

# APPENDICES

---

27 February 2015

INVESTMENT | SAVINGS | INSURANCE | BANKING



# INDEX TO APPENDICES

<b>Appendix 1</b>	Group Performance	Slides A3-A16
<b>Appendix 2</b>	Capital/Treasury	Slides A17-A24
<b>Appendix 3</b>	Free Surplus Generation	Slides A25-A29
<b>Appendix 4</b>	Business Units	Slides A30-A49
	<ul style="list-style-type: none"><li>- Old Mutual Emerging Markets (slides A31-A38)</li><li>- Nedbank (slides A39-A40)</li><li>- Old Mutual Wealth (slides A41-A46)</li><li>- Institutional Asset Management (slides A47-A49)</li></ul>	

# APPENDIX 1 GROUP PERFORMANCE

---

INVESTMENT | SAVINGS | INSURANCE | BANKING



# SUMMARISED P&L

£m	2013	2014		2013	2014
<b>Revenue</b>			<b>Expenses</b>		
Banking interest received	3,050	3,057	Banking interest paid	(1,616)	(1,672)
Fees	3,095	2,894	Change in invest. contracts	(5,873)	(3,544)
Net earned premiums	3,384	2,901	Net claims & benefits	(5,164)	(3,883)
Investment return & other	10,281	6,626	Admin. expenses & other <sup>1</sup>	(5,642)	(5,039)
	19,810	15,478		(18,295)	(14,138)

£m	2013	2014
Net revenue/expenses	1,515	1,340
Profit/losses on disposals & discontinued ops	(1)	(52)
Associate & JV income	21	26
Tax	(552)	(462)
Profit after tax	983	852

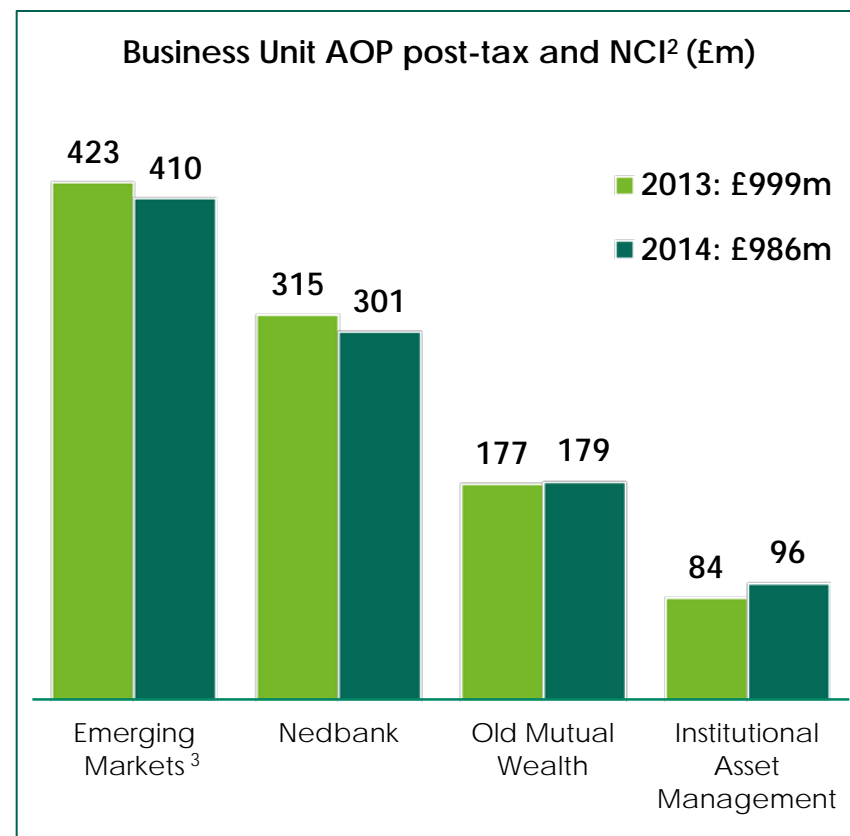
Attributable to:	2013	2014
Equity holders of the parent	705	582
Non-controlling interests		
Ordinary shares	259	252
Preferred securities <sup>2</sup>	19	18
	983	852

1. Includes impairment of goodwill and other intangible assets of £14m (2013: £28m).

2. Includes Nedbank preference shareholders.

# AOP SIMPLIFIED OPERATING RESULT<sup>1</sup>

£m	2013 (as reported)	2014	Δ % constant currency
Business Units AOP	1,719	1,745	16%
Interest & other costs	(107)	(140)	(27%)
<b>Total AOP (pre-tax &amp; NCI)</b>	<b>1,612</b>	<b>1,605</b>	<b>16%</b>
Taxation	(424)	(439)	(20%)
Non-controlling interests	(298)	(298)	(18%)
<b>AOP post-tax &amp; NCI</b>	<b>890</b>	<b>868</b>	<b>13%</b>



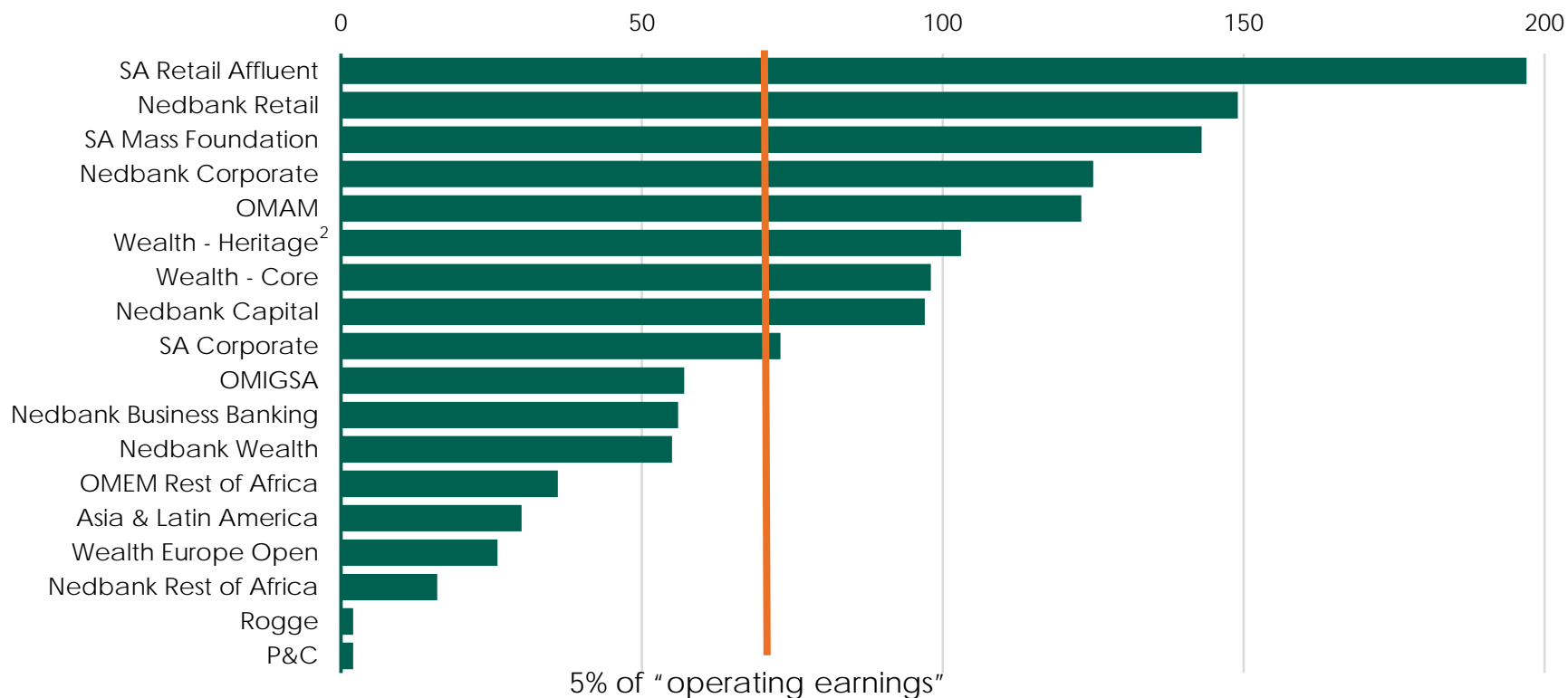
1. Core business only.

2. Before GHO net central costs, as reported.

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

# DIVERSITY OF OPERATING EARNINGS

2014 "operating earnings" (£m, pre-tax, post NCI) <sup>1</sup>



1. Excludes LTIR, Group Head Office, OMEM central costs and Nedbank centre (excl. RoA).

2. Includes UK Heritage and Europe Heritage (Germany, Austria, Switzerland and Liechtenstein).

# EARNINGS SPLIT BY HALF YEAR AND KEY STATISTICS<sup>1</sup>

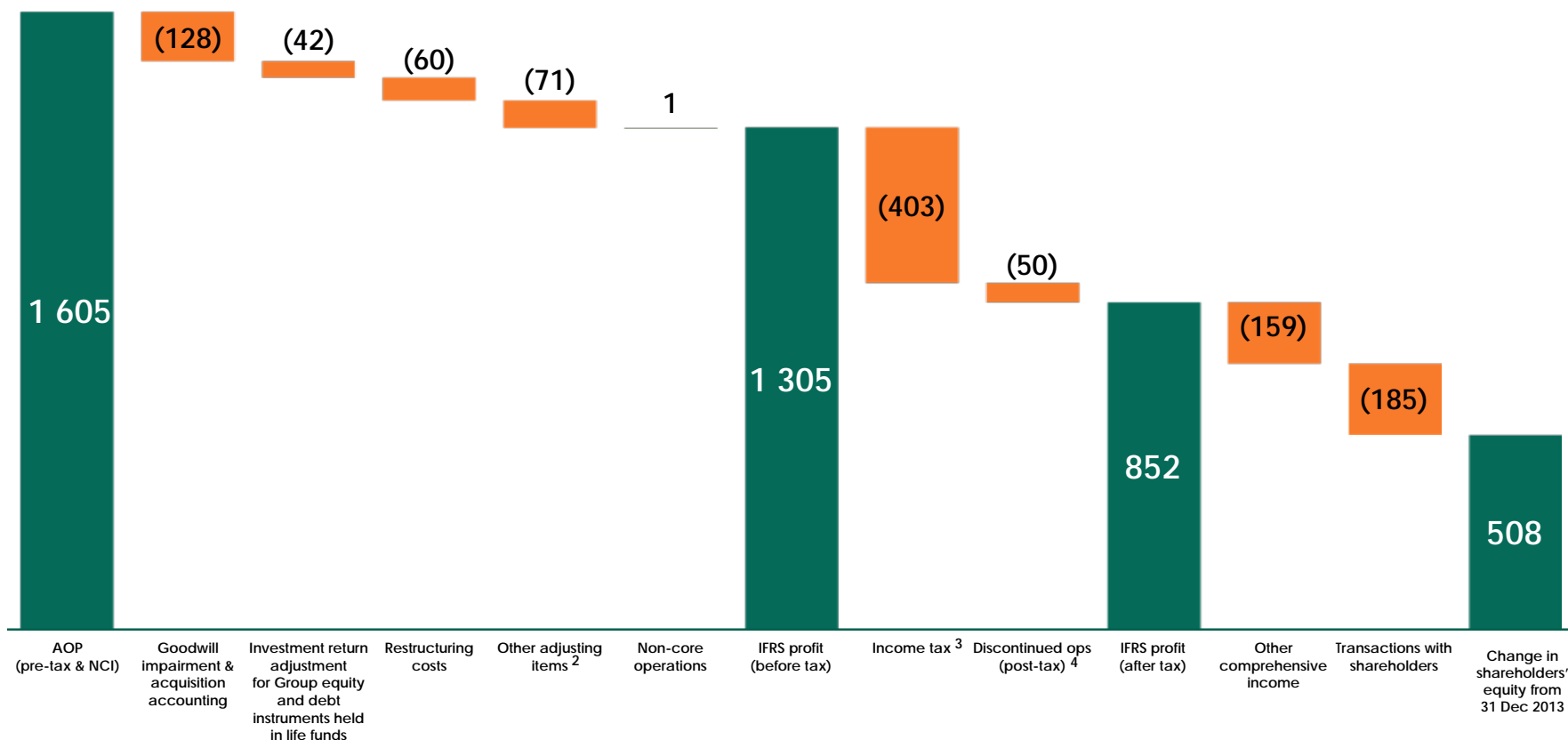
pence/share	2009	2010	2011 <sup>2</sup>	2012 <sup>3</sup>	2013	2014
AOP EPS - H1	4.6	7.3	9.4	8.6	9.3	8.8
AOP EPS - H2	6.9	7.0	8.6	8.9	9.1	9.1
H1: H2	40% : 60%	51% : 49%	52% : 48%	49% : 51%	51% : 49%	49% : 51%

£bn	2009	2010	2011	2012	2013	2014
Funds under Management	275.4	295.2	267.2	262.2	293.8	319.4

pence/share	2009	2010	2011	2012	2013	2014
IFRS net asset value per share <sup>4</sup>	147	151	140	146	138	140

1. 2010, 2011, 2012, 2013 and 2014 excludes Bermuda, US Life and Nordic. 2009 excludes US Life and Bermuda, but includes Nordic.
2. After adjusting for the 7:8 share consolidation, following payment of special dividend.
3. Restated for the impact of changes in IAS 19 & IFRS 10.
4. Net asset value per share is calculated as ordinary shareholder's equity (i.e. excluding the perpetual preferred callable securities) divided by actual shares in issue at the end of the period.

# RECONCILIATION OF 2014 AOP TO CHANGE IN EQUITY HOLDERS' FUNDS<sup>1</sup> (£m)



1. Total Group including perpetual preferred callable securities, ordinary shareholders equity and non-controlling interests.
2. Other adjusting items consists mainly of dividends declared to holders of perpetual preferred callable securities (£32m), Institutional Asset Management equity plans (£42m), loss on disposal of subsidiaries, associated undertakings and strategic investments (£2m), credit-related fair value losses on Group debt instruments (£10m) and short-term fluctuation in investment return (£49m).
3. Net of income tax attributable to policyholder returns.
4. Represents £50m divestment costs incurred in relation to the sale, in 2011 of US Life and in 2012 of the Nordic businesses.



# (ASSETS X MARGINS) – EXPENSES = PROFIT<sup>1,2</sup>

	2013 Net Margin bps	2013 Net Margin bps in constant currency	2014 Net Margin bps
Emerging Markets <sup>3</sup>	114	114	126
Nedbank	134	134	139
Old Mutual Wealth	29	29	28
Old Mutual Asset Management	9	9	10
<b>Overall BU net margin<sup>4</sup></b>	<b>51</b>	<b>48</b>	<b>51</b>
Old Mutual plc expenses/debt	(3)	(3)	(4)
<b>Old Mutual plc net margin</b>	<b>48</b>	<b>45</b>	<b>47</b>

1. The profit used in the calculation is pre-tax AOP.
2. Net margin bps is calculated by taking profits divided by average end manager funds under management. Nedbank assets include total average assets plus average end manager funds under management.
3. From 1 January 2014 all Property & Casualty business is reported as part of Emerging Markets. Comparatives have been restated.
4. Includes the non-US affiliate.

# LONG-TERM INVESTMENT RETURN (LTIR)

Old Mutual Group (£m)		Emerging Markets <sup>1,2</sup>	Old Mutual Wealth <sup>3</sup>	Total
2014	Long-term average assets	1,858	543	2,401
	Actual shareholder investment return	80	23	103
	Less: Long-term investment return	147	5	152
	Short-term fluctuations (STF) in investment return	(67)	18	(49)
2013	Long-term average assets	2,293	643	2,936
	Actual shareholder investment return	194	22	216
	Less: Long-term investment return	180	30	210
	Short-term fluctuations (STF) in investment return	14	(8)	6

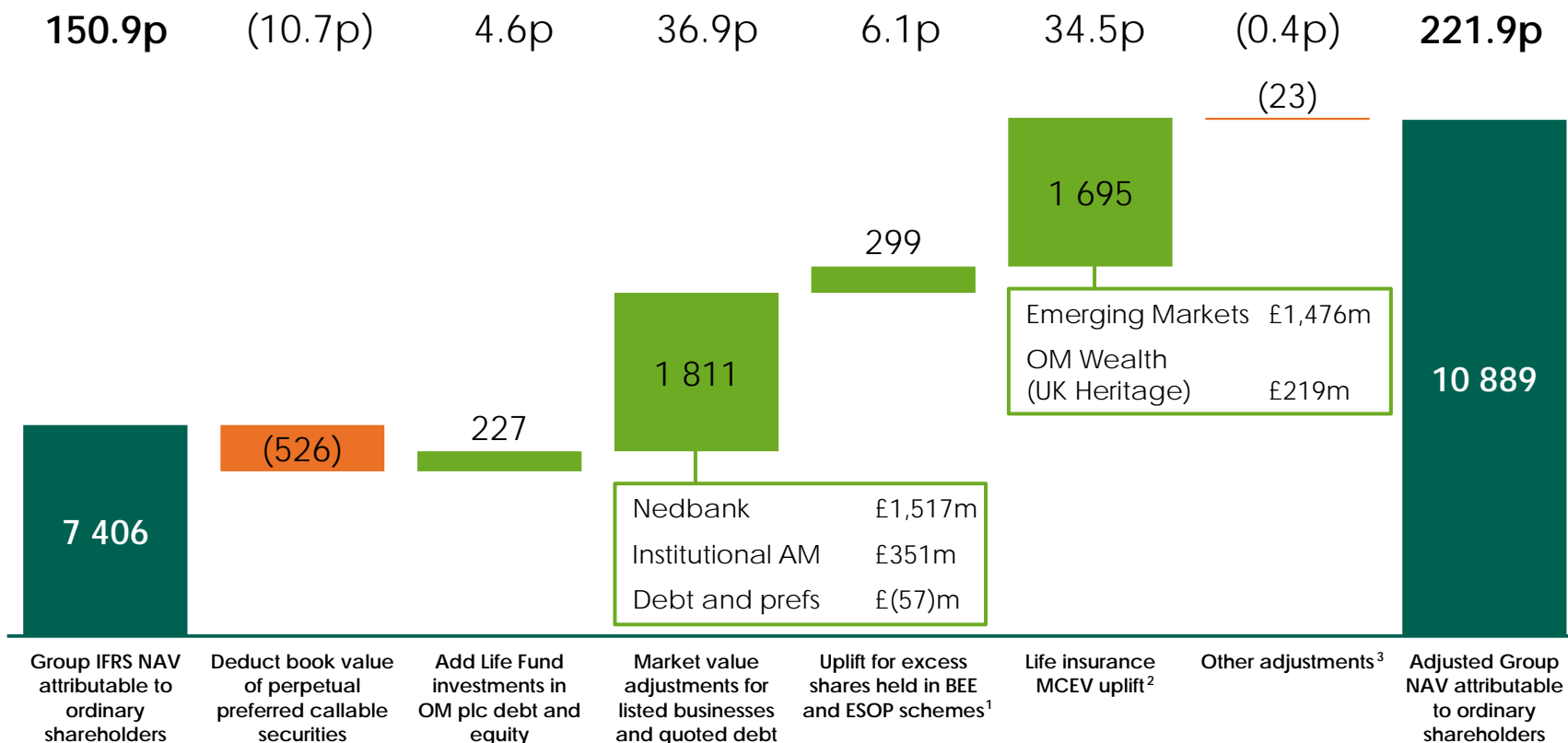
1. From 1 January 2014 all Property & Casualty business is reported as part of Emerging Markets. Comparatives have been restated.
2. Emerging Markets includes LTIR credits and actual returns from OMSA's excess assets which are presented under 'other' in the segmental financial statements.
3. 2013 Old Mutual Wealth includes the effects of policyholder tax smoothing in the UK of £25m.

# LTIR CALCULATION METHODOLOGY

Long-term investment rates <sup>1</sup>	2012	2013	2014
Emerging Markets: Long-term business	<b>9.0%</b> Cash, deposits & bonds: 75% Equities: 25%	<b>8.0%</b> Cash, deposits & bonds: 75% Equities: 25%	<b>8.0%</b> Cash, deposits & bonds: 75% Equities: 25%
Emerging Markets: Property & Casualty	<b>8.6%</b> Cash, deposits & bonds: 83% Equities: 17%	<b>7.4%</b> Cash, deposits & bonds: 90% Equities: 10%	<b>7.4%</b> Cash, deposits & bonds: 90% Equities: 10%
Old Mutual Wealth	<b>1.5% - 2.0%</b> S/T cash & deposits: 66% L/T bonds: 34%	<b>1.0%</b> S/T cash & deposits: 76% L/T bonds: 24%	<b>1.0%</b> S/T cash & deposits: 75% L/T bonds: 25%

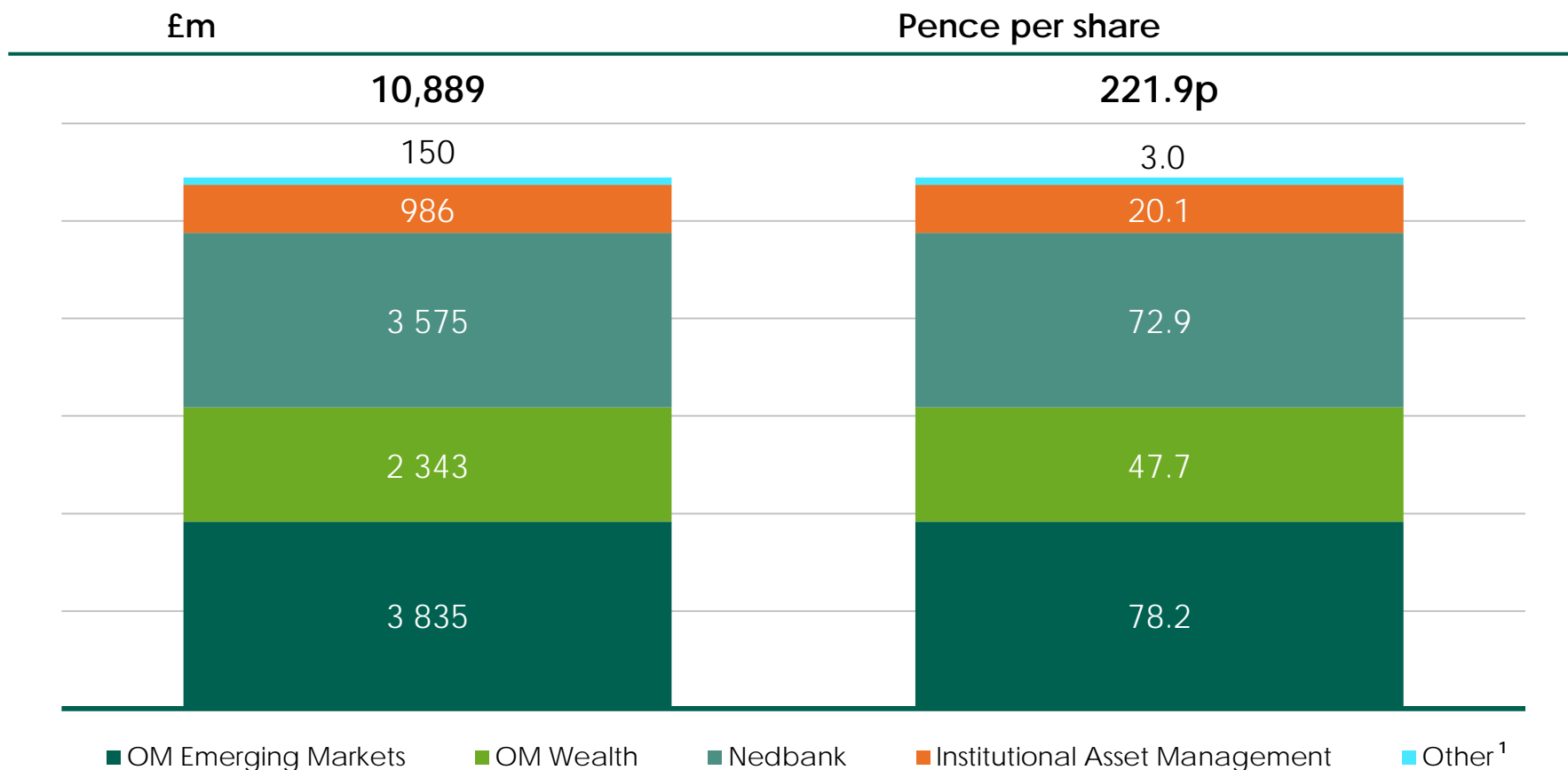
1. The long-term rates are derived from a review of risk-free 10 year Government bonds, 3 month Libor and money market rates. Emerging Markets and Property & Casualty hold equities in their asset portfolios and a risk premium is added to the Government Bond rate to derive an expected return from equities. These rates are weighted against the prescribed asset mix in each BU's asset portfolio to arrive at a blended long-term rate, as disclosed above.

# ADJUSTED GROUP NAV (£m)



1. BEE schemes - anticipated cash value of loans; ESOP schemes – excess shares held.
2. OM Wealth uplift relates to the UK Heritage business only.
3. Mainly relates to minority interest deductions in the Zimbabwean non-life businesses.

# ADJUSTED GROUP NAV PER BU



1. Includes Group assets and liabilities and Old Mutual Bermuda.

# FUM AND MARGINS

2014 (£bn)	Opening FuM	Inflows	Outflows	Market, FX and other	Closing FuM	Net Margin (bps) <sup>1</sup>
Emerging Markets <sup>2</sup>	48.3	10.4	(9.2)	0.8	50.3	126
Nedbank <sup>3</sup>	11.7	12.7	(12.2)	0.4	12.6	139
Old Mutual Wealth	78.5	16.0	(12.3)	0.3	82.5	28
Old Mutual Asset Management	120.0	19.4	(13.6)	15.9	141.7	10
<b>TOTAL<sup>4</sup></b>	<b>293.8</b>	<b>60.5</b>	<b>(55.6)</b>	<b>20.7</b>	<b>319.4</b>	<b>47<sup>5</sup></b>
<b>2013 (£bn)</b>						
Emerging Markets <sup>2</sup>	52.8	10.9	(9.3)	(6.1)	48.3	114
Nedbank <sup>3</sup>	11.8	12.3	(11.1)	(1.3)	11.7	134
Old Mutual Wealth	69.2	14.4	(12.1)	7.0	78.5	29
Old Mutual Asset Management	97.5	18.8	(12.3)	16.0	120.0	9
<b>TOTAL<sup>4</sup></b>	<b>262.2</b>	<b>63.1</b>	<b>(47.6)</b>	<b>16.1</b>	<b>293.8</b>	<b>48<sup>5</sup></b>

1. Net margin bps is calculated by taking profits divided by average assets over the period.

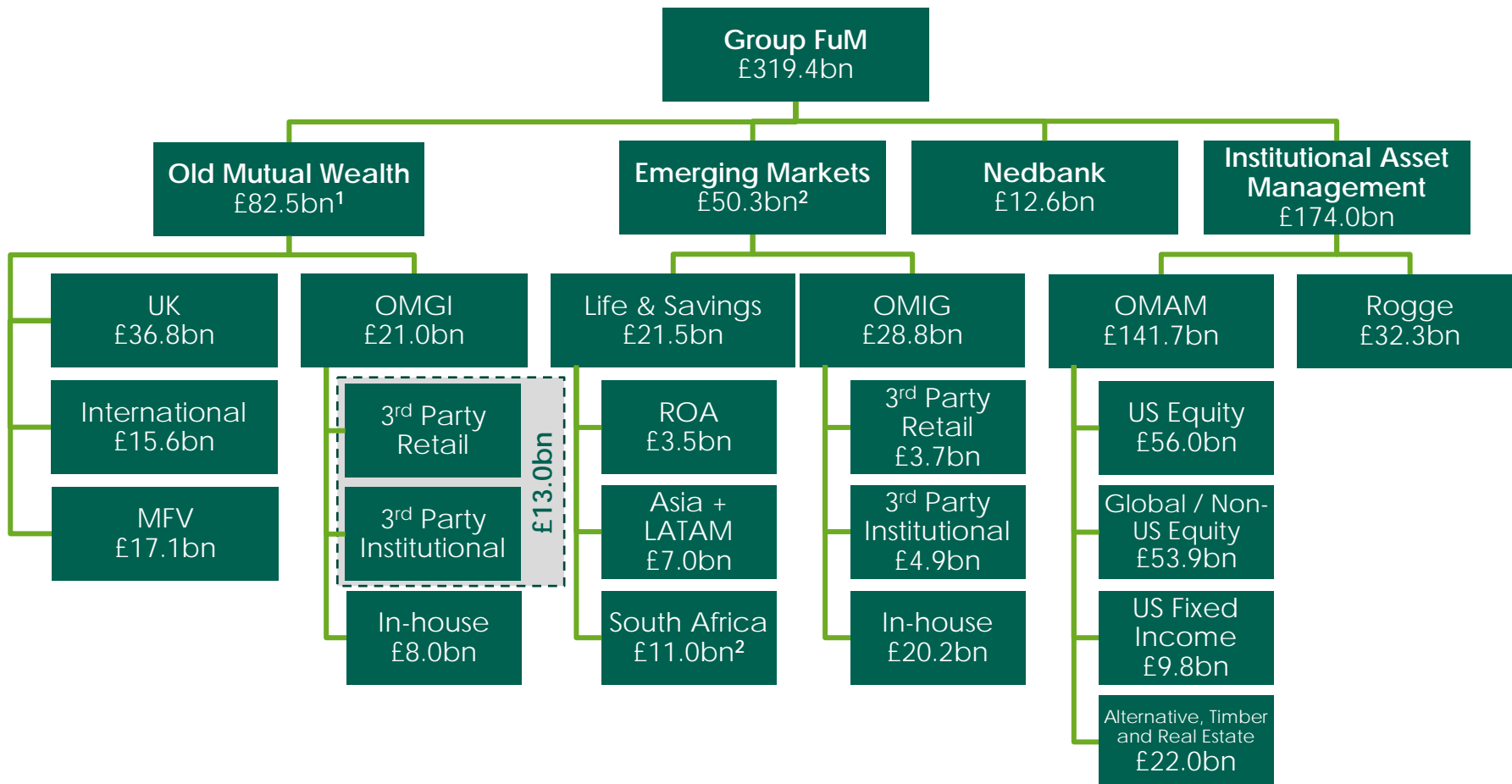
2. From 1 January 2014 all Property & Casualty business is reported as part of Emerging Markets. Comparatives have been restated.

3. Nedbank assets include total average banking assets plus average end manager funds under management.

4. Includes the non-US affiliate.

5. Includes GHO net central costs.

# ASSET MANAGEMENT CAPABILITY



1. Old Mutual Wealth excludes OMGI in-house FuM, which is recorded in other parts of the business unit.
2. From 1 January 2014 all Property & Casualty business is reported as part of Emerging Markets.

# HEADLINE TARGETS

Emerging Markets (2015)	Old Mutual Wealth (2015)	Nedbank (medium to long-term targets) <sup>4</sup>	Property & Casualty (medium term targets)	Old Mutual Asset Management (on-going)
Over 9 million customers	£270m <sup>3</sup> pre tax AOP	Diluted headline earnings per share growth: $\geq$ CPI + GDP growth + 5%	Sustainable Top 2 position in the South African market	Net Client Cash Inflow: 3-4% of Opening FuM
RoE: 20-25%	RoE: 12-15%	RoE (excl. goodwill): 5% above cost of ordinary shareholders' equity	RoE: 15-20%	
African profits (15% <sup>1</sup> of OMSA <sup>2</sup> )	Operating Margin: 40%	NIR : Expenses ratio > 85% Efficiency Ratio 50% - 53%	Underwriting Margin: 4-6% (combined ratio of 94-96%)	
		Credit loss ratio: Between 0.8% and 1.2% of average banking advances	Significant P&C operations in the RoA in major markets, supporting the Group's African expansion	
		Common-equity tier 1 capital adequacy ratio (Basel III) 10.5% - 12.5%		

1. Target includes profits from newly acquired entities and P&C earnings in Africa.
2. Calculation is pre-tax and post-minorities and includes LTIR.
3. Adjusted to reflect the sale of Old Mutual Wealth's businesses in Austria and Germany (announced 1 October 2014) and Poland (completed 30 May 2014).
4. Unchanged from targets as presented at full year 2013.



# APPENDIX 2 CAPITAL / TREASURY

---

INVESTMENT | SAVINGS | INSURANCE | BANKING



# SUMMARISED BALANCE SHEET

£m	2013	2014		2013	2014
<b>Assets</b>			<b>Liabilities</b>		
Loans & advances	33,583	<b>34,857</b>	Bank deposits	34,370	<b>36,243</b>
Investments & securities	88,220	<b>87,547</b>	Insurance reserves		
Goodwill & intangibles	2,835	<b>2,763</b>	- Life insurance products	12,126	<b>10,519</b>
Other	15,693	<b>17,349</b>	- Investment products	69,015	<b>68,841</b>
			- Property & casualty	332	<b>319</b>
			Third-party interests in consolidated funds	5,478	<b>5,986</b>
			Borrowed funds <sup>1</sup>	2,644	<b>3,044</b>
			Other	7,329	<b>8,019</b>
	140,331	<b>142,516</b>		131,294	<b>132,971</b>
<b>Net Assets</b>	9,037	<b>9,545</b>			
			<i>Attributable to:</i>	<b>2013</b>	<b>2014</b>
<b>Shareholders' equity</b>	9,037	<b>9,545</b>	Equity holders of the parent	7,270	7,406
			Non-controlling interests		
			Ordinary shares	1,502	1,867
			Preferred securities <sup>2</sup>	265	272
				<b>9,037</b>	<b>9,545</b>

1. Includes Nedbank.

2. Includes Nedbank preference shareholders.

# FGD

Group FGD (£bn)	31 Dec 2013 <sup>1</sup>	31 Dec 2014 <sup>2</sup>	31 Dec 2014 ZAR/GBP @ 25.0
Capital resources	5.2	5.2	4.2
Capital resource requirement	3.1	3.2	2.5
Surplus	2.1	2.0	1.7
<b>Coverage ratio %</b>	168%	<b>163%</b>	168%

- There was an increase in capital resources arising largely from statutory profits less dividends paid, the disposal of European entities, the partial IPO of OMAM and the issue of subordinated debt in OMLAC(SA) and Nedbank. This was offset by the acquisitions of Intrinsic by Old Mutual Wealth and ETI by Nedbank, and the additional 25% stake in Old Mutual Finance by OM Emerging Markets.
- The underlying capital resource requirement increased mainly due to OMEM and Nedbank's capital requirement - OMEM due to growth in the risk book and Nedbank as part of the on-going transition toward applying Basel III rules and an increase in risk weighted assets. These impacts were partly offset by the decrease in Bermuda's capital requirement and FX movements.

1. As per submission to the PRA.

2. Based on the preliminary position.

# FGD SENSITIVITIES AND BU REGULATORY CAPITAL

FGD sensitivities	Movement	Impact FY 2013 (£m)	Impact FY 2014 (£m)
Rand/sterling exchange rate	1% decrease	(13)	(11)
US dollar/sterling exchange rate	1% increase	(4)	(1)
Movement in the JSE <sup>1</sup>	1% decrease	(4)	(3)

Business unit ratios	31 Dec 2013	31 Dec 2014
OMLAC(SA)	3.2x <sup>2</sup>	3.1x
Mutual & Federal	1.9x <sup>2</sup>	1.8x
UK	2.6x	2.6x
Nedbank (Total capital ratio)	15.7%	14.6%
Bermuda <sup>3</sup>	1.4x	1.3x

1. Only reflects impact on OMLAC(SA).

2. Based on their final submission to the local regulator.

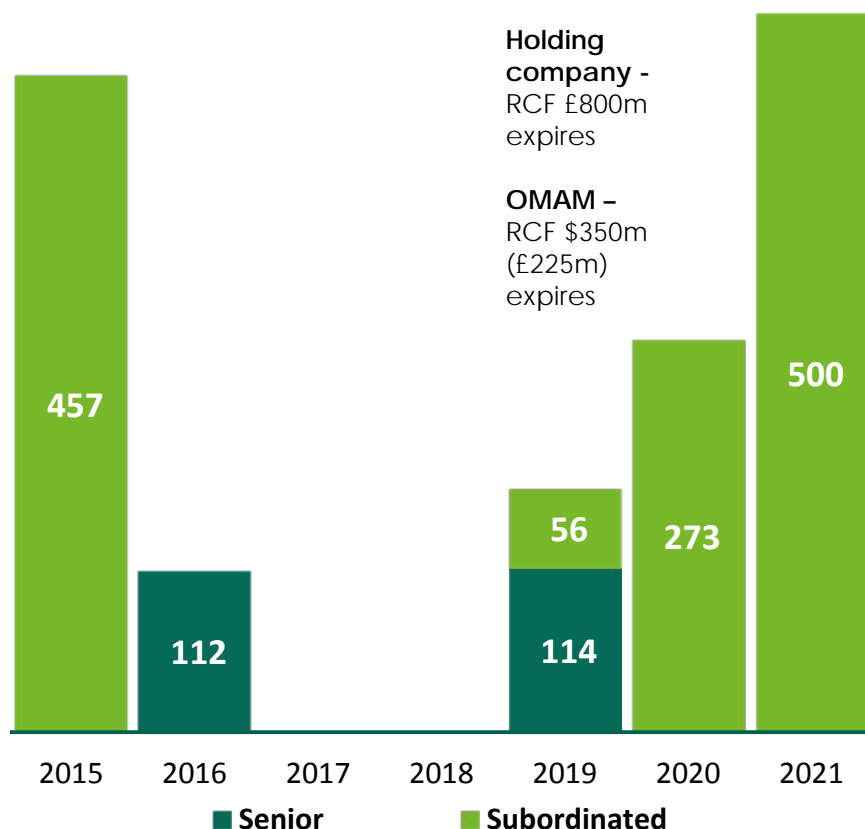
3. Based on the currently effective Enhanced Capital Requirement set by the Bermuda Monetary Authority.

# OLD MUTUAL GROUP COMPANY RATINGS<sup>1</sup>

	Moody's	Fitch
<b>Republic of South Africa</b>		
• Sovereign rating	Baa2	BBB (neg)
<b>Old Mutual plc</b>		
• Senior debt rating	Baa3	BBB-
• T2 debt rating	Ba1	BB
• T1 debt rating	Ba2	BB
• Short-term debt rating	P3	F3
<b>OMLAC (SA)</b>		
• National insurance financial strength	N/A	AAA
• National long-term rating	N/A	AAA
• National long-term subordinated debt rating	N/A	AA
• Global insurance financial strength	Baa1	Not rated
<b>Mutual &amp; Federal Insurance Company Limited</b>		
• National insurance financial strength	N/A	AAA
<b>Old Mutual Wealth Life Assurance Limited</b>		
• Insurance financial strength	A2 (neg)	A-
<b>Nedbank</b>		
• Long-term foreign currency rating	Baa2	BBB (neg)

1. Ratings outlook stable unless stated otherwise; neg = negative outlook.

# FIRST CALL / MATURITY PROFILE (£m)<sup>1</sup>



- At 31 December 2014, the Group had total liquidity headroom of £1.8bn, comprising an £0.8bn undrawn revolving credit facility (RCF) and £1bn in liquid assets.
- The Group's £0.8bn RCF matures in August 2019, with an optional further one year extension at both the first and second year anniversary.
- The Group has two capital securities callable in November and October 2015 respectively; a €374m (£290m) bond issued by the holding company and a R3,000m (£167m) bond that is listed in South Africa. In addition, the Group has two further bonds issued in South Africa totalling R1,000m (£56m) that are callable in November 2019 and at the holding company a £273m security that is callable in March 2020 and a £500m instrument that matures in June 2021.
- Additionally \$177m (£114m) drawn under Old Mutual Asset Management's RCF has a final maturity date in October 2019. The holding company has £112m of senior debt maturing in October 2016.

Gross Debt (£m) <sup>2</sup>	2013	2014
UK	1,169	1,203
US	1	114
South Africa	172	223
	<b>1,342</b>	<b>1,540</b>

1. All values shown at nominal value using 31 December 2014 foreign exchange rates and exclude interest payments.

2. IFRS basis

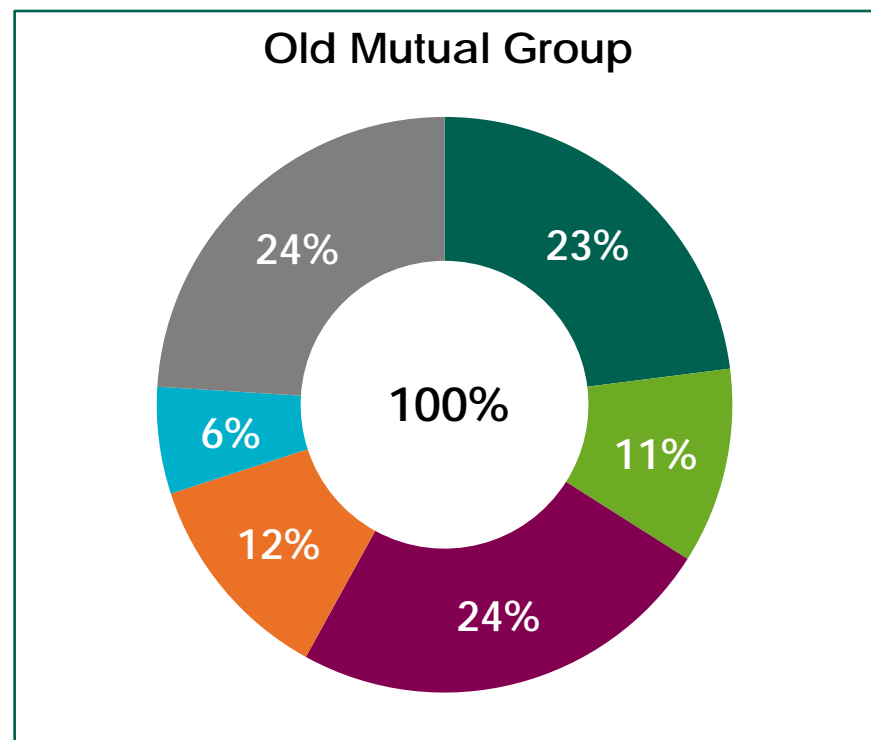
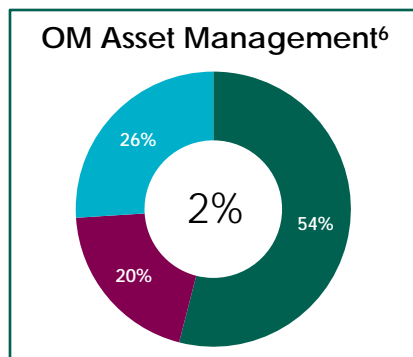
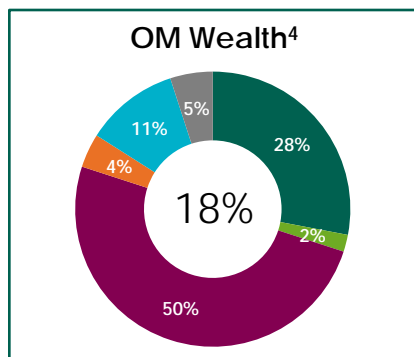
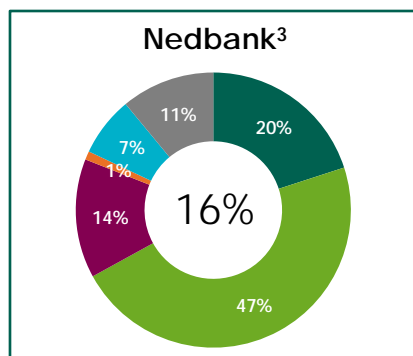
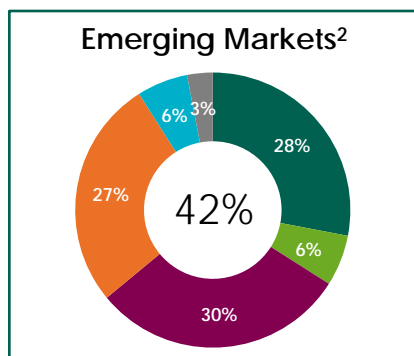
# SOURCES AND USES OF PLC CASH

£m		2013	2014
<b>Operational remittances (Rand)</b>	OM Emerging Markets <sup>1</sup>	195	169
	Nedbank	139	141
		<b>334</b>	<b>310</b>
<b>Ordinary cash dividends</b>	SA register	(172)	(227)
	UK register	(163)	(184)
		<b>(335)</b>	<b>(411)</b>
<b>Operational remittances (hard currency)</b>	OM Wealth	105	84
	Institutional AM	105	70
		<b>210</b>	<b>154</b>
<b>Structural hard currency outflows</b>	Interest <sup>2</sup>	(78)	(64)
	Group costs	(54)	(55)
		<b>(132)</b>	<b>(119)</b>

1. From 1 January 2014 all Property & Casualty business is reported within the Old Mutual Emerging Markets segment, comparatives have been restated to reflect this.

2. Includes preference dividends.

# ECONOMIC CAPITAL RISK PROFILE OF THE OLD MUTUAL GROUP BY BUSINESS UNIT<sup>1,5</sup>



- The economic capital risk profile of the Group is based on standalone economic capital at risk, i.e. the relative contribution of each risk is determined before allowing for the impact of diversification between risks, as at 31 December 2014. For risk management purposes, we believe that it is appropriate to consider the risk exposure before diversification, to enable us to assess changes in quantifiable risks impacting the business units.
- Emerging Markets business includes our exposure to Africa, Latin America and Asia.
- The chart shows Old Mutual's 56.7% proportionate share of Nedbank's economic capital exposure.
- The results for Old Mutual Wealth include Intrinsic on a simplified basis. They include the French and Luxembourg operations which were disposed of in early 2015. They do not include Quilter Cheviot which was acquired in February 2015.
- No chart is shown for Old Mutual Bermuda, which provides 2% of standalone economic capital. Group risks provide 21% of standalone economic capital.
- The chart shows Old Mutual's 79.6% (gross of shares to EBT) proportionate share of OMAM's economic capital exposure.



# APPENDIX 3

# FREE SURPLUS

# GENERATION

---

# VIF CONVERSION TO FREE SURPLUS: LIFE & SAVINGS

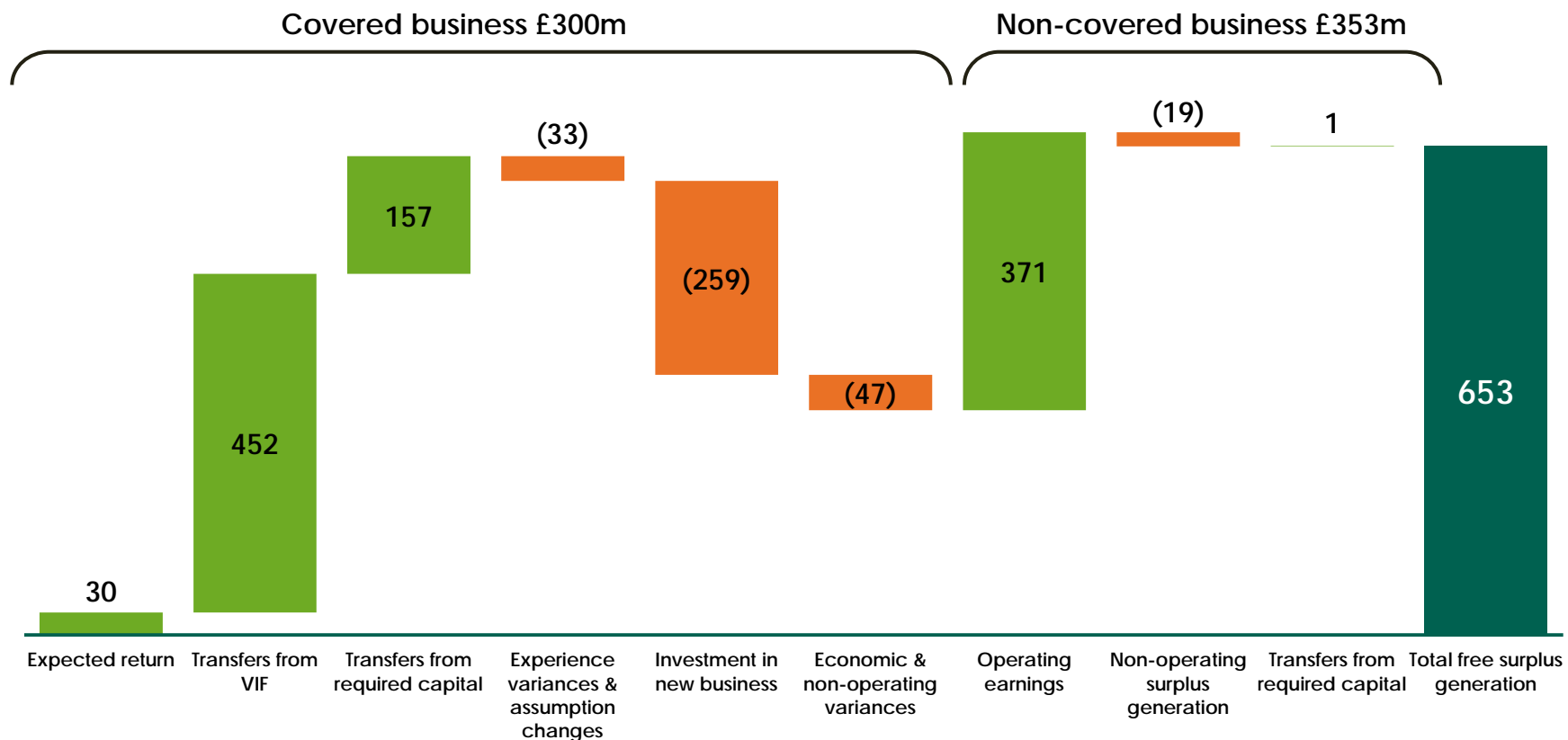
	2013				2014			
	Opening VIF		VIF Conversion		Opening VIF		VIF Conversion	
	£m	£m	%	Years	£m	£m	%	Years
<b>In-force:</b>								
Emerging Markets	1,478	189	13%	8	1,332	184	14%	7
Old Mutual Wealth	1,978	307	16%	6	1,974	268	14%	7
<b>Life &amp; Savings Total</b>	<b>3,456</b>	<b>496</b>	<b>14%</b>	<b>7</b>	<b>3,306</b>	<b>452</b>	<b>14%</b>	<b>7</b>

# SOURCES AND USES OF FREE SURPLUS (£m)

	2013	2014
Generated by operations:		
- Life insurance and savings <sup>1</sup>	426	449
- Property and casualty	(1)	21
- Banking <sup>2</sup>	147	180
- Asset management	220	170
	792	820
Invested by operations - New business (life)	(261)	(259)
Transfers (to)/from required capital	150	158
Other movements:		
- Economic variances	167	(1)
- Other non-operating variances	(37)	(65)
	130	(66)
<b>Core continuing operations</b>	811	653
<b>Total Group, including Bermuda</b>	1,045	734

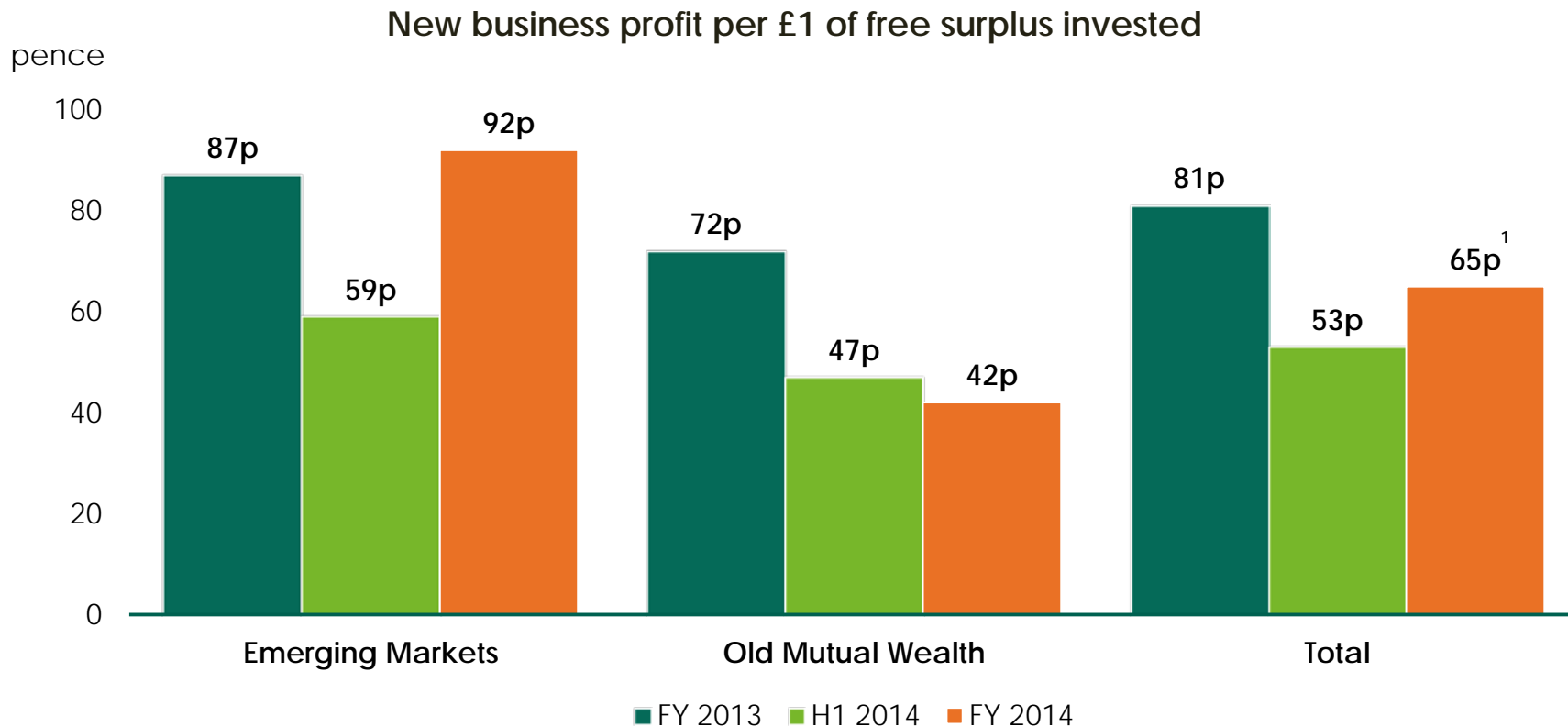
1. Includes life and savings VIF transfer of £452m (2013: £496m) per previous slide as well as expected existing business return of £30m (2013: £28m) and experience & other operating variances of £(33)m (2013: net £(98)m).
2. Banking includes only Group share of Nedbank dividend and results of banking businesses in Emerging Markets (CABS and Faulu).

# GROUP<sup>1</sup> FREE SURPLUS GENERATION 2014 (£m)



1. Core continuing operations only.

# LIFE & SAVINGS NEW BUSINESS "RISK FREE" RETURN ON FREE SURPLUS INVESTED



1. For every £1 of free surplus investment (cash and capital) we expect a return (value of new business) of 65p. VNB is on an MCEV risk free basis. On a real world basis, it is expected to be higher.

# APPENDIX 4

# BUSINESS UNITS

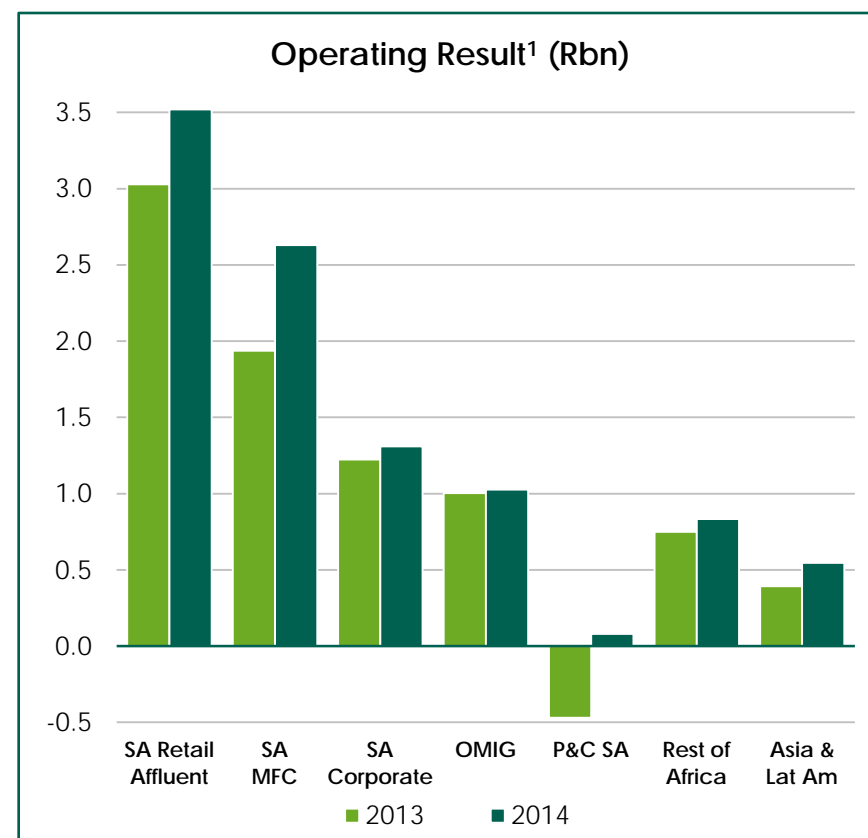
---

INVESTMENT | SAVINGS | INSURANCE | BANKING



# EMERGING MARKETS

AOP (Rm)	2013	2014
South Africa		
Life & Savings	5,685	6,519
Asset Management <sup>2</sup>	901	1,178
Banking and lending <sup>3</sup>	606	788
Property & Casualty	(469)	79
LTIR	1,657	1,714
<b>South Africa</b>	<b>8,380</b>	<b>10,278</b>
Rest of Africa		
Operating profit <sup>4</sup>	749	834
LTIR	422	484
<b>Rest of Africa</b>	<b>1,171</b>	<b>1,318</b>
<b>Asia &amp; Latin America</b>	<b>392</b>	<b>546</b>
Central costs <sup>4</sup>	(974)	(1,109)
<b>Total AOP (pre-tax)</b>	<b>8,969</b>	<b>11,033</b>

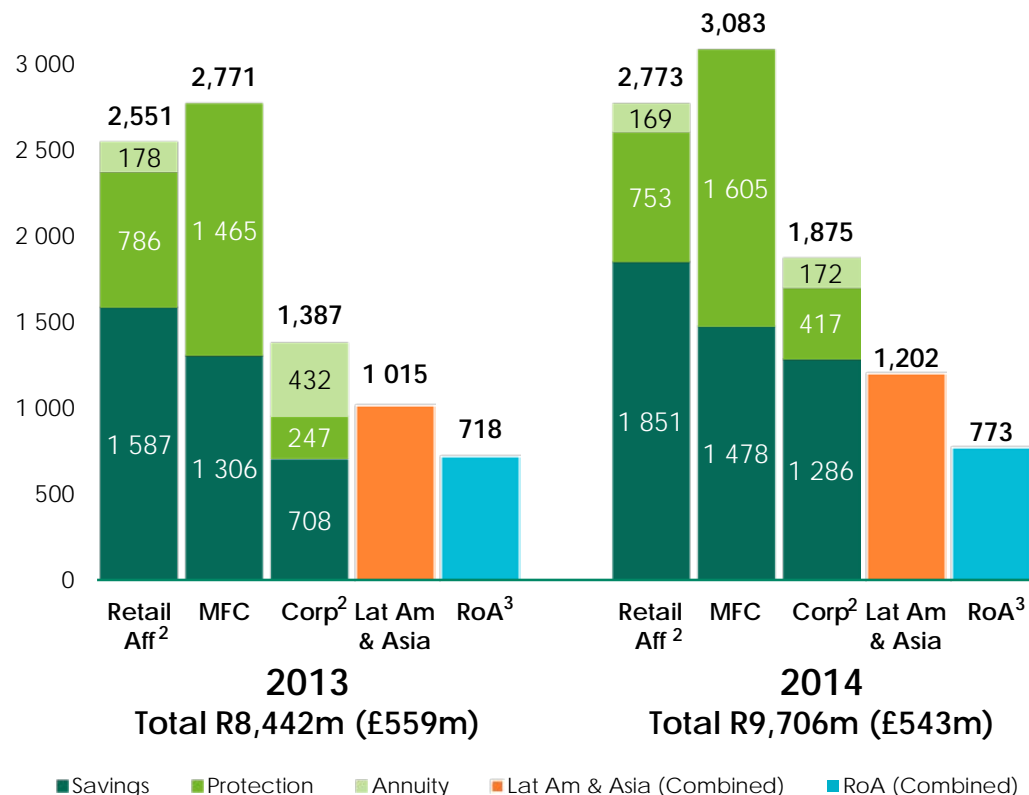


1. Pre-tax, excluding LTIR and central costs.
2. Includes the result of asset management businesses in OMIG and Retail Affluent.
3. Includes results of OMSFIN and OMF.
4. Central costs previously included in Rest of Africa operating profit are now disclosed separately. Comparatives have been restated.

# EMERGING MARKETS:

Corrected

## LIFE APE SALES BY SEGMENT AND PRODUCT (Rm)<sup>1</sup>



### South Africa sales:

- 14% growth in regular premium sales driven by MFC (2-in-ONE) and Corporate (Superfund) partially offset by lower savings and protection sales in Retail Affluent.
- Single premium growth of 17% driven by strong sales of XtraMAX in Retail Affluent (up 29%).

### RoA, Latin America and Asia sales:

- Strong underlying growth of 17%<sup>4</sup> in Rest of Africa. Good growth in Zimbabwe and Malawi as well as the inclusion of Ghana.
- Significant growth of 49% in Latin America (Mexico) as a result of improved productivity.
- Asia up 10%, driven by growth in recurring premium sales in China.

1. Segments in South Africa are Retail Affluent, Mass Foundation, Corporate. Latin America & Asia includes Colombia, Uruguay, Mexico, India and China and Rest of Africa (RoA) comprises Namibia, Zimbabwe, Botswana, Swaziland, Ghana, Malawi, Kenya and Nigeria.

2. From 1 January 2014, Acsis and Symmetry institutional businesses are reported within Corporate, whereas previously these had been reported in the Retail Affluent cluster. Comparatives have been restated.

3. From Q1 2014 total RoA excludes renewal sales (FY 2013: R55m). Comparatives have not been restated. Total RoA sales net of minority interest and excluding renewals in 2013 were: Q1 2013: R142m; Q2 2013: R162m; Q3 2013: R187m; Q4 2013: R172m and FY 2013: R663m.

4. Calculated based on comparative of R663m which excludes renewal sales of R55m as detailed above.



# EMERGING MARKETS: RETAIL AFFLUENT – AGGREGATE SALES GROWTH

Rm	2013 <sup>2</sup>	2014	% change
<b>Covered life APE sales</b>			
Recurring premium	1,485	1,403	(6%)
Single premium <sup>2</sup>	1,066	1,370	29%
<b>Total covered life APE sales</b>	2,551	2,773	9%
<b>Non-covered sales</b>			
Unit trust/mutual fund	23,184	29,495	27%
SA life licence – unit trust <sup>1</sup>	5,067	2,989	(41%)
SA life licence – other <sup>1,2</sup>	1,128	1,535	36%
OMI life licence <sup>1,3</sup>	3,189	4,971	56%
Other <sup>2</sup>	11,675	13,672	17%
<b>Total non-covered sales</b>	44,243	52,662	19%
Reported by Old Mutual Emerging Markets	41,054	47,691	16%
Reported by Old Mutual Wealth (OMI life licence)	3,189	4,971	56%

1. Life licence business represents business sold by the SA life businesses that utilise a locally regulated life company licence and is classified as non-covered business from an MCEV perspective.
2. From 1 January 2014, Acsis and Symmetry institutional businesses are reported within Corporate, whereas previously these had been reported in the Retail Affluent cluster. Comparatives have been restated.
3. OMI life licence sales represent sales made in SA that are reported as part of Old Mutual Wealth's International business.

# EMERGING MARKETS: SPLIT OF SA LIFE RESERVES<sup>1</sup>

2014 (Rm)	Retail <sup>2</sup>	Corporate <sup>3</sup>	Total
Smoothed	80,660	144,766	225,426
Non-profit	34,616	13,823	48,439
Market-related	155,918	62,756	218,674
<b>Total</b>	<b>271,194</b>	<b>221,345</b>	<b>492,539</b>

2013 (Rm)	Retail <sup>2</sup>	Corporate	Total
Smoothed	78,365	135,846	214,211
Non-profit	41,064	13,845	54,909
Market-related	148,966	40,166	189,132
<b>Total</b>	<b>268,395</b>	<b>189,857</b>	<b>458,252</b>

1. Total reserves disclosed in OMLAC(SA)'s stand-alone financials.

2. Includes the Retail Affluent and Mass Foundation segments.

3. From 1 January 2014, Acsis and Summetry institutional businesses are reported within Corporate, whereas previously these had been reported in the Retail Affluent cluster. Comparatives have not been restated.

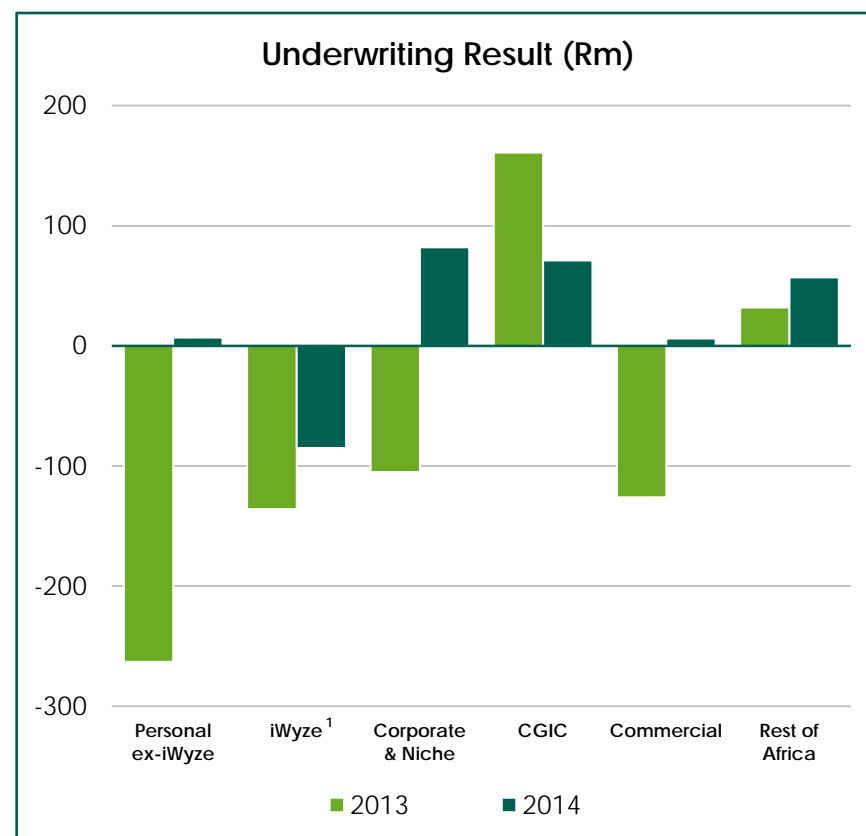
# EMERGING MARKETS: OMIG FUND MIX

Corrected

Asset Class	NCCF (Rbn)			FuM: End Manager (Rbn)		Revenue drivers (Rm)				Pre-tax profit (Rm)
	Gross inflows	Gross outflows	NCCF	Dec 2014	Dec 2013	Base fees	Perf. fees & Transactional fees	Invest return and Mark to Market	Portfolio returns (Net interest margin)	Dec 2014
Listed Asset Management	27.5	(34.9)	(7.4)	403.4	388.8	852	148	-	-	295
Alternatives	3.4	(0.7)	2.7	37.5	36.7	193	110	159	-	257
OMSFIN	-	-	-	56.9	51.4	46	130	41	358	422
Properties	0.2	(0.1)	0.1	20.8	30.0	81	185	-	-	53
<b>Total</b>	<b>31.1</b>	<b>(35.7)</b>	<b>(4.6)</b>	<b>518.6</b>	<b>506.9</b>	<b>1,172</b>	<b>573</b>	<b>200</b>	<b>358</b>	<b>1,027</b>

# EMERGING MARKETS: PROPERTY & CASUALTY

Rm	2013	2014
Gross written premiums	11,315	12,189
Net earned premiums	8,856	9,457
Claims	(6,689)	(6,499)
Acquisition expenses	(1,468)	(1,526)
Operating expenses	(1,136)	(1,294)
<b>Underwriting result</b>	<b>(437)</b>	<b>138</b>
LTIR	472	488
Other	23	(2)
<b>AOP pre-tax &amp; NCI</b>	<b>58</b>	<b>624</b>



1. From Q1 2014 iWyze excludes any central expense allocation. Comparatives have not been restated. Excluding the expense allocation, the underwriting result for 2013 was (R119m).

# EMERGING MARKETS: PROPERTY & CASUALTY

Rm	2013	2014
IFRS adjusted operating profit	58	<b>624</b>
Gross written premiums	11,315	<b>12,189</b>
Claims ratio	75.5%	<b>68.7%</b>
Underwriting result	(437)	<b>138</b>
International solvency ratio <sup>1</sup>	54.1%	<b>51.5%</b>

- Premium growth is attributable to inclusion of Zimbabwe and Nigeria in 2014.
- The net underwriting margin of 1.4% improved on 2013 at (4.9%).
- The improvement is primarily due to positive results from claims cost management and changing the pricing strategy, particularly in Personal Lines.
- After a difficult start to the year, CGIC has returned to an underwriting profit.

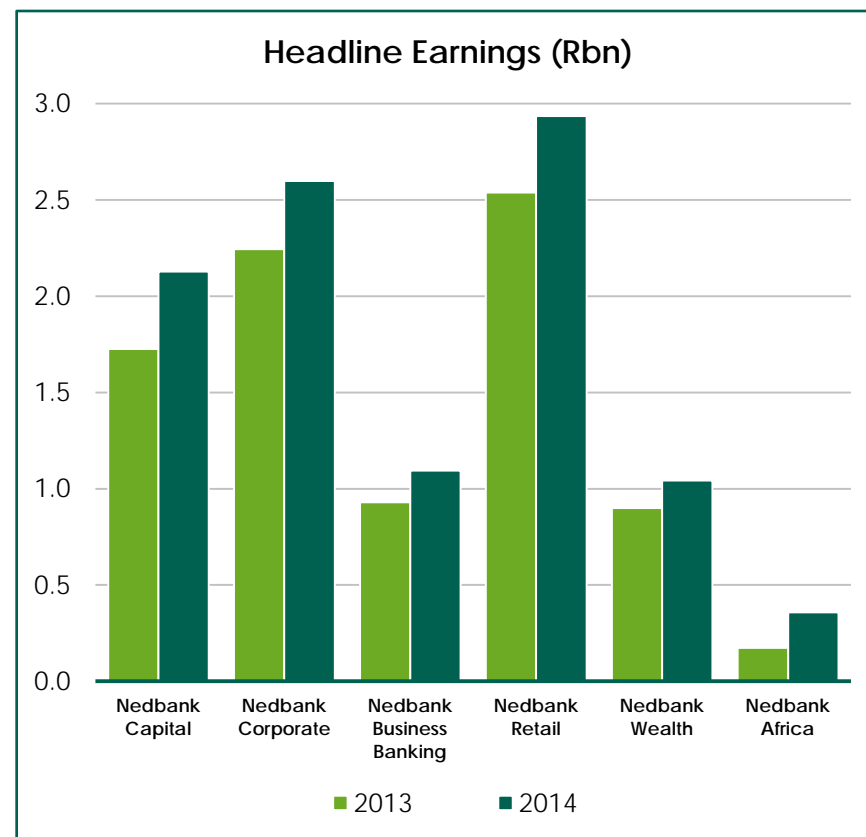
1. Ratio of net assets to net premiums.

# EMERGING MARKETS: PROPERTY & CASUALTY – CLAIMS ANALYSIS

Channel (Rm)	2013	2014
Personal (ex-iWyze)	2,156	1,807
iWyze	364	270
Commercial	2,517	2,537
Corporate & Niche	1,010	862
CGIC	333	511
Rest of Africa	309	512
<b>Total P&amp;C Claims</b>	<b>6,689</b>	<b>6,499</b>

# NEDBANK

Rm	2013	2014
Net interest income	21,220	<b>22,961</b>
Non-interest revenue	19,361	<b>20,312</b>
Impairments	(5,565)	<b>(4,506)</b>
Operating income	35,016	<b>38,767</b>
Operating expenses	(22,419)	<b>(24,534)</b>
Indirect taxation	(601)	<b>(635)</b>
Associate income	27	<b>161</b>
<b>Headline profit before direct taxation<sup>1</sup></b>	<b>12,023</b>	<b>13,759</b>



1. Headline earnings before direct taxation basis. On an AOP basis profit is R2m lower (2013: R3m higher).

# NEDBANK TARGETS

Metric	2013 Performance	2014 Performance	Medium to long-term target	2015 full-year Outlook <sup>1</sup>
ROE (excl goodwill)	17.2%	17.2%	5% above cost of ordinary shareholders' equity	Below target
Growth in diluted headline earnings per share (DHEPS)	15.0%	13.0%	≥ consumer price Index + GDP growth + 5%	> consumer price index + GDP growth
Credit loss ratio	1.06%	0.79%	0.80% - 1.20%	At lower end of target range
NIR : Expenses ratio	86.4%	82.8%	> 85%	Below target
Efficiency ratio <sup>2</sup>	55.2%	56.5%	50.0% - 53.0% <sup>3</sup>	Above target
Common-equity tier 1 capital adequacy ratio (Basel III)	12.5%	11.6%	10.5% - 12.5%	Within target range
Economic capital	Internal Capital Adequacy Assessment Process (ICAAP) : A debt rating (including 10% capital buffer)			
Dividend cover policy	2.11 times	2.07 times	1.75 to 2.25 times	1.75 to 2.25 times

1. 2015 outlook based on latest macro economic outlook and have not been reviewed by the Nedbank auditors.

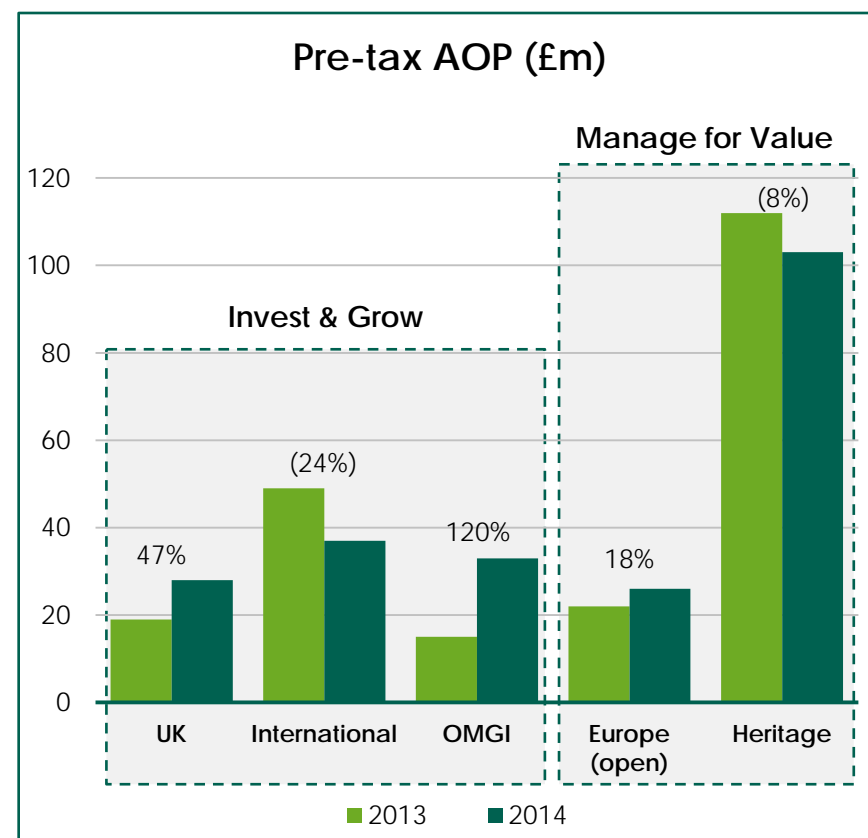
2. Includes associate income in line with industry accounting practices.

3. Target will be reviewed for the inclusion of associate income.



# OLD MUTUAL WEALTH

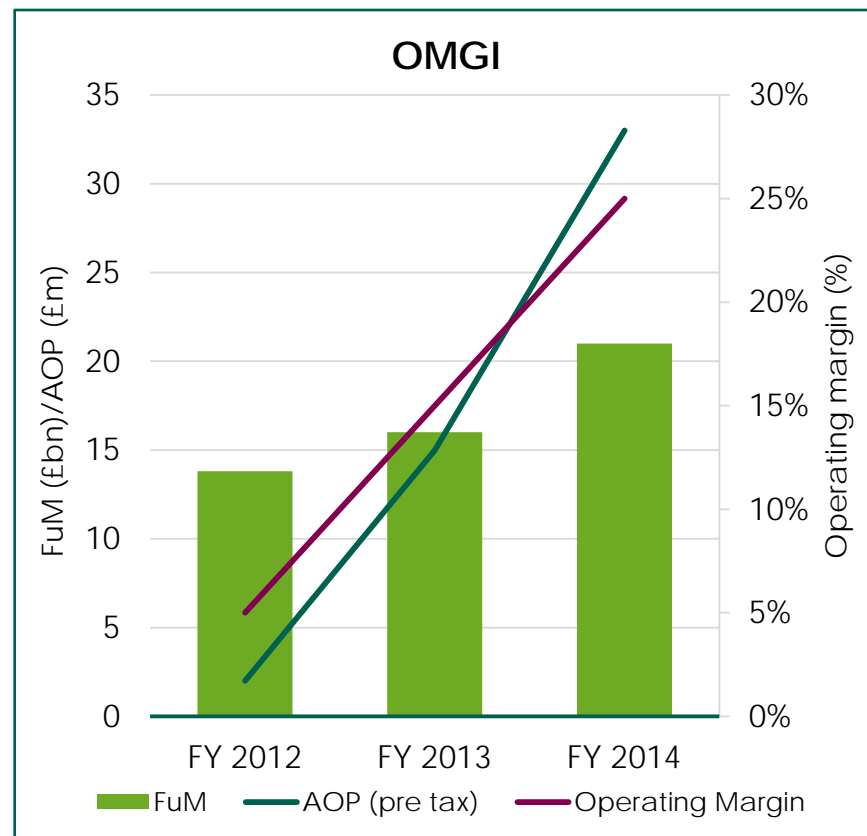
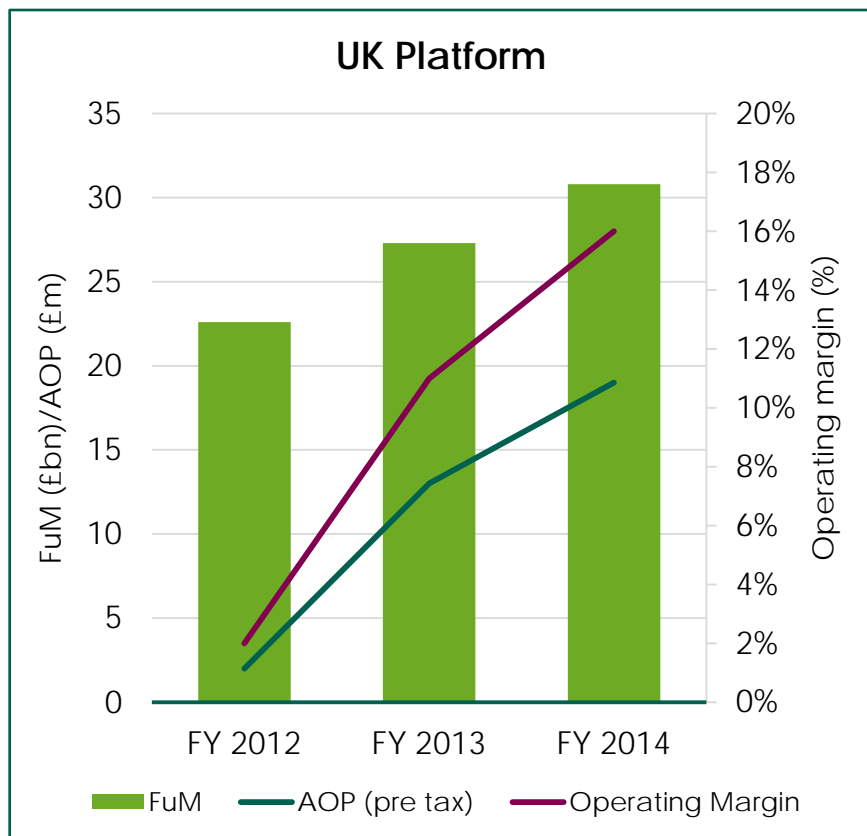
£m	2013	2014
FuM based revenue	883	842
Commission & acquisition expenses <sup>1</sup>	(399)	(325)
Other fees <sup>2</sup>	88	73
Risk profits	15	21
Investment return	15	17
<b>Net revenue</b>	<b>602</b>	<b>628</b>
Admin. expenses	(392)	(417)
Policyholder tax contribution	24	27
Adviser fees	(17)	(11)
<b>AOP pre-tax</b>	<b>217</b>	<b>227</b>



1. Includes DAC net of deferred fee income.

2. Includes fixed fees, surrender fees and other net income/expenses.

# OLD MUTUAL WEALTH: INVEST & GROW – ECONOMIES OF SCALE



# OLD MUTUAL WEALTH: OPERATING MARGINS

£bn	FuM 01 Jan 14	Net flows	Market and other movements	FuM 31 Dec 14	Operating margin	
					2013	2014
Invest & Grow	63.9	4.8	4.7	73.4	23%	24%
Total Manage for Value <sup>1</sup>	22.0	(0.4)	(4.5)	17.1	55%	61%
Elimination of intra-Group assets	(7.4)	(0.7)	0.1	(8.0)	n/a	n/a
<b>Total Old Mutual Wealth</b>	<b>78.5</b>	<b>3.7</b>	<b>0.3</b>	<b>82.5</b>	<b>36%</b>	<b>36%</b>

1. 2014 FUM has been reduced by the disposal of the German, Austrian, Polish and Liechtenstein businesses.

# OLD MUTUAL WEALTH ADJUSTED NAV

AOP & valuation multiples (£m)	AOP (after tax and NCI) 2014	Adjusted NAV <sup>1</sup> 2014	Implied Multiple	Peer Multiples (2014) <sup>2</sup>
Open books <sup>3</sup>	98	1,517	15x	St James Place / Hargreaves Lansdown/Standard Life: - Earnings multiple - 26x/32x/27x Phoenix / Friends Life: - Earnings multiple - 6x/47x - Price/Book - 0.94x/1.19x
UK Heritage	47	586	12x	
Europe – closed book	13	240	18x	
<b>Old Mutual Wealth</b>	<b>158<sup>4</sup></b>	<b>2,343</b>	<b>15x</b>	

- A book value accounting basis is not a good measure for the value of the Invest and Grow business.
- Peer multiples are significantly above book value / profit multiples.

#### The balance sheet value does not include:

- Quilter Cheviot, which was acquired on 25 February 2015 for a consideration of up to £585 million.

1. The Open books and Europe – closed book are included at net asset value. UK Heritage is included at MCEV.
2. Current P/E multiple per Bloomberg as at 24 February 2015.
3. Intrinsic and Cirilium acquisitions are included in the balance sheet value, although profits were only included for the six months since the acquisition date on the 1 July 2014.
4. Shown after removing AOP of divested European businesses (£21m). Old Mutual Wealth's businesses in Austria, Germany, Poland and Liechtenstein were sold for total gross proceeds of £290 million in 2014.

# OLD MUTUAL WEALTH – UK HERITAGE VALUATION

UK Heritage MCEV calculation (£m)	2013	2014
IFRS NAV	452	369
Goodwill & intangibles	(218)	(178)
<b>Tangible NAV</b>	<b>234</b>	<b>191</b>
Statutory valuation basis	(97)	(78)
Value of in-force	555	473
<b>MCEV</b>	<b>692</b>	<b>586</b>

UK Heritage Key Value Indicators	2013	2014
FUM (£bn)	10.2	9.5
Surrender rate	13.0%	10.4%
Cash remitted (£m)	110	95
Maintenance cost per policy (£)	80	82
Operating Margin	82%	79%

- MCEV information is still appropriate for UK Heritage business as the run-off value is maintained.
- If an MCEV calculation were to be completed for the previous full covered business component of Old Mutual Wealth, this would have amounted to £2,306m for 31 December 2014 (Tangible NAV £773m, value of in-force £1,646m).

# OLD MUTUAL WEALTH: QUILTER CHEVIOT – OPPORTUNITIES TO ENHANCE VALUE

## REVENUE SYNERGY DRIVERS

1. Deliver OMGI funds and capabilities to Quilter Cheviot clients, enhancing open architecture offering
2. Extend Old Mutual Wealth advice and international solutions to Quilter Cheviot clients, enhancing its proposition
3. Extend Quilter Cheviot Discretionary Investment Management services to top end Intrinsic and other adviser clients

## PROCUREMENT AND MARGIN SYNERGIES

Run-rate cost/margin synergies by 2017<sup>1</sup>:  
c. £9m AOP (Pre-tax)

## ILLUSTRATIVE OLD MUTUAL WEALTH PROFITABILITY MATRIX<sup>2</sup>

		2017E AOP Margin (%)					
		(£m)	30%	35%	40%	45%	50%
FUM (£bn)	80	179	209	239	268	298	
	90	201	235	268	302	335	
	100	224	261	298	335	373	
	110	246	287	328	369	410	
	120	268	313	358	403	447	

On track to deliver the £270m profit target  
(excluding Quilter Cheviot acquisition)

## ILLUSTRATIVE QUILTER CHEVIOT PROFITABILITY MATRIX<sup>3,4</sup>

		2017E AOP Margin (%) + £9m run-rate cost/margin synergies					
		(£m)	28%	30%	32%	34%	36%
FUM (£bn)	16	48	51	54	57	59	
	18	53	56	59	62	66	
	20	58	61	65	68	72	
	22	63	67	71	74	78	
	24	68	72	76	80	85	

1. Excludes revenue synergies and costs to realise synergies.
2. Maintains gross revenue margin of 75bps.
3. Maintains gross revenue margin of 87bps.
4. Includes run-rate cost and margin synergies and the utilisation of Group tax losses.

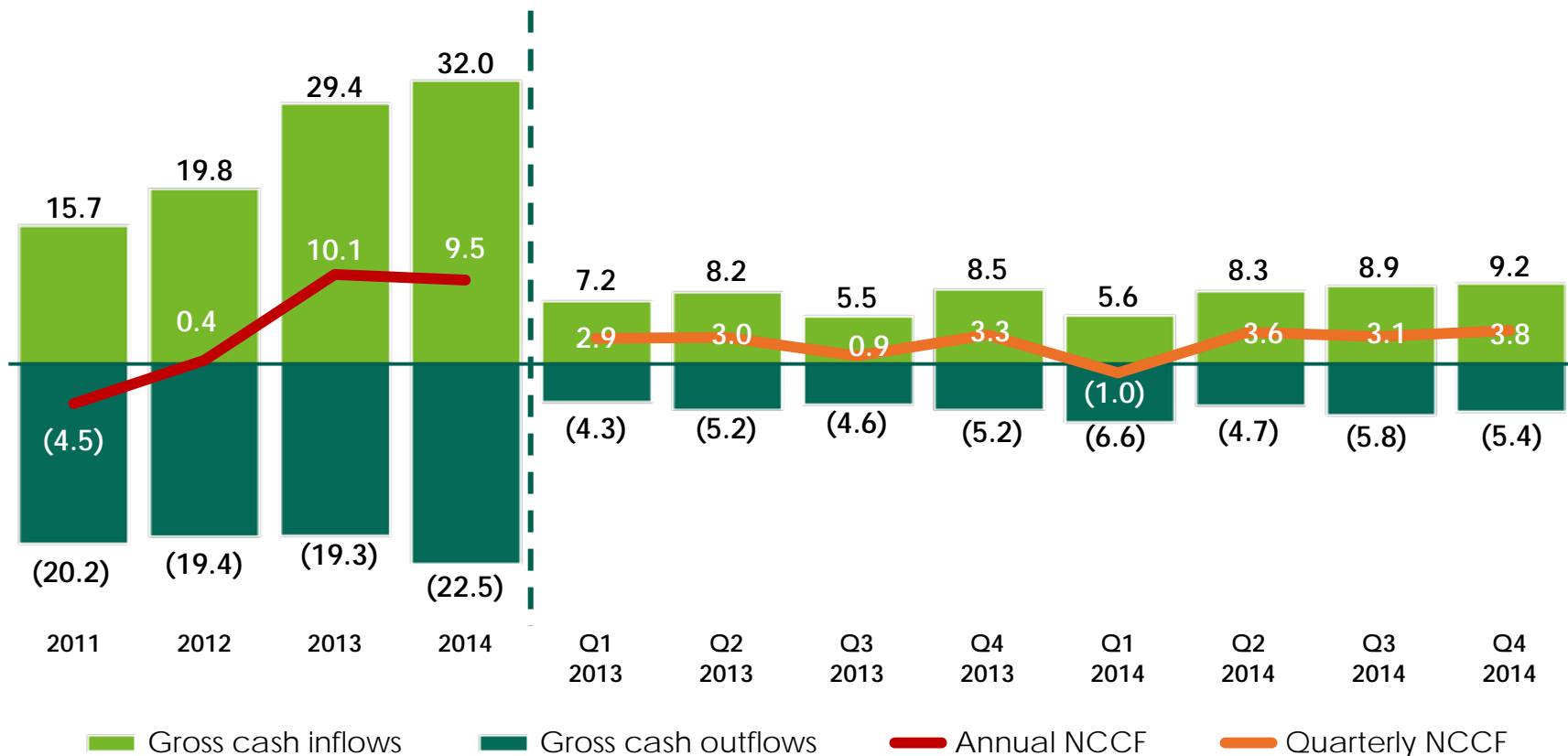
# INSTITUTIONAL ASSET MANAGEMENT: OMAM - ADJUSTED OPERATING PROFIT

\$m	2013 <sup>1</sup>	2014	% Change
Management fees	506	590	17%
Performance fees	18	34	89%
Other revenue	10	11	10%
<b>Total revenue</b>	534	635	19%
Operating expenses	(191)	(214)	(12%)
Variable compensation	(155)	(170)	(10%)
<b>Total expenses</b>	(346)	(384)	(11%)
AOP pre-affiliate key employee distributions	188	251	33%
Affiliate key employee distributions	(28)	(40)	(43%)
<b>AOP post-affiliate key employee distributions</b>	160	211	32%
<b>Operating margin<sup>2</sup></b>	35%	40%	

1. 2013 includes Echo Point which was discontinued in Q4 2013.

2. Operating margin is pre-affiliate key employee distributions; operating margin post-affiliate key employee distributions is 33% (2013: 30%).

# INSTITUTIONAL ASSET MANAGEMENT: OMAM – NCCCF (\$bn)<sup>1</sup>



1. Excludes affiliates disposed of during 2012 and OMAM (UK) which was transferred to Old Mutual Wealth from Q2 2012 onwards. Includes the results of Echo Point which was discontinued in Q4 2013.



# INSTITUTIONAL ASSET MANAGEMENT: OMAM – INVESTMENT PERFORMANCE<sup>1</sup>

Revenue-weighted outperformance vs benchmark <sup>2</sup>	30 Jun 2013	31 Dec 2013	30 Jun 2014	31 Dec 2014
1 year	68%	71%	70%	63%
3 years	95%	91%	73%	66%
5 years	70%	82%	75%	78%

1. Investment performance results exclude Echo Point which was discontinued in Q4 2013.

2. Revenue-weighted investment performance measures the percentage of management fee revenue generated by Affiliate strategies which are beating benchmarks. It calculates each strategy's percentage weight by taking its estimated composite revenue over total composite revenues in each period, then sums the total percentage of revenue for strategies outperforming.