

# Q3 2015 INVESTOR UPDATE

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November 2015

INVESTMENT | SAVINGS | INSURANCE | BANKING



# 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.

# STRONG SALES GROWTH REFLECTS FOCUS ON OPERATIONAL EXECUTION

**Gross sales £8.1bn, up 31%** (Q3 2014: £6.2bn)

- Emerging Markets gross sales R52.8bn, up 22%
- Old Mutual Wealth gross sales £5.5bn, up 45%

**NCCF excluding Rogge £1.6bn positive** (Q3 2014: £2.5bn positive)

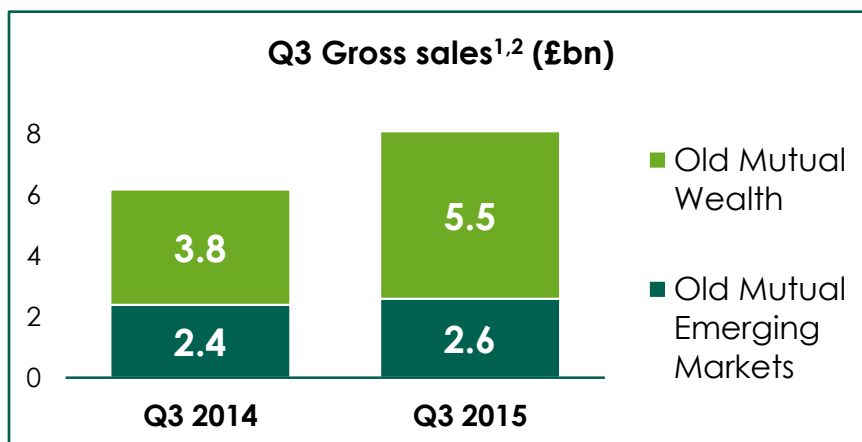
- NCCF including Rogge £2.7bn negative (Q3 2014: £0.6bn positive)

**Funds under Management flat (YTD) at £319.4bn**

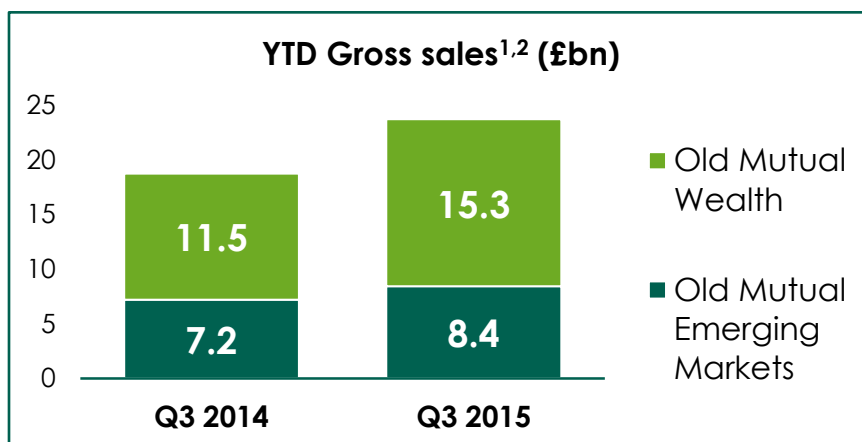
**Continued strategic delivery**

- Good progress with integration of UAP into Old Mutual Emerging Markets.
- Completed sale of Skandia Switzerland.
- Substantially increased the financial adviser network in the UK.
- New debt instruments issued in South Africa and UK.

# GROUP OVERVIEW: SALES & NCCF



| NCCF (£bn) – Q3               | Q3 2014 | Q3 2015 |
|-------------------------------|---------|---------|
| Emerging Markets              | -       | 0.3     |
| Nedbank                       | (0.2)   | 0.6     |
| Old Mutual Wealth             | 0.8     | 2.3     |
| Institutional AM <sup>3</sup> | -       | (5.9)   |
| <b>Group core operations</b>  | 0.6     | (2.7)   |
| Excluding Rogge               | 2.5     | 1.6     |

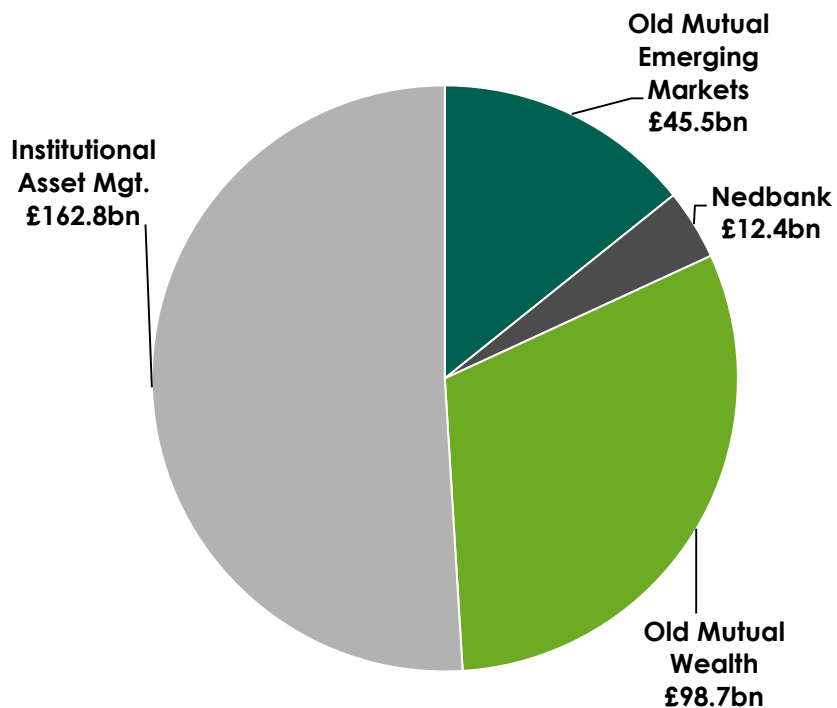


| NCCF (£bn) - YTD              | Q3 2014 | Q3 2015 |
|-------------------------------|---------|---------|
| Emerging Markets              | 0.5     | 1.1     |
| Nedbank                       | 0.4     | 1.3     |
| Old Mutual Wealth             | 2.0     | 4.6     |
| Institutional AM <sup>3</sup> | (0.7)   | (8.3)   |
| <b>Group core operations</b>  | 2.2     | (1.3)   |
| Excluding Rogge               | 6.3     | 5.8     |

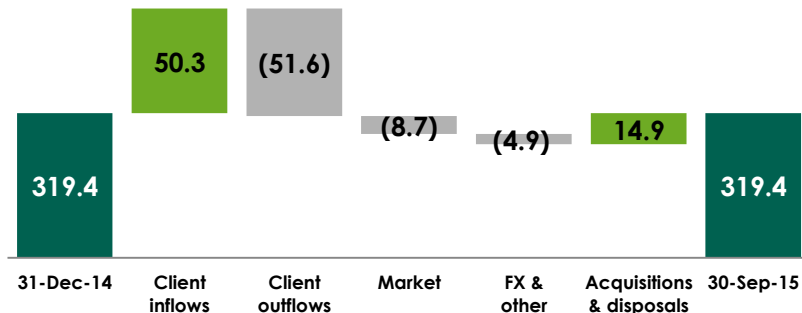
1. Gross sales are cash inflows for the period and thus include prior period recurring-premium flows.
2. As reported, no adjustment for currency.
3. Includes both the US-based affiliates in OM Asset Management and Rogge which was transferred to Old Mutual plc in Q2 2014.

# GROUP OVERVIEW: FuM

**Funds under Management at 30 September 2015 (£319.4bn)**



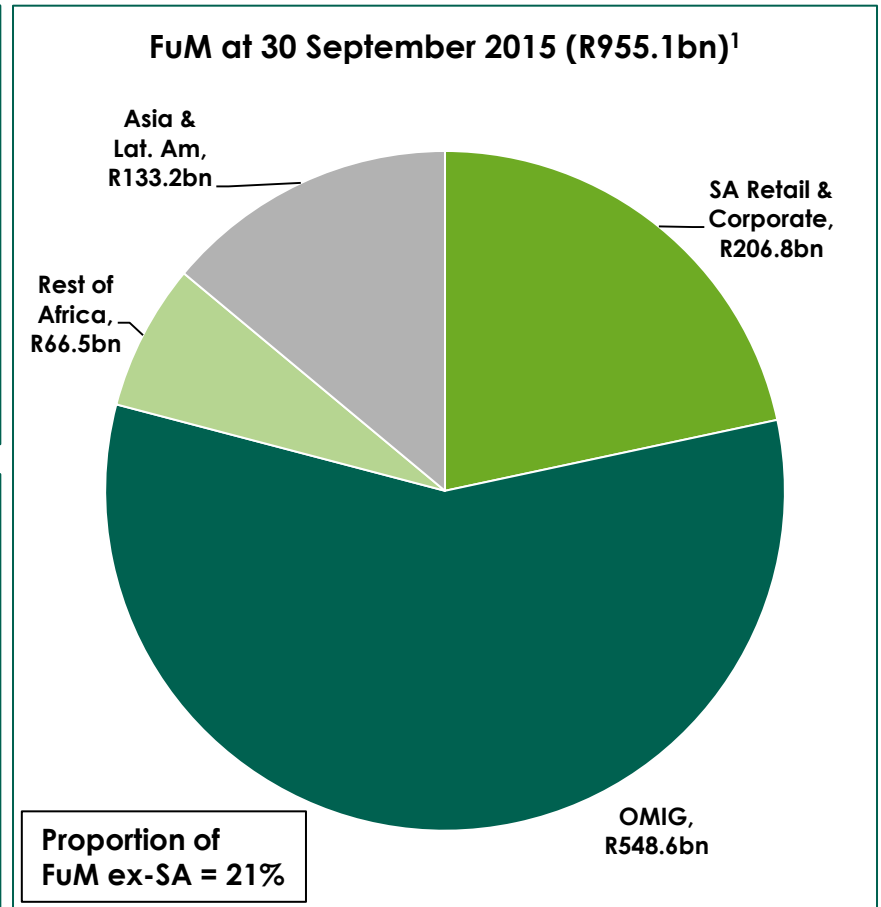
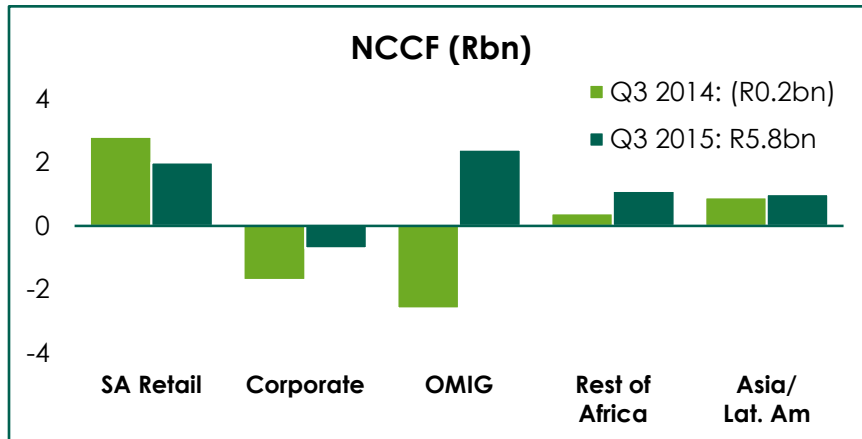
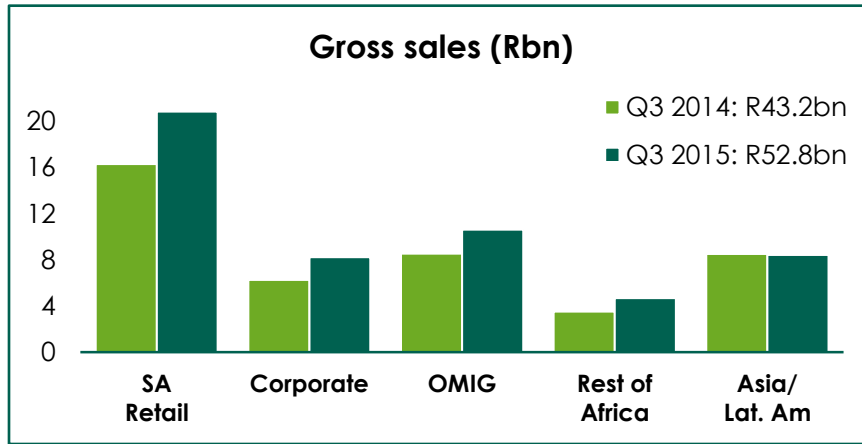
**Movement in FuM – Q3 YTD (£bn)**



**Movement in FuM – Q3 (£bn)**

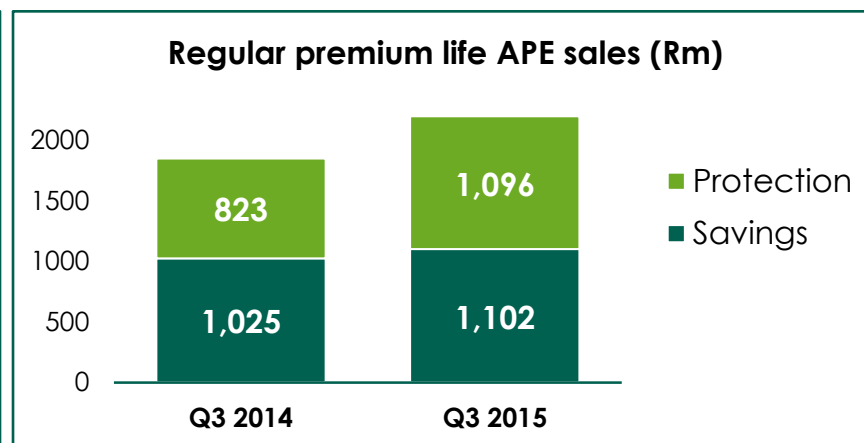
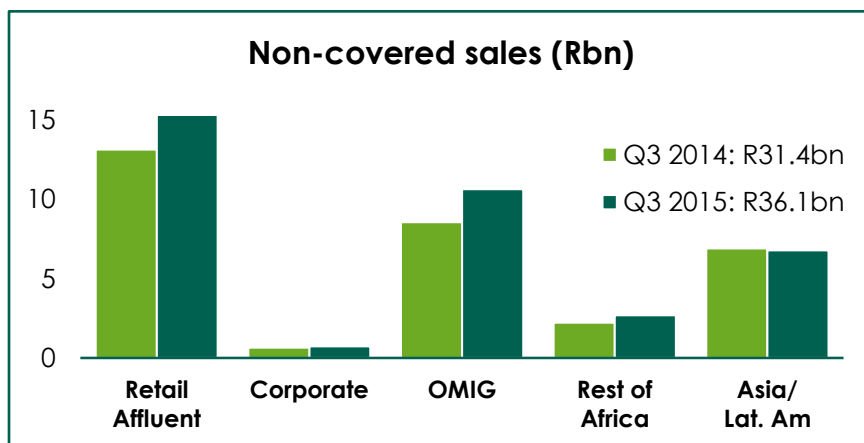
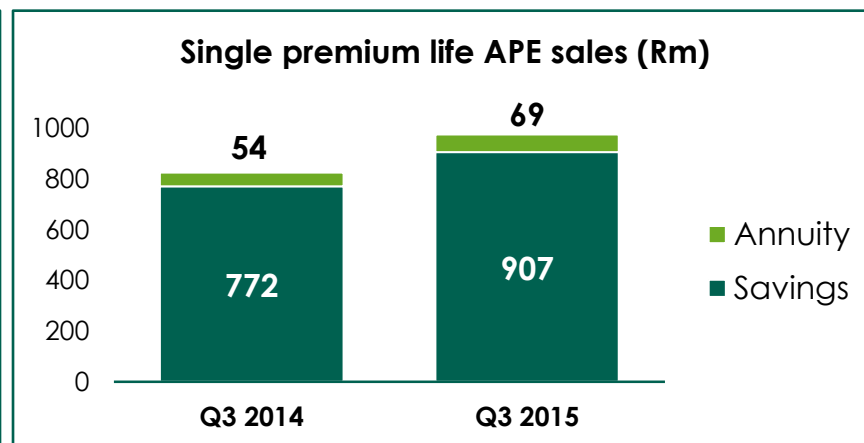
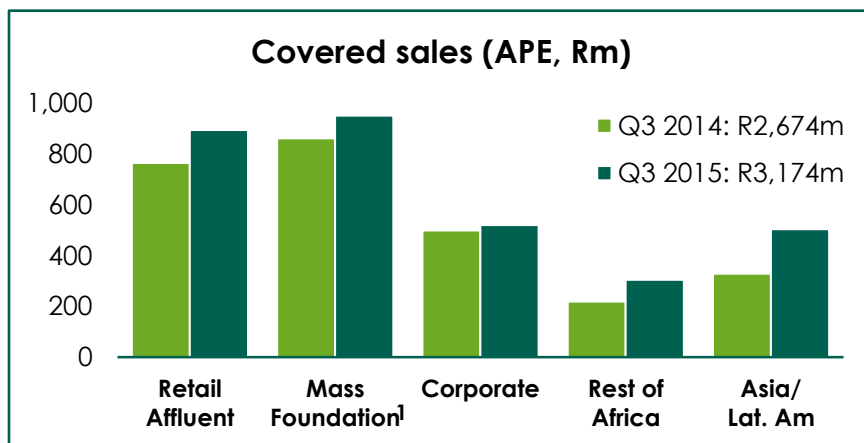


# OLD MUTUAL EMERGING MARKETS



1. Stated on an end-manager basis. Includes R2.5bn held by P&C South Africa (included in SA Retail & Corporate for presentation purposes).

# OLD MUTUAL EMERGING MARKETS



1. OMF credit life sales of R66m in are included within Mass Foundation protection sales (Q3 2014: R68m).

# NEDBANK

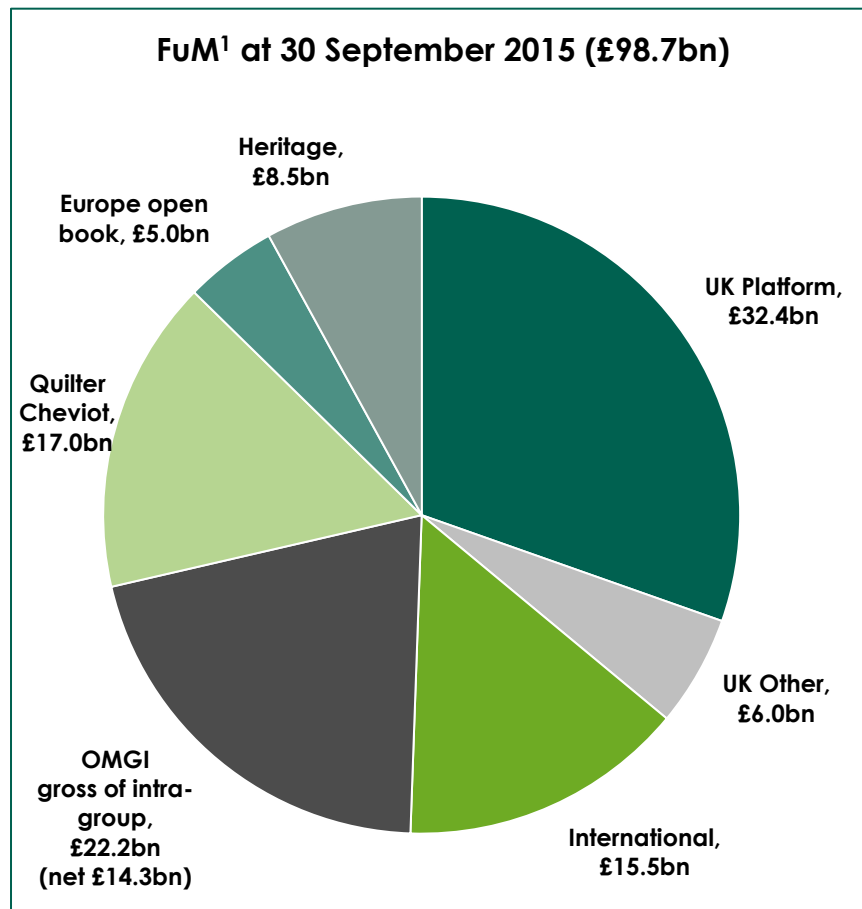
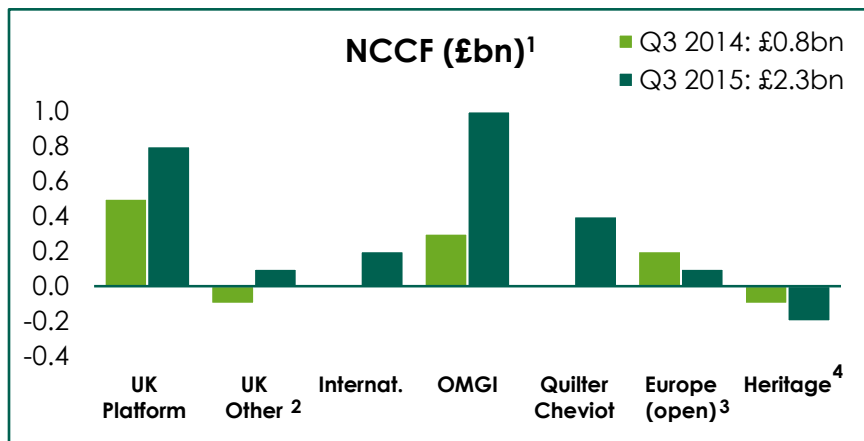
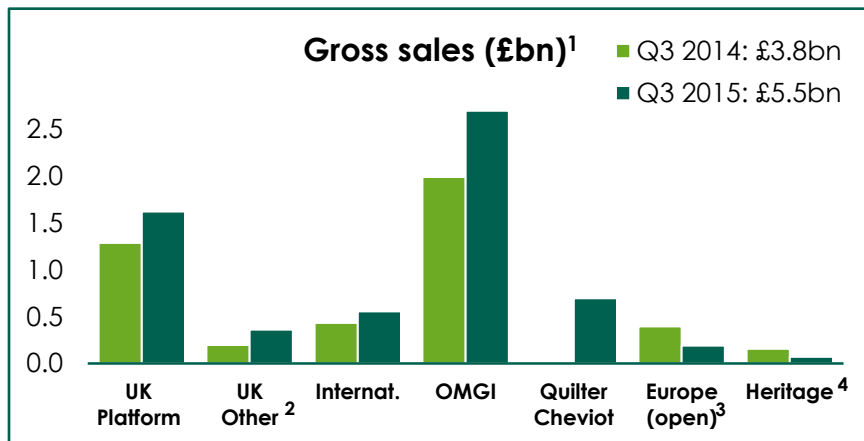
|   | Q3 YTD<br>2014 | <b>Q3 YTD<br/>2015</b> | Change |
|---|----------------|------------------------|--------|
| Net interest income (Rm)                  | 17,043         | <b>17,681</b>          | 4%     |
| Net interest margin                       | 3.53%          | <b>3.32%</b>           |        |
| Non-interest revenue (Rm)                 | 14,509         | <b>15,614</b>          | 10%    |
| Total advances (Rbn) <sup>1</sup>         | 613            | <b>661</b>             | 8%     |
| Credit loss ratio                         | 0.77%          | <b>0.76%</b>           |        |
| Common equity tier 1 ratio <sup>1,2</sup> | 11.6%          | <b>11.1%</b>           |        |

1. Comparator is as at 31 December 2014.

2. Based on Basel III capital criteria and includes unappropriated profits.



# 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. Includes Italy and divested business in France (sold 2 Feb 2015).

4. Includes UK Heritage, divested businesses in Germany, Austria, and Liechtenstein (divested in Q4 2014) and Switzerland (divested in Q3 2015).



**OLDMUTUAL**

# INSTITUTIONAL ASSET MANAGEMENT

| OM Asset Management <sup>1</sup>  |         |                |
|-----------------------------------|---------|----------------|
| \$bn                              | Q3 2014 | Q3 2015        |
| Gross inflows                     | 8.9     | <b>6.2</b>     |
| Gross outflows                    | (5.8)   | <b>(8.7)</b>   |
| NCCF                              | 3.1     | <b>(2.5)</b>   |
| FUM <sup>3</sup>                  | 220.8   | <b>208.7</b>   |
| Economic Net Income (pre-tax)     | \$49.5m | <b>\$51.0m</b> |
| ENI operating margin <sup>4</sup> | 38%     | <b>37%</b>     |

| Institutional Asset Management <sup>2</sup> |         |               |
|---|---------|---------------|
| \$bn  | Q3 2014 | Q3 2015       |
| Gross inflows                               | 9.5     | <b>9.0</b>    |
| Gross outflows                              | (9.3)   | <b>(18.1)</b> |
| NCCF  | 0.2     | <b>(9.1)</b>  |
| FUM <sup>3</sup>                            | 271.1   | <b>246.3</b>  |

1. OM Asset Management (OMAM) is the listed entity and comprises the US-based affiliates.
2. Institutional Asset Management includes OMAM and Rogge which was transferred to Old Mutual plc in Q2 2014.
3. FUM is on an end-manager basis and the comparator is 31 December 2014.
4. ENI operating margin is based on ENI pre-tax and before affiliate key employee distributions.

# OUR STRATEGY FOR GROWTH

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**.

# APPENDIX

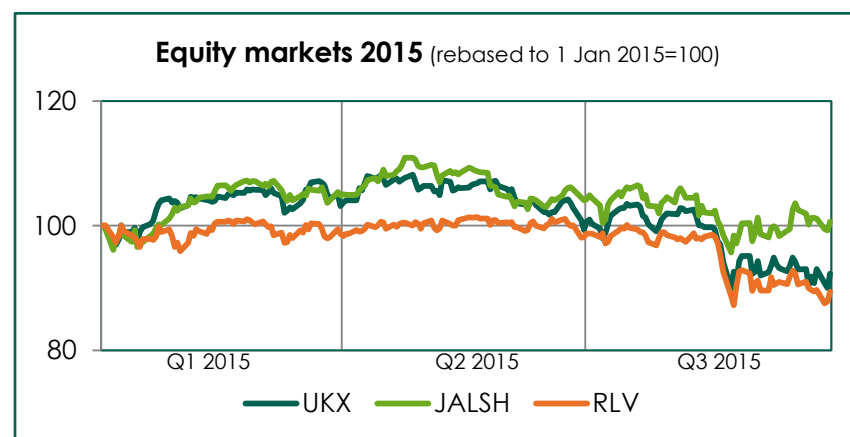
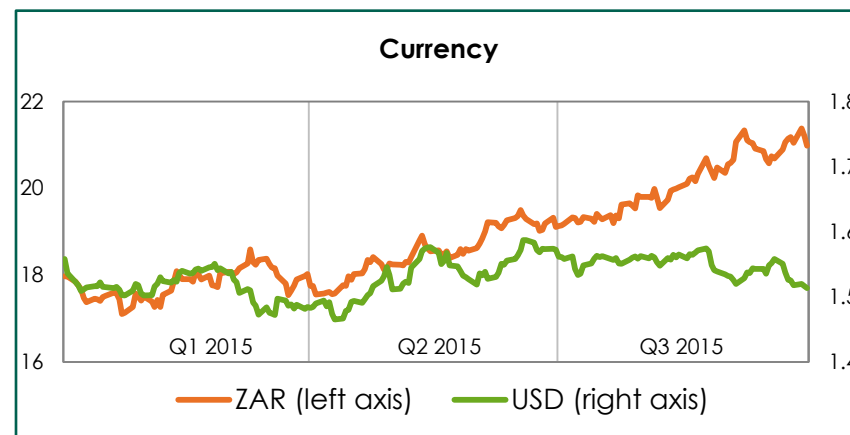
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INVESTMENT | SAVINGS | INSURANCE | BANKING



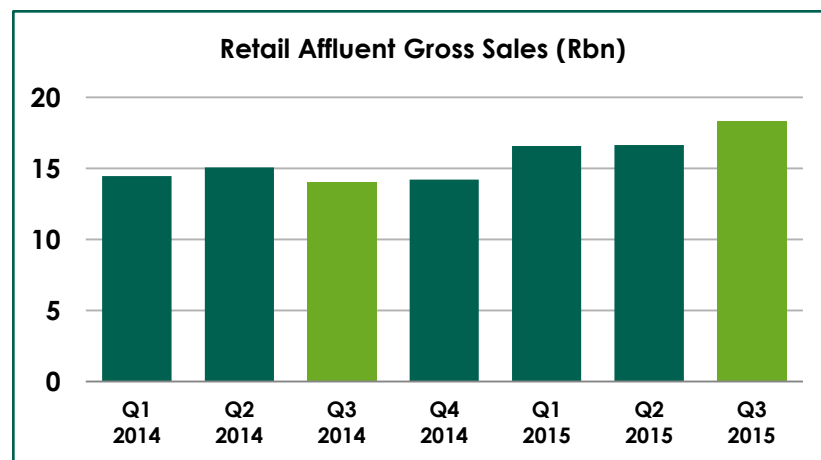
# MACRO ENVIRONMENT

| Exchange rates               | Q3 2014 | Q3 2015 |
|------------------------------|---------|---------|
| <b>ZAR:GBP</b>               |         |         |
| Average rate (YTD)           | 17.89   | 18.82   |
| Closing rate                 | 18.32   | 20.98   |
| <b>USD:GBP</b>               |         |         |
| Average rate (YTD)           | 1.67    | 1.53    |
| Closing rate                 | 1.62    | 1.51    |
| Equity markets (closing)     | Q4 2014 | Q3 2015 |
| FTSE 100 (UKX)               | 6,566   | 6,062   |
| JSE Africa All Share (JALSH) | 49,771  | 50,089  |
| Russell 1000 Value (RLV)     | 1,028   | 919     |



# OLD MUTUAL EMERGING MARKETS

| <b>Retail Affluent</b>  | Q3 2014 | <b>Q3 2015</b> | Δ     |
|-------------------------|---------|----------------|-------|
| Gross sales (Rm)        | 14,049  | <b>18,317</b>  | 30%   |
| Covered sales (APE, Rm) | 764     | <b>894</b>     | 17%   |
| Non-covered sales (Rm)  | 13,121  | <b>15,292</b>  | 17%   |
| NCCF (Rbn)              | 1.6     | <b>0.6</b>     | (1.0) |
| FuM (Rbn) <sup>1</sup>  | 123.8   | <b>135.8</b>   | 10%   |



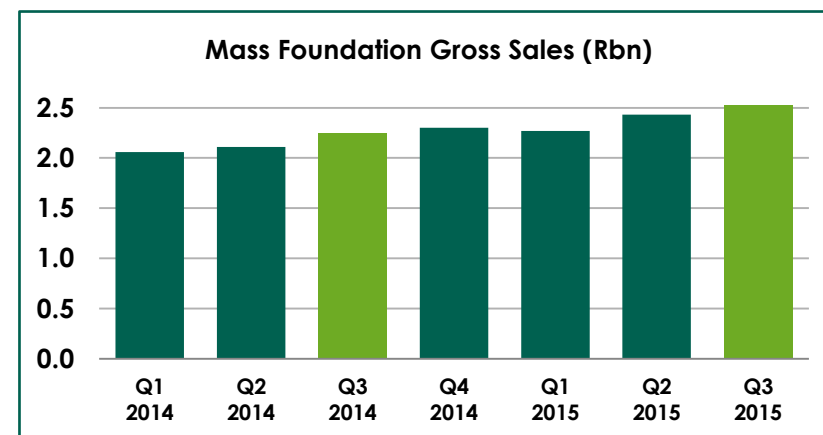
| <b>APE sales analysis</b> | Q3 2014 | <b>Q3 2015</b> | Δ   |
|---------------------------|---------|----------------|-----|
| Single premium savings    | 358     | <b>367</b>     | 3%  |
| Regular premium savings   | 172     | <b>280</b>     | 63% |
| Total savings             | 530     | <b>647</b>     | 22% |
| Protection                | 193     | <b>200</b>     | 4%  |
| Annuity                   | 41      | <b>47</b>      | 15% |

1. FUM is on an end-manager basis and comparator is 31 Dec 2014.

# OLD MUTUAL EMERGING MARKETS

| <b>Mass Foundation<sup>1</sup></b>   | Q3 2014 | Q3 2015      | Δ                |
|--------------------------------------|---------|--------------|------------------|
| Gross sales (Rm)                     | 2,243   | <b>2,520</b> | 12%              |
| Covered sales (APE, Rm) <sup>2</sup> | 862     | <b>951</b>   | 10% <sup>3</sup> |
| NCCF (Rbn)                           | 1.2     | <b>1.4</b>   | 0.2              |

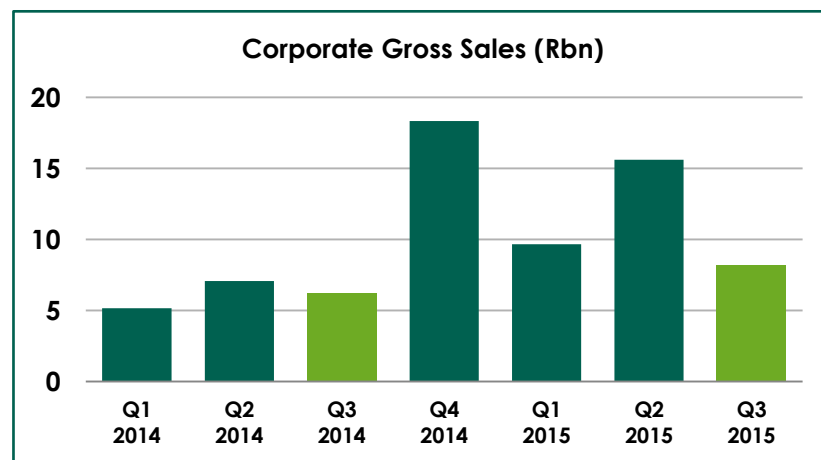
| <b>APE sales analysis</b> | Q3 2014 | Q3 2015    | Δ    |
|---------------------------|---------|------------|------|
| Single premium savings    | 1       | <b>1</b>   | -    |
| Regular premium savings   | 432     | <b>416</b> | (4%) |
| Total savings             | 433     | <b>417</b> | (4%) |
| Protection <sup>4</sup>   | 429     | <b>534</b> | 24%  |



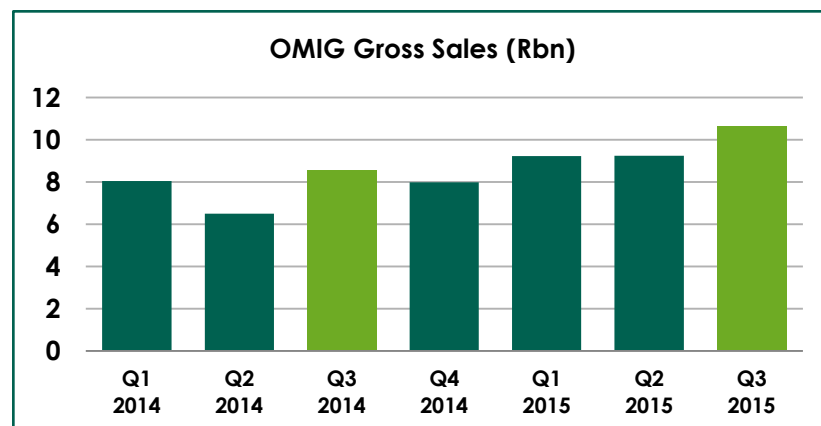
1. On an end-manager basis Mass Foundation FUM is managed by OMIG.
2. From Jan 2015 the recognition basis for APE sales in MFC has been changed to conform to that of Retail Affluent by defining confirmed net sales as those where the first premium is paid in a given month. Previously net sales were stated net of cancellations in the three months since inception. Comparatives have not been restated.
3. Life for like sales growth was up 6% (excluding the sales recognition change and increased ownership of OMF).
4. OMF credit life sales of R66m are included within Mass Foundation protection sales (Q3 2014: R68m).

# OLD MUTUAL EMERGING MARKETS

| Corporate               | Q3 2014 | Q3 2015      | Δ    |
|-------------------------|---------|--------------|------|
| Gross sales (Rm)        | 6,258   | <b>8,231</b> | 32%  |
| Covered sales (APE, Rm) | 500     | <b>520</b>   | 4%   |
| Non-covered sales (Rm)  | 647     | <b>734</b>   | 13%  |
| NCCF (Rbn)              | (1.7)   | <b>(0.7)</b> | 1.0  |
| FuM (Rbn) <sup>1</sup>  | 71.0    | <b>68.5</b>  | (4%) |



| OMIG                   | Q3 2014 | Q3 2015       | Δ   |
|------------------------|---------|---------------|-----|
| Gross sales (Rm)       | 8,547   | <b>10,623</b> | 24% |
| Non-covered sales (Rm) | 8,547   | <b>10,623</b> | 24% |
| NCCF (Rbn)             | (2.6)   | <b>2.4</b>    | 5.0 |
| FuM (Rbn) <sup>1</sup> | 518.6   | <b>548.6</b>  | 6%  |

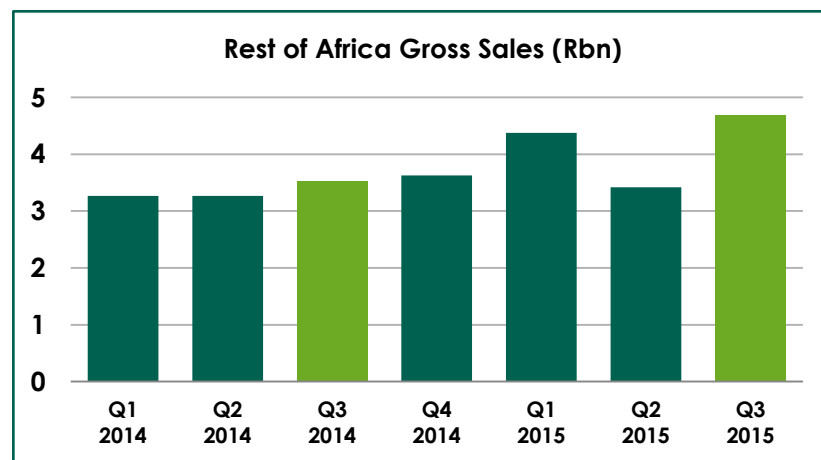


1. FUM is on an end-manager basis and comparator is 31 Dec 2014.

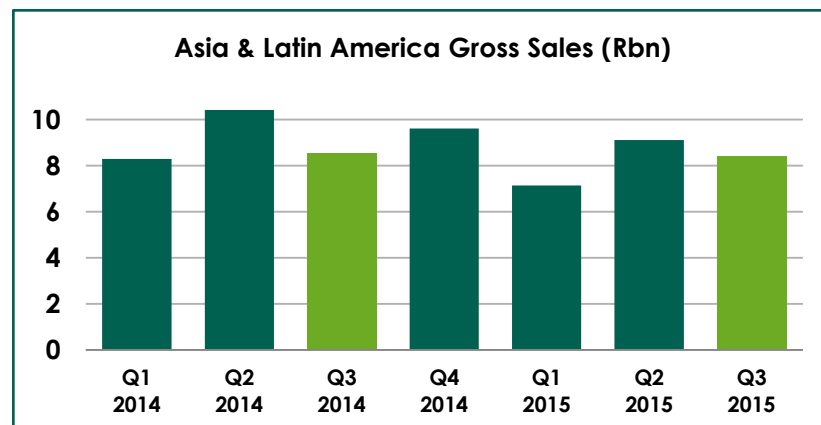


# OLD MUTUAL EMERGING MARKETS

| Rest of Africa          | Q3 2014 | Q3 2015      | Δ   |
|-------------------------|---------|--------------|-----|
| Gross sales (Rm)        | 3,537   | <b>4,684</b> | 32% |
| Covered sales (APE, Rm) | 219     | <b>305</b>   | 39% |
| Non-covered sales (Rm)  | 2,227   | <b>2,686</b> | 21% |
| NCCF (Rbn)              | 0.4     | <b>1.1</b>   | 0.7 |
| FuM (Rbn) <sup>1</sup>  | 62.2    | <b>66.5</b>  | 7%  |



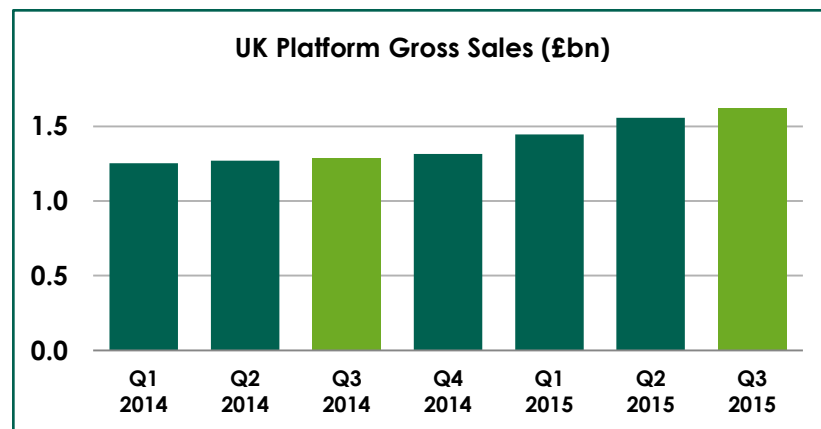
| Asia & Lat.Am           | Q3 2014 | Q3 2015      | Δ    |
|-------------------------|---------|--------------|------|
| Gross sales (Rm)        | 8,518   | <b>8,425</b> | (1%) |
| Covered sales (APE, Rm) | 329     | <b>504</b>   | 53%  |
| Non-covered sales (Rm)  | 6,886   | <b>6,765</b> | (2%) |
| NCCF (Rbn)              | 0.9     | <b>1.0</b>   | 0.1  |
| FuM (Rbn) <sup>1</sup>  | 126.8   | <b>133.2</b> | 5%   |



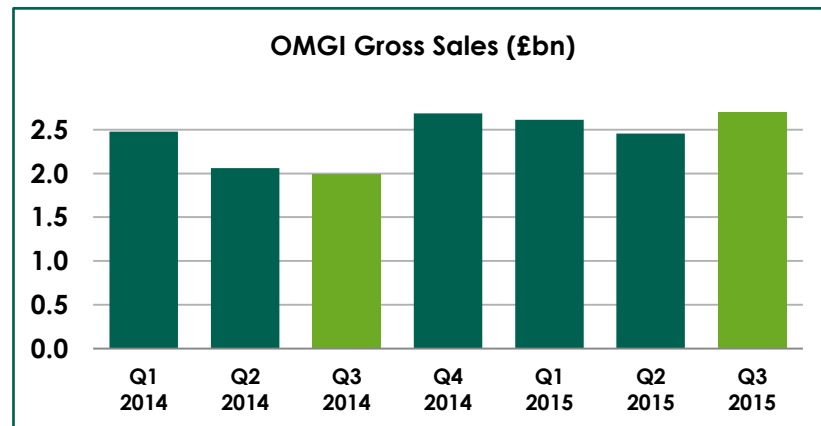
1. FUM is on an end-manager basis and comparator is 31 Dec 2014.

# OLD MUTUAL WEALTH

| UK Platform            | Q3 2014 | Q3 2015      | Δ   |
|------------------------|---------|--------------|-----|
| Gross sales (£m)       | 1,286   | <b>1,623</b> | 26% |
| NCCF (£bn)             | 0.5     | <b>0.8</b>   | 0.3 |
| FuM (£bn) <sup>1</sup> | 30.8    | <b>32.4</b>  | 5%  |



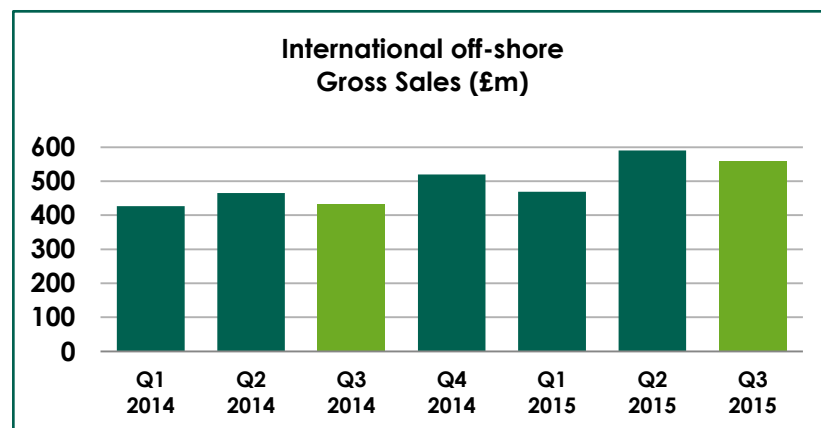
| OMGI   | Q3 2014 | Q3 2015      | Δ   |
|--|---------|--------------|-----|
| Gross sales (£m)                             | 1,990   | <b>2,699</b> | 36% |
| NCCF (£bn)                                   | 0.3     | <b>1.0</b>   | 0.7 |
| FuM (£bn) <sup>1</sup>                       | 21.0    | <b>22.2</b>  | 6%  |
| <i>net of intra-Group assets<sup>2</sup></i> | 13.0    | <b>14.3</b>  | 10% |



1. FUM is on an end-manager basis and comparator is 31 Dec 2014.
2. Intra-Group assets are assets managed by OMGI on behalf of other Old Mutual Wealth businesses.

# OLD MUTUAL WEALTH

| International off-shore | Q3 2014 | Q3 2015     | Δ    |
|-------------------------|---------|-------------|------|
| Gross sales (£m)        | 433     | <b>558</b>  | 29%  |
| NCCF (£bn)              | -       | <b>0.2</b>  | 0.2  |
| FuM (£bn) <sup>1</sup>  | 15.6    | <b>15.5</b> | (1%) |



|                        | UK Other |            | Quilter Cheviot <sup>2</sup> |             | UK Heritage |              | Europe: open book <sup>3</sup> |            | Europe: closed book <sup>4</sup> |           |
|------------------------|----------|------------|------------------------------|-------------|-------------|--------------|--------------------------------|------------|----------------------------------|-----------|
|                        | Q3 2014  | Q3 2015    | Q3 2014                      | Q3 2015     | Q3 2014     | Q3 2015      | Q3 2014                        | Q3 2015    | Q3 2014                          | Q3 2015   |
| Gross sales (£m)       | 197      | <b>363</b> | n/a                          | <b>697</b>  | 44          | <b>41</b>    | 396                            | <b>191</b> | 114                              | <b>30</b> |
| NCCF (£bn)             | (0.1)    | <b>0.1</b> | n/a                          | <b>0.4</b>  | (0.2)       | <b>(0.2)</b> | 0.2                            | <b>0.1</b> | 0.1                              | -         |
| FuM (£bn) <sup>1</sup> | 6.0      | <b>6.0</b> | n/a                          | <b>17.0</b> | 9.5         | <b>8.5</b>   | 6.7                            | <b>5.0</b> | 0.9                              | -         |

1. FuM is on an end-manager basis and comparator is 31 Dec 2014.

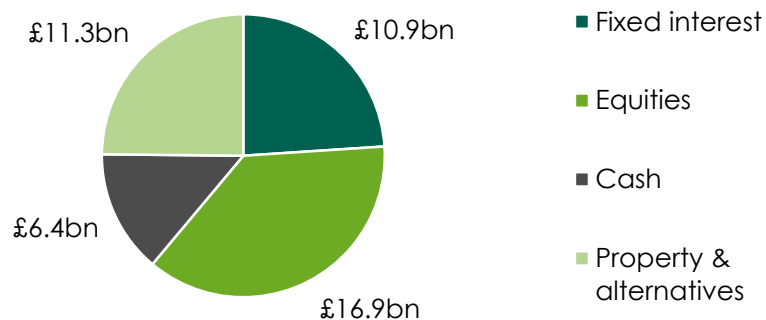
2. Quilter Cheviot sales and NCCF only relate to the period since the acquisition completed on 25<sup>th</sup> February 2015.

3. Includes Italy and divested business in France (sold 2 Feb 2015).

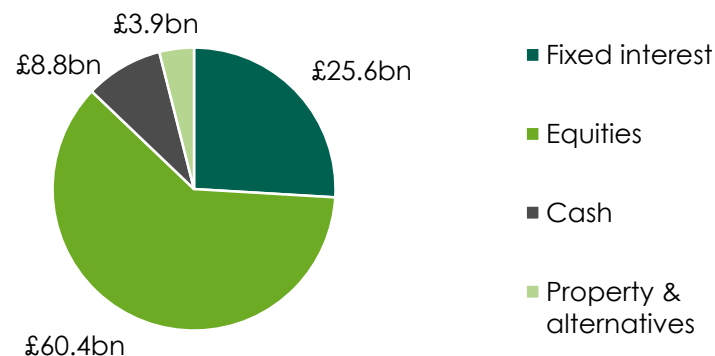
4. Includes divested businesses in Germany, Austria, and Liechtenstein (sold Q4 2014) and Switzerland (sold 30 Sept 2015).

# FUND PROFILE BY INVESTMENT TYPE

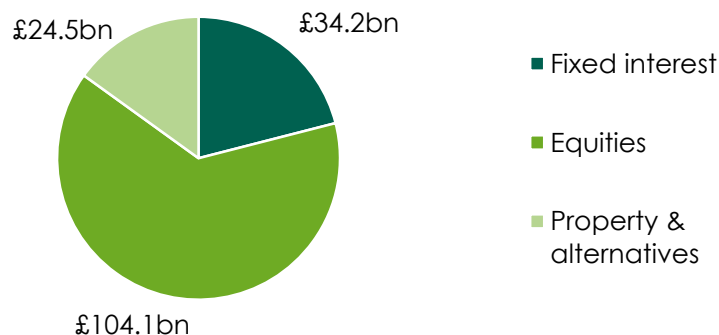
## Old Mutual Emerging Markets<sup>1</sup>



## Old Mutual Wealth<sup>1</sup>



## Institutional Asset Management<sup>1</sup>



| £bn                | Old Mutual Emerging Markets | Old Mutual Wealth | Institutional Asset Mgt. |
|--------------------|-----------------------------|-------------------|--------------------------|
| Retail             | 20.5                        | 80.0              | 6.5                      |
| Institutional      | 22.3                        | 17.6              | 156.2                    |
| Policyholder funds | 42.8                        | 97.5              | 162.7                    |
| Shareholder funds  | 2.7                         | 1.2               | 0.1                      |
| Total FuM          | 45.5                        | 98.7              | 162.8                    |

# INVESTMENT PERFORMANCE

|   | FY 2014 |        |        | Q3 2015     |             |             |
|---|---------|--------|--------|-------------|-------------|-------------|
|   | 1 year  | 3 year | 5 year | 1 year      | 3 year      | 5 year      |
| <b>Old Mutual Emerging Markets (OMIG<sup>1</sup>)</b> |         |        |        |             |             |             |
| Proportion of funds outperforming:                    |         |        |        |             |             |             |
| Market index benchmarks <sup>2</sup>                  | 63%     | 61%    | 73%    | <b>64%</b>  | <b>75%</b>  | <b>80%</b>  |
| CPI benchmarks <sup>2</sup>                           | 100%    | 100%   | 100%   | <b>100%</b> | <b>100%</b> | <b>100%</b> |
| Peer median <sup>2</sup>                              | 63%     | 44%    | 56%    | <b>59%</b>  | <b>55%</b>  | <b>60%</b>  |
| <b>Old Mutual Wealth (OMGI)</b>                       |         |        |        |             |             |             |
| Core funds <sup>3</sup> percentage of FUM ahead of:   |         |        |        |             |             |             |
| Market index benchmarks                               | 77%     | 85%    | 96%    | <b>42%</b>  | <b>79%</b>  | <b>80%</b>  |
| Peer median   | 66%     | 84%    | 80%    | <b>44%</b>  | <b>71%</b>  | <b>74%</b>  |
| Total funds percentage of FUM ahead of:               |         |        |        |             |             |             |
| Market index benchmarks                               | 70%     | 80%    | 88%    | <b>43%</b>  | <b>76%</b>  | <b>77%</b>  |
| Peer median   | 67%     | 78%    | 75%    | <b>44%</b>  | <b>70%</b>  | <b>72%</b>  |
| <b>OM Asset Management</b>                            |         |        |        |             |             |             |
| Revenue-weighted performance                          | 63%     | 66%    | 78%    | <b>68%</b>  | <b>84%</b>  | <b>93%</b>  |
| Asset-weighted performance                            | 48%     | 52%    | 64%    | <b>61%</b>  | <b>75%</b>  | <b>95%</b>  |

1. OMIG managed assets on an end-manager basis.
2. From HY 2014 we have changed the basis of fund performance reporting. Previously measured the performance of all clients on an individual basis irrespective of asset weighting. Now measures performance of key funds representing more than 80% of assets under management. Comparatives have not been restated.
3. Core funds exclude sub-advised and non-strategic funds.

# CONTACTS

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