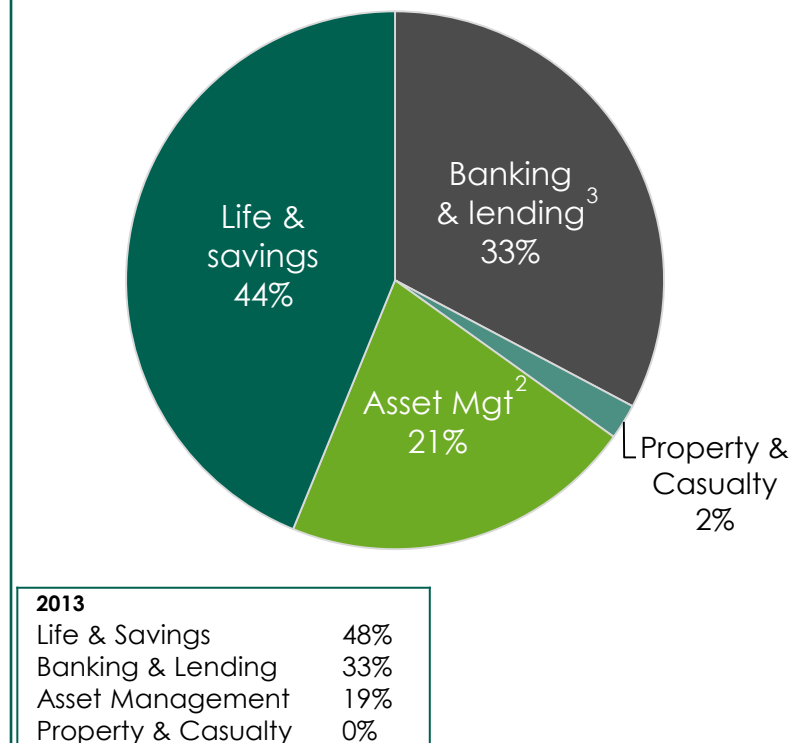
1. Rebased to 1 January 2014 = 100.
 2. Source: IMF World Economic Outlook Update, January 2015.
 3. 2014 as per Statistics South Africa, 24 February 2015.

SOURCES OF EARNINGS (AOP)

**2014 AOP¹ (£868m)
by geography**



**2014 AOP¹ (£868m)
by line of business**



1. Core operations post tax and NCI and includes LTIR. GHO net central costs have been allocated pro-rata for presentational purposes.
 2. Includes Institutional Asset Management, OMGI and the asset management businesses of OMEM and Nedbank.
 3. Includes Nedbank, Faulu, OMF, OMSFIN and Zimbabwe CABS in OMEM.

OPERATING PROFIT ANALYSIS (AOP)

Macro
Profit
Cash, debt, capital
Dividend
Financial Summary

£m	2013 reported	2013 at const.curr	2014	Change in const.curr
Old Mutual Emerging Markets ¹	594	502	617	23%
Nedbank	797	673	770	14%
Old Mutual Wealth	217	217	227	5%
Institutional Asset Management	111	106	131	24%
Business unit AOP²	1,719	1,498	1,745	16%
Finance costs	(92)	(89)	(78)	12%
Other ³	(15)	(21)	(62)	(>100%)
AOP pre-tax and NCI	1,612	1,388	1,605	16%
Taxation	(424)	(366)	(439)	20%
Non-controlling interests	(298)	(252)	(298)	18%
IFRS AOP post-tax and NCI	890	770	868	13%
Adjusted operating EPS	18.4p	15.9	17.9p	13%

1. From 1 Jan 2014 all Property & Casualty business is reported as part of Old Mutual Emerging Markets. Comparatives have been restated.

2. Business unit AOP is pre-tax and NCI.

3. Includes LTIR on excess assets, interest payable to non-core operations, corporate costs & other net (costs)/income.



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AOP & RETURNS

Macro
Profit
Cash, debt, capital
Dividend
Financial Summary

2014 (£m)	AOP post-tax & NCI	Shareholders' equity excl. Intangibles at BU level ¹	Return on ave. shareholders' equity excl. intangibles ²	Local RoE
Old Mutual Emerging Markets	410	1,654	25.7%	22.8%
Nedbank	301	1,811	17.2%	17.2%
Old Mutual Wealth	179	928	19.5%	16.5%
Institutional Asset Management	96	(8)	49.3%	16.5%

Holding company	(118)	2,406 ^{1,3}	-	-
Group	868	6,791	13.3%⁴	13.3%⁴

Adjusted Group Net Asset Value (£m)

10,889

Group RoE
target
12-15%

Adjusted NAV per share:
Dec 2014: 221.9p
Dec 2013: 206.1p

1. Shareholders' equity is at 31st December 2014. Business unit figures exclude the Group share of 'Goodwill and other intangible assets' per the segmental balance sheet; these have been included at the GHO level.
2. AOP (post-tax and NCI) divided by average shareholders' equity excluding 'Goodwill and other intangible assets'.
3. Includes 'Goodwill and other intangible assets'. Excludes perpetual preferred callable securities and non-core operations.
4. Group RoE is calculated using average ordinary shareholders' equity (ie. excluding perpetual preferred callable securities) and excludes non-core operations.



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CONVERSION OF BUSINESS UNIT AOP TO PLC CASH¹

Macro
Profit
Cash, debt, capital
Dividend
Financial Summary

2014 (£m)	AOP (post-tax & NCI)	Gross free surplus generated	Investment ²	BU remittance ³	% of AOP converted into BU remittance	2013 % of AOP remitted
OM Emerging Markets ⁴	410	359	23	169 ⁵	41%	46%
Nedbank	301	141 ⁶	-	141	47%	44%
Old Mutual Wealth	179	203	97	84	47%	59%
Institutional AM	96	70 ⁶	-	70	73%	125%
2014 before interest & group costs	986	773	120	464	47%	54%

Conversion of AOP to
gross free surplus 78%

Net free surplus £653m
(2013: £811m)

71% of net
free surplus

1. Core continuing operations only.
2. Discretionary organic investment, excluding new business strain.
3. Excludes cash flows from disposals and funding of businesses.
4. From 1 January 2014, Property & Casualty is reported as part of Emerging Markets, 2013 comparative restated.
5. Required OMEM contribution to Group dividend in excess of amounts received from Nedbank.
6. Nedbank and Institutional Asset Management free surplus represents dividends to plc only.

SOURCES AND USES OF PLC CASH

£m	2013	2014	
PLC opening balance	472	545	
BU remittances			
- Rand ¹	334	310	Total £464m
- Hard currency ¹	210	154	
Central costs & dividend			
- Ordinary cash dividends	(335)	(411)	SA register: £227m UK register: £184m
- Interest paid & group costs ²	(132)	(119)	
- Other operational flows ²	58	20	
	(409)	(510)	
Debt repayment	(176)	-	
Net capital flows	114	504	Net corporate activity ³ : £453m Net funding ⁴ : £51m
PLC closing balance	545	1,003	

1. Rand from OMEM & Nedbank; hard currency from Old Mutual Wealth & Institutional Asset Management.
2. For 2013 £20m of business unit recharge recoveries has been reallocated to 'other operational flows'.
3. Includes the acquisition of Intrinsic, IPO of OM Asset Management, sale of the businesses in Poland, Germany and Austria, and additional deferred proceeds in relation to the sale of the Chinese JV to OMEM.
4. Includes return of OMGI seed capital and net cash from Bermuda.

LIQUIDITY & DEBT

£bn	31 Dec 2013	31 Dec 2014
Holding company cash & liquid assets	0.5	1.0
RCF	0.8	0.8
Liquidity	1.3	1.8

Since the year-end £566m of cash was used in the settlement of the Quilter Cheviot acquisition.

Group gross debt ⁷ (IFRS basis) (£m)	1,342	1,540
Total gross gearing (IFRS basis)	12.5%	13.3%
Total interest cover	14.4x	16.8x
Hard interest cover	4.2x	5.0x

First call debt maturity profile¹:

- 2015 ²	£457m
- 2016 ³	£112m
- 2019 ⁴	£170m
- 2020 ⁵	£273m
- 2021 ⁶	£500m

Qualifying debt comprises c. 30% of our capital resource on an FGD basis.

1. At nominal value at 31 December 2014 foreign exchange rates.
 2. R3bn tier 2 bond, €374m tier 2 perpetual preferred callable securities.
 3. £112m Senior debt.
 4. R300m fixed rate bond, R700m floating rate bond (both tier 2) and OMAM RCF drawing \$177m.
 5. £273m perpetual preferred callable securities (tier 1).
 6. £500m tier 2 debt.
 7. Group debt excluding banking related businesses.

LOCAL CAPITAL

Local statutory cover (31 Dec 2014)	OMLACSA (Rbn)	M&F (Rbn) ¹	Nedbank (Rbn)	UK (£m)
Capital resources	47.8	2.9	64.4	581
Capital requirement	15.3	2.1	44.1	219
Surplus	32.5	0.8	20.3	362
Coverage	3.1x	1.8x	1.5x	2.6x

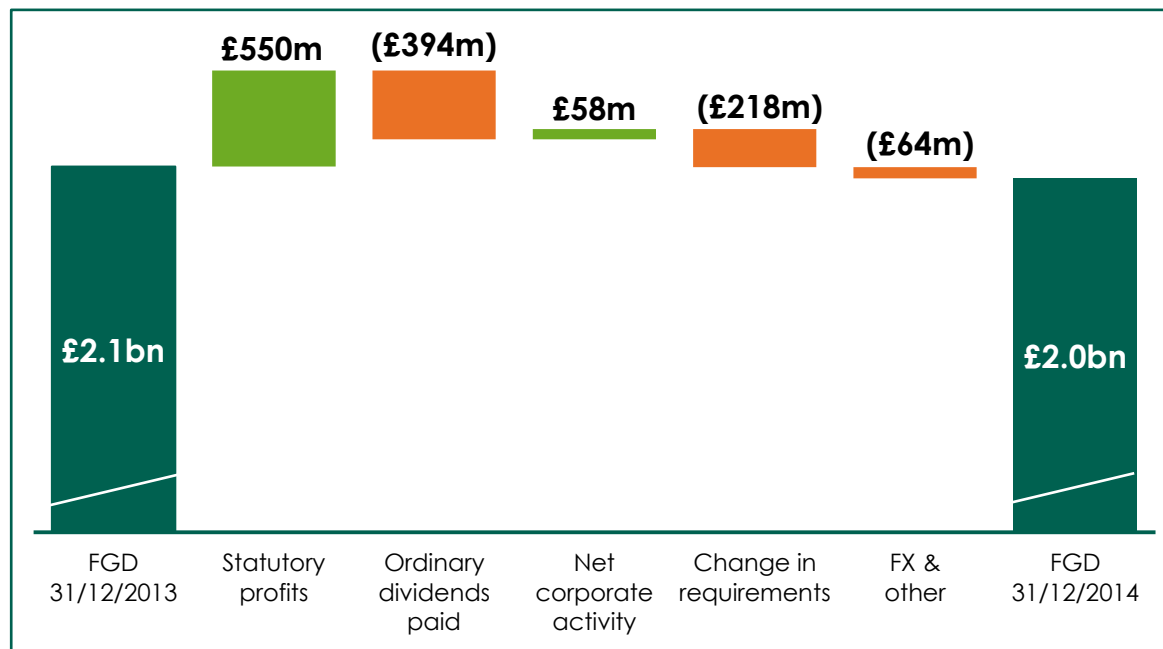
Our businesses have strong local capital cover.

Resilient to stress scenarios.

Surplus (£m)	1,804	44	1,128	362
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1. Capital resources and surplus take account of local admissibility limitations. In line with local regulatory requirements these limitations have not been included in the calculation of the coverage ratio.

GROUP CAPITAL



Group capital surplus resilient to stress scenarios and FX.

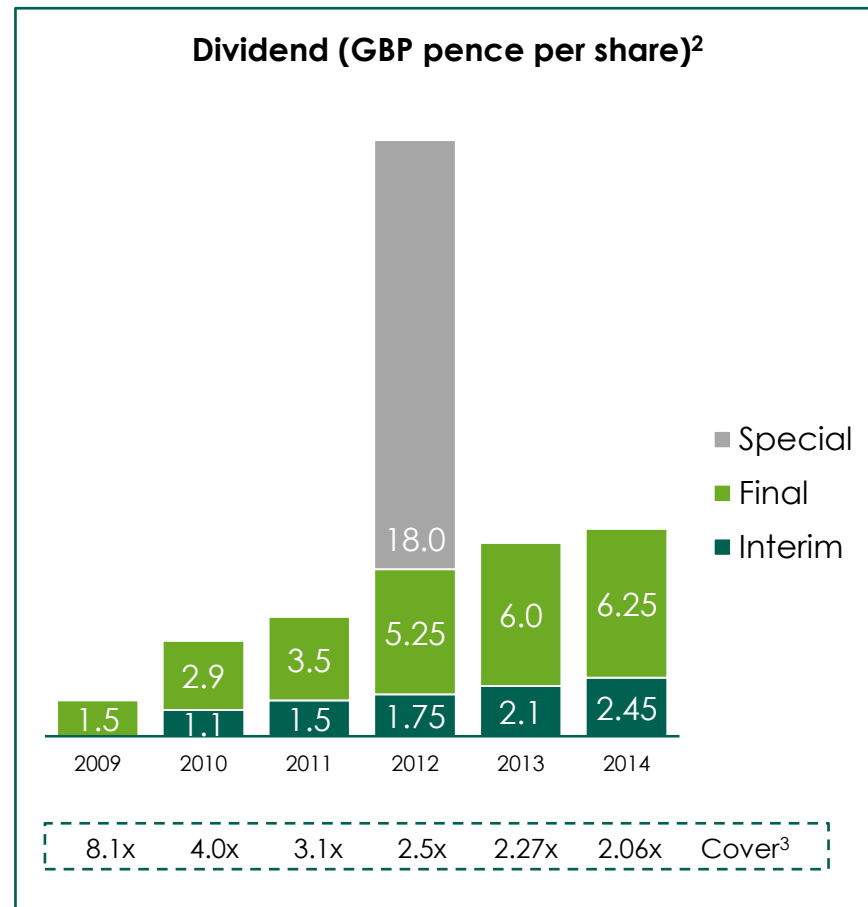
Future regulatory capital methodology considerations:

- Fungibility/transferability
- Aggregation
- Diversification
- Equivalence
- Standard formula for SAM/SII

Group (FGD basis) (£bn)	31 Dec 2013	31 Dec 2014	ZAR/GBP @25.0
Capital resources	5.2	5.2	4.2
Capital requirement	3.1	3.2	2.5
Surplus	2.1	2.0	1.7
Coverage	168%	163%	168%

DIVIDEND

- Recommended 2014 final ordinary dividend 6.25 p/share:
 - 2014 full year dividend 8.7 p/share, up 7%.
 - 13% increase in full-year rand dividend¹.
 - Coverage ratio 2.06x AOP earnings.
- Dividend policy unchanged.



1. Final dividend converted using exchange rate at 31 December 2014 (18.00); exact rate will be determined on 9 April 2015.
 2. Amount as paid, unadjusted for the share consolidation in 2012.
 3. Cover based on AOP EPS as reported at each year end; does not include any retrospective restatements.

FINANCIAL SUMMARY: 2014

- **Good underlying profit growth**
 - £1.6bn AOP pre-tax & NCI, up 16% in constant currency
 - Well diversified earnings
- **Continued good cash generation**
- **Strong balance sheet**
 - Appropriate capitalisation, liquidity & gearing
 - Resilient to stress scenarios and evolving capital rules
- **Dividend policy unchanged**
 - Full year dividend 8.7p per share, up 7%

CONCLUSION & SUMMARY

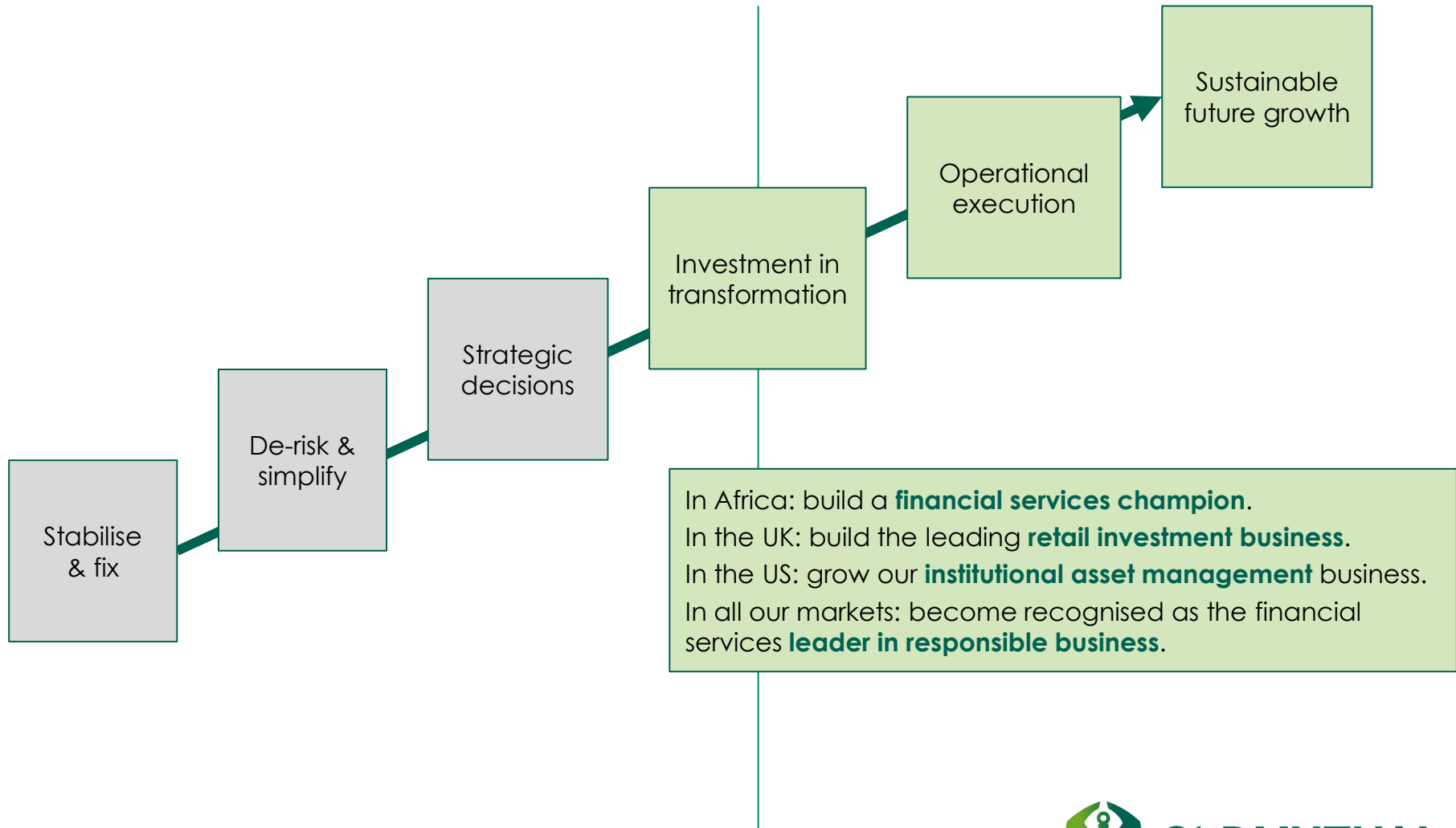
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DELIVERING VALUE FROM THE TRANSFORMATION OF OLD MUTUAL



SUMMARY

Good trading performance across the Group

Business growth continues

Businesses are appropriately capitalised, supporting future growth

Strategic execution has transformed the shape of Old Mutual

Operational execution is key to future growth

Delivering value to our stakeholders

Q&A

27 February 2015

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PRELIMINARY RESULTS 2014

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