

PRELIMINARY RESULTS 2015

11 March 2016

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

AGENDA

Strategy

Bruce Hemphill, CEO

2015 performance

Bruce Hemphill, CEO

Financial review

Ingrid Johnson, GFD

Concluding remarks

Bruce Hemphill, CEO

Q&A

STRATEGY

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4 STRONG BUSINESSES WITH GREAT PROSPECTS



- A leader in African Financial Services
- Integrated Financial Services offering
- Uniquely positioned in Mass Foundation
- Strong Retail Affluent and Wealth proposition



- Africa's most admired bank
- Corporate and Commercial strength
- ETI partnership
- JSE listed, MSCI inclusion



- Leading UK & cross-border wealth management business
- Operations across the value chain
- Strong Discretionary, Retail and platform propositions
- £1.8 trillion investible assets in target market



- Multi-boutique institutional asset management
- Strong organic and inorganic growth prospects
- Developing global distribution
- NYSE listed

STRATEGIC REVIEW

Work undertaken:

- Engaged independent experts
- Worked with internal team
- Review of each individual business in its marketplace
- Analysis of group construct and internal added value

Thorough analytical process

Key considerations:

- Strategic logic
- Leadership economics
- BU growth ambitions and funding requirements
- Cost, efficiency and risk

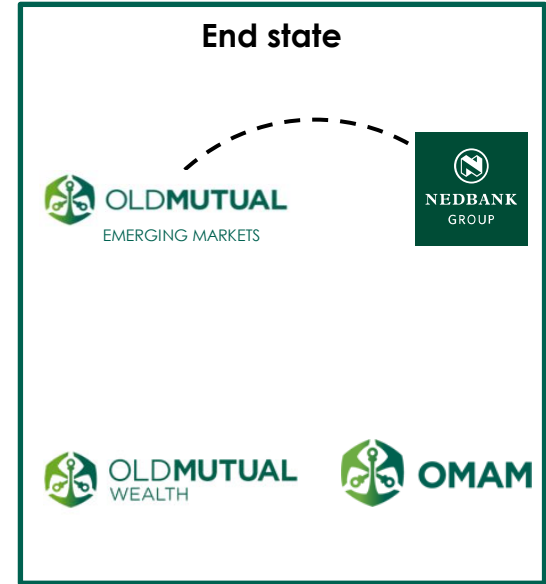
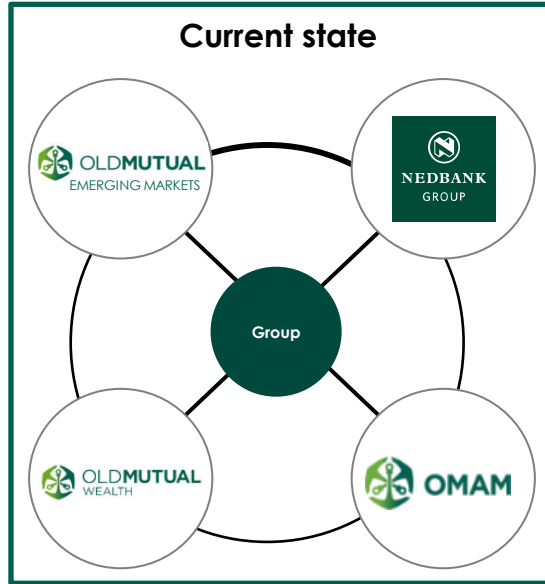
Objective of shareholder value creation

Conclusions:

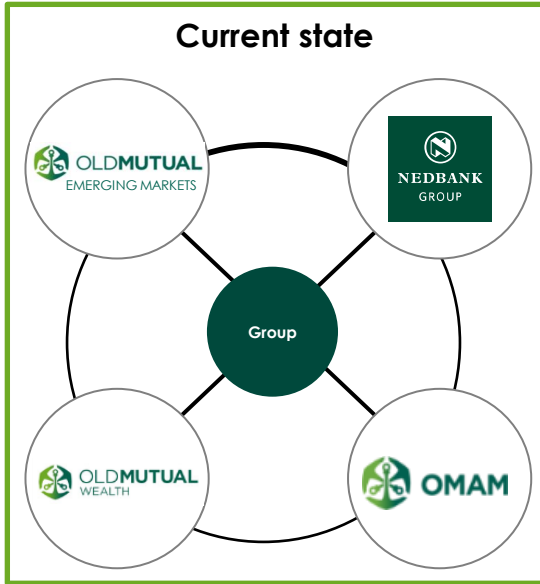
- 4 strong businesses capable of standing alone
- No compelling strategic logic for group structure
- Current configuration unlikely to deliver desired outcomes

New strategy of managed separation

STRATEGIC PATH



CURRENT STATE



- Strong businesses
- Each with clear strategy in chosen markets
- Excellent growth prospects

But:

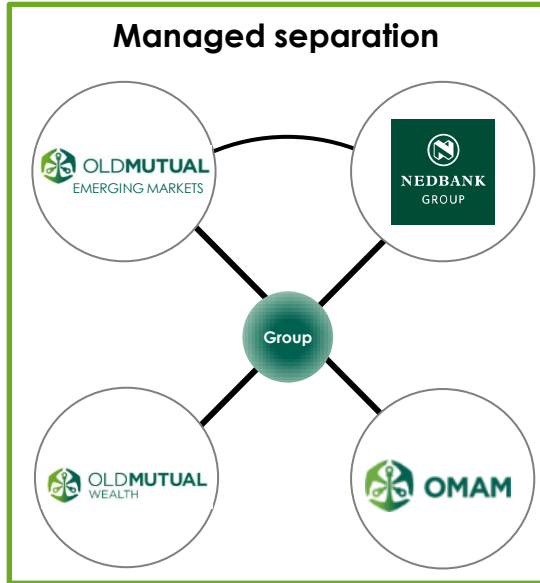
- Little commonality or synergy
- Group costs
- Regulatory burden
- Misalignment of shareholders

DESIRED END STATE



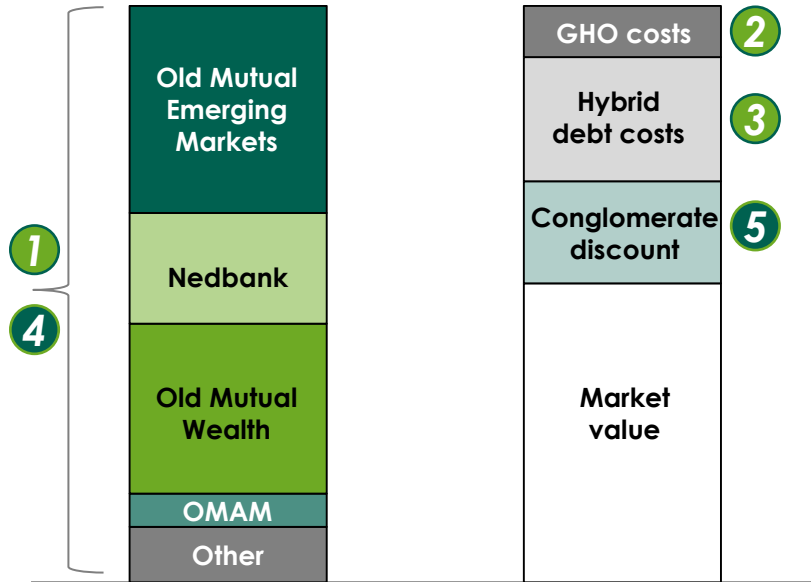
- Strong independent businesses
- Excellent growth prospects
- Enhanced performance
- Alignment of investors and assets
- Reduced cost of central activities
- Nedbank strategic shareholding

NEW STRATEGY: MANAGED SEPARATION



- Strong team to deliver
- Optimal execution route, balancing value to shareholders, cost, time & risk
- Engagement with stakeholders
- Defined plc role
- Reduce central costs
- Revised capital management policy
- Substantial completion end 2018
- Further updates later in 2016

UNLOCKING VALUE



(Illustrative)

Actions:

- 1 Deliver enhanced business performance
- 2 Reduce cost of central activities
- 3 Manage down Group debt

Outcomes:

- 4 Valuation re-rating of the businesses
- 5 Removal of conglomerate discount

2015 BUSINESS PERFORMANCE

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STRONG FINANCIAL PERFORMANCE IN 2015

AOP¹ £1.7bn, up 11%²: Strong local profit growth

Adjusted EPS 19.3 pence, up 15%²

NCCF³, excluding Rogge, £6.6bn (2014: £11.2bn)

FUM³, excluding Rogge, up 8%² to £304bn

Total 2015 dividend 8.9 pence per share, up 2%

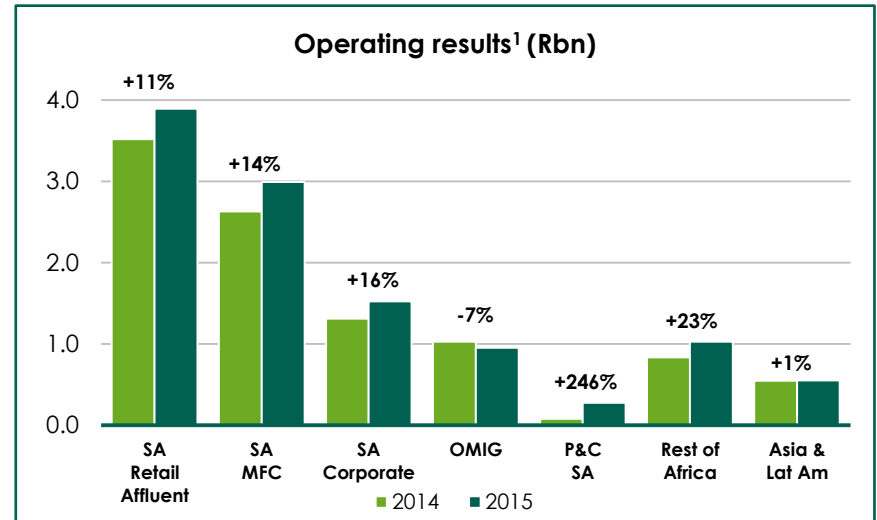
Further portfolio simplification: Switzerland, Bermuda and Rogge

1. AOP, pre-tax and NCI, based on core business only.
2. Changes in constant currency.
3. Core business only.

OLD MUTUAL EMERGING MARKETS

Rbn	2015	Δ
AOP (pre-tax) (Rm)	12,001	9%
Gross sales	216	17%
Covered sales (APE)	12.7	31%
Non-covered sales	155	15%
NCCF	34.3	61%
FUM	989.9	9%
ROE ²	22.6%	(20bps)
ROEV	13.5%	360bps

Financial services provider to retail and corporate customers across a number of market segments in South Africa, sub-Saharan Africa and other select emerging markets.



- Platform for growth in East Africa.
- Integration progressing well.
- Strong core business but performance challenged in 2015 by difficult markets.
- Focused on long-term profitability.



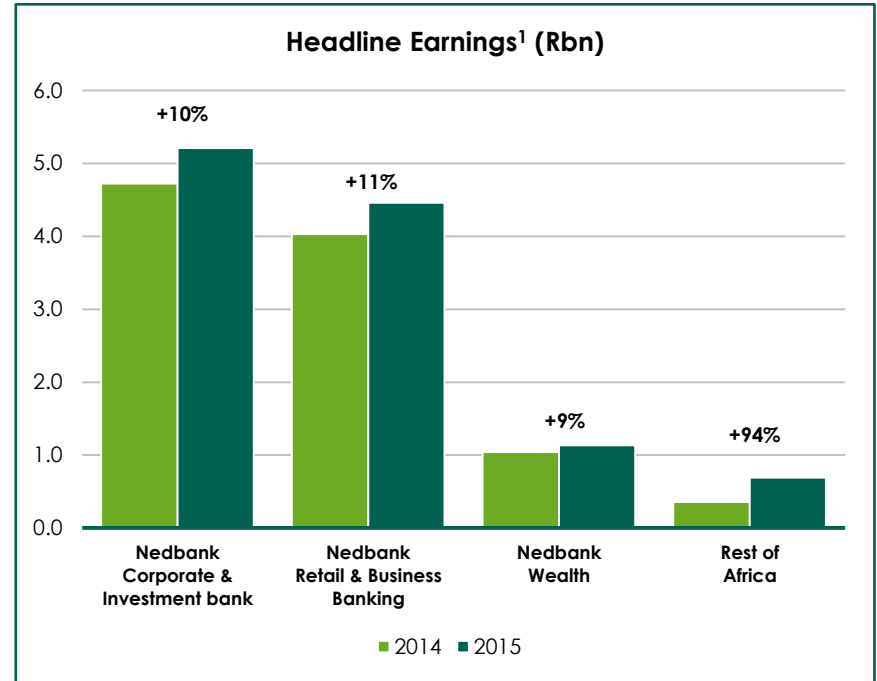
1. Adjusted operating profit, pre-tax, before LTIR and central costs.
 2. OMSA and Asia are calculated as return on allocated capital. For Rest of Africa allocated capital is calculated on Statutory Capital Adequacy requirement. Lat Am based on average shareholders' equity.

NEDBANK

Rm	2015	Δ
AOP (pre-tax) ¹	14,729	7%
Net interest income	23,885	4%
Non-interest revenue	21,748	7%

	2014	2015
Impairments (Rm)	4,506	4,789
Credit loss ratio	0.79%	0.77%
Common equity Tier 1 ratio	11.6%	11.3%
ROE (exc. goodwill)	17.2%	17.0%

Diversified financial services provider offering a wide range of wholesale and retail banking services as well as insurance, asset management and wealth management solutions.

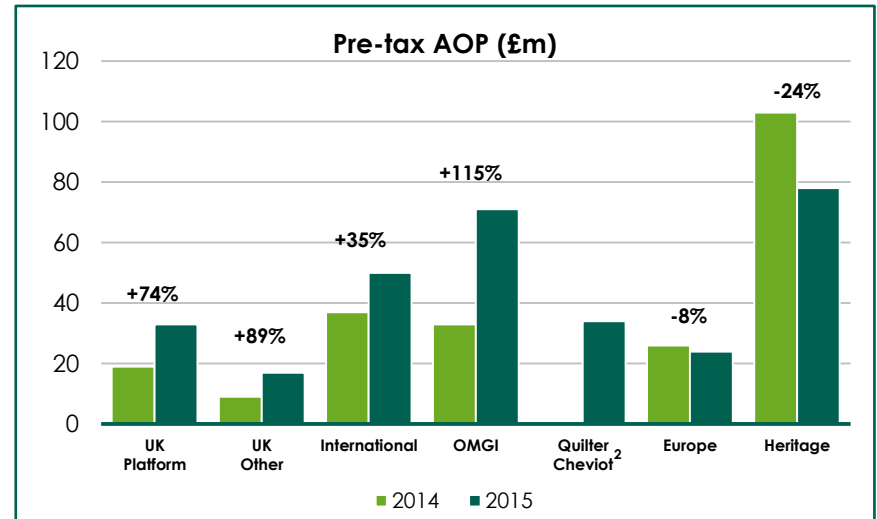


1. Total Headline Earnings were R10,831m (2014: R9,880m).

OLD MUTUAL WEALTH

£bn	2015	Δ
AOP (pre-tax) (£m)	307	35%
AOP exc. Quilter Cheviot (£m)	273	20%
Gross sales	20.8	30%
NCCF	6.9	86%
FuM	104.4	27%
Operating margin	40%	400 bps
ROE ¹	16.7%	20 bps

Leading UK and cross-border wealth management business, providing advice-driven investment solutions to financial advisers and customers via a vertically integrated suite of businesses.



- Quilter Cheviot & OMGI management combined into new Investment Division – integrated expertise & capabilities.
- Quilter Cheviot added to Intrinsic's DFM panel.
- High-performing OMGI funds added to Quilter Cheviot buy-list.



1. AOP (post-tax) divided by average shareholders' equity, excluding goodwill, PVIF and other acquired intangibles, except the goodwill and acquired intangibles from the purchase of Intrinsic and Quilter Cheviot.

2. Quilter Cheviot acquired with effect from 25 February 2015 and represents 10 months of AOP contribution.



UPDATE ON OMW BUSINESS TRANSFORMATION

2014

- Selection of IFDS/Bluedoor
- High level project specification
- Planning of internal programme

H1 2015

- Additional scope for front-end “open door”
- Annuity / drawdown regulatory changes
- Some visibility on level of complexity

FY 2015

- KPMG detailed review - need to de-risk through:
 - Phased delivery
 - Increased testing
- Accenture hired (2016) for programme review
- KPMG to continue with delivery assurance

Objectives

- Market-leading, flexible & scalable system
- Able to add additional products & functionality
- Modern front-end
- Integrated service for customers & advisers
- Reduced operational costs



Enhanced returns
Better customer outcomes

Timetable estimate	2016	early 2017	2018/19
Total cost estimate	£160m	£250m	£425-£450m

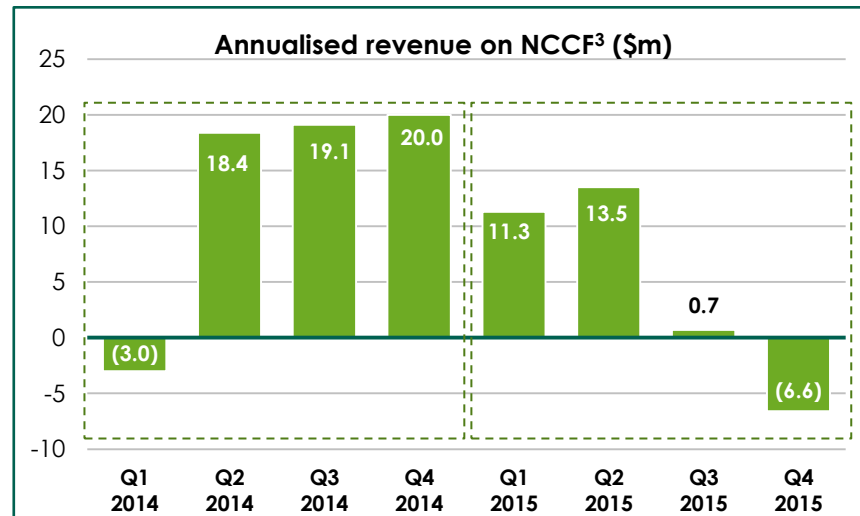


OLDMUTUAL

OMAM

\$bn	2015	Δ
AOP ¹ (pre-tax) (\$m)	229	9%
NCCF	(5.1)	(154%)
FuM	212	(4%)
Operating margin ²	33%	-
Annualised revenue impact of net flows ³ (\$m)	18.9	(65%)
ROE ⁴	14.0%	(250bps)

An institutionally driven, active investment management business delivered through a diversified multi-boutique framework that seeks to generate consistent, sustainable alpha for clients around the globe.



	FY 2014	FY 2015
Bps on inflows	44	46
Bps on outflows	38	33

- AOP is after affiliate key employee distributions and after interest expense. Note: AOP for Institutional Asset Management, including Rogge, was \$228m, up 6% (2014: \$215m).
- Operating margin is after affiliate key employee distributions and before interest expense. Operating margin before affiliate key employee distributions and interest expense is 38% (2014: 40%).
- Annualised revenue is calculated by multiplying the annual gross fee rate for the relevant account by the net assets gained/lost in the account.
- Includes Rogge. AOP (post-tax and NCI) divided by average shareholders' equity, including goodwill.



OLDMUTUAL

4 STRONG BUSINESSES PERFORMING WELL



- AOP up 9%
- Gross sales up 17%
- NCCF R34.3bn, FuM R989.9bn
- ROE 22.6%



- Headline earnings up 10%
- Non-interest revenue up 7%
- CET1 ratio 11.3%



- AOP up 35%
- Gross sales up 30%
- NCCF £6.9bn, FuM £104.4bn
- Operating margin 40%



- AOP up 9%
- Operating margin 33%
- FuM \$212bn

FINANCIAL REVIEW

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AGENDA

Macro background

Profit & returns

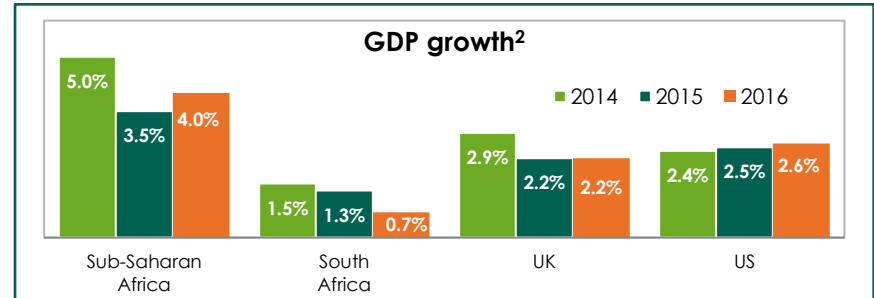
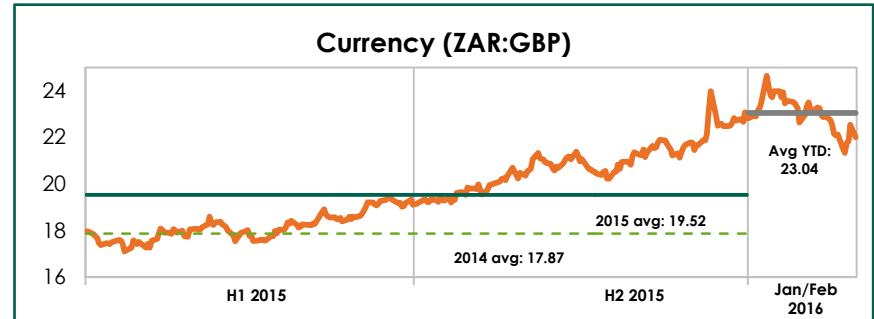
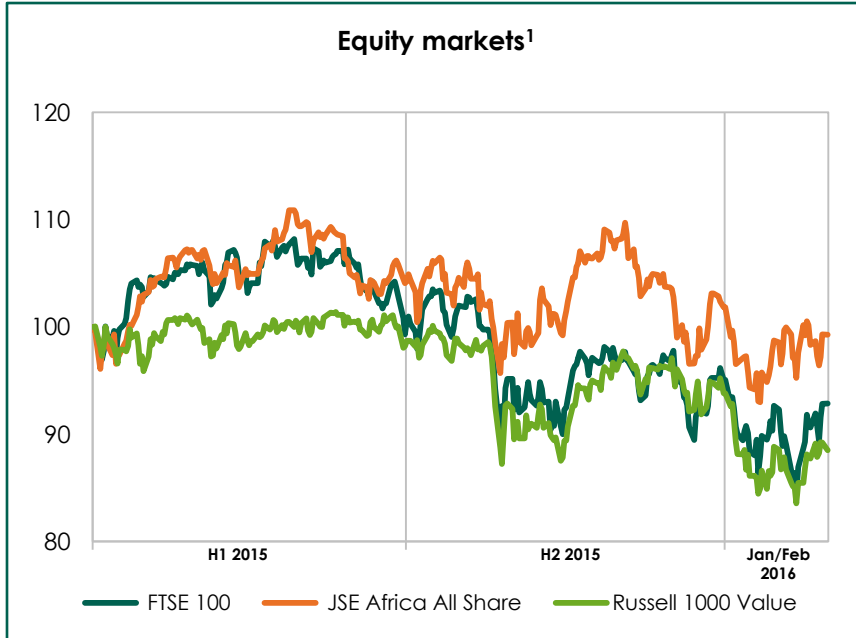
Cash, liquidity & debt

Capital & dividend

Financial summary

EQUITY MARKETS, CURRENCY & GDP

Macro
 Profit & returns
 Cash, liquidity & debt
 Capital & dividend
 Financial Summary



1. Rebased to 1 January 2015 = 100.
 2. Source: IMF World Economic Outlook Update, January 2016. GDP growth for 2016 based on estimates.

OPERATING PROFIT ANALYSIS (AOP)

Macro
Profit & returns
Cash, liquidity & debt
Capital & dividend
Financial Summary

£m	2014	2015	Change in reported currency	Change in constant currency
Old Mutual Emerging Markets	617	615	-	9%
Nedbank	770	754	(2%)	7%
Old Mutual Wealth	227	307	35%	35%
Institutional Asset Management	131	149	14%	6%
Business unit AOP¹	1,745	1,825	5%	11%
Finance costs	(78)	(83)	(6%)	(6%)
Other central activities ²	(62)	(79)	(27%)	(23%)
AOP pre-tax and NCI	1,605	1,663	4%	11%
Taxation	(439)	(403)	8%	1%
Non-controlling interests	(298)	(329)	(10%)	(21%)
AOP post-tax and NCI	868	931	7%	14%
Total IFRS profit after tax	582	614	5%	17%
Adjusted operating EPS	17.9p	19.3p	8%	15%

1. Business unit AOP is pre-tax and NCI.
2. Includes LTIR on excess assets, interest payable to non-core operations, corporate costs & other net (costs)/income.

AOP & RETURNS

Macro
Profit & returns
Cash, liquidity & debt
Capital & dividend
Financial Summary

2015 (£m)	AOP post-tax & NCI	Average shareholders' equity excl. intangibles ¹	Return on ave. shareholders' equity excl. intangibles ²	Average shareholders' equity incl. intangibles	Return on ave. shareholders' equity incl. intangibles
Old Mutual Emerging Markets	418	1,546	27.0%	1,867	22.4%
Nedbank	302	1,670	18.1%	1,906	15.8%
Old Mutual Wealth ³	264	883	29.9%	2,378	11.1%
Institutional Asset Management	86	15	>100%	614	14.0%
Group Holding Company	(139)	2,458 ^{1,4}	n/a	(193)	n/a
Group	931	6,572	14.2%⁵	6,572	14.2%⁵

Group RoE target: 12-15%

Focused on generating appropriate returns on capital deployed on acquisitions.

Returns on capital deployed since 2014 on significant acquisitions*:

Capital deployed: £1.2bn
2015 AOP: £66m
ROIC⁶: 6.4%

* Quilter Cheviot, Intrinsic/Cirilium, ETI, UAP.

Adjusted Group NAV: Dec 2015: £8.8bn / 178.9pps (Dec 2014: £10.9bn / 221.9pps)

1. 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. The inter-company loan of £566 million raised to acquire Quilter Cheviot has been capitalised for this calculation.
4. Includes 'goodwill and other intangible assets' and excludes the perpetual preferred callable securities and non-core operations.
5. Group ROE is calculated using average ordinary shareholders' equity (ie. excluding perpetual preferred callable securities) and excludes non-core operations.
6. Annualised return on invested capital.



OLDMUTUAL

CONVERSION OF BUSINESS UNIT AOP TO PLC CASH¹

2015 (£m)	AOP (post-tax & NCI)	Free surplus generated	BU cash deployed / retained	BU remittance ²	2015 % of AOP remitted	2014 % of AOP remitted
OM Emerging Markets	418	289	105	184	44%	41%
Nedbank ³	302	302	156	146	48%	47%
Old Mutual Wealth ⁴	264	268	159	109	41%	47%
Institutional AM ³	86	86	32	54	63%	73%
2015 before interest & group costs	1,070⁵	945	452	493	46%	47%

88% conversion of AOP to free surplus (2014: £897m, 91%)

2014: £433m

52% of free surplus (2014: £464m, 52%)

1. Core continuing operations only.
2. Operational cash which was remitted to the PLC, excluding proceeds from disposals.
3. Nedbank and Institutional Asset Management free surplus generated reflects 100% of AOP post-tax and NCI. Previously only our share of their cash dividend was disclosed as free surplus. The 2014 conversion % has been restated to reflect this.
4. Old Mutual Wealth no longer report full MCEV disclosures. Free surplus generation is on a local statutory basis.
5. £1,070m is business unit AOP (post-tax and NCI) and is before central activities of £(139)m.



SOURCES AND USES OF PLC CASH

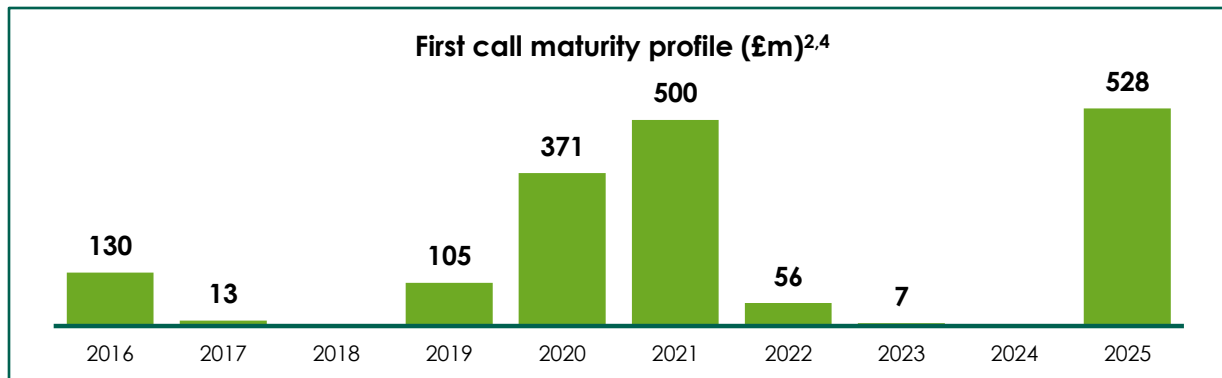
£m	2014	2015	
PLC opening balance	545	1,003	
BU operational remittances			
- Rand ¹	310	330	Total £493m
- Hard currency ¹	154	163	
Central costs & dividend			
- Ordinary cash dividends	(411)	(426)	SA register: £254m UK register: £172m
- Interest paid & group costs	(119)	(119)	
- Other operational flows ²	20	(40)	
	(510)	(585)	
Change in Debt	-	187	£450m Tier 2 debt issued €374m (£263m) Tier 2 bond redeemed
Net capital inflows / (outflows)	504	(348)	Net corporate activity ³ : £(230)m Net funding ⁴ : £(118)m
PLC closing balance	1,003	750	

1. Rand from OMEM & Nedbank; hard currency from Old Mutual Wealth & Institutional Asset Management.
2. Other operational flows includes £39m of deposits, held by the Group on behalf of Old Mutual Wealth, which were transferred back to the business during the year (2014: £18m received by the Group).
3. Includes the acquisition of Quilter Cheviot, settlement of the litigation in respect of US Life, proceeds from the secondary public offering in OMAM and Old Mutual Wealth European divestments, and other corporate flows. OMEM and Nedbank corporate activity was funded directly by those businesses.
4. Represents Bermuda funding and seed capital investments.



LIQUIDITY & DEBT

	31 Dec 2014	31 Dec 2015
Liquidity headroom ¹ (£bn)	1.8	1.6
Group gross debt (IFRS basis, £m) ²	1,540	1,731
Total gross gearing (IFRS basis)	13.3%	15.8%
Total interest cover	16.8x	14.0x
Hard interest cover ³	4.3x	4.8x

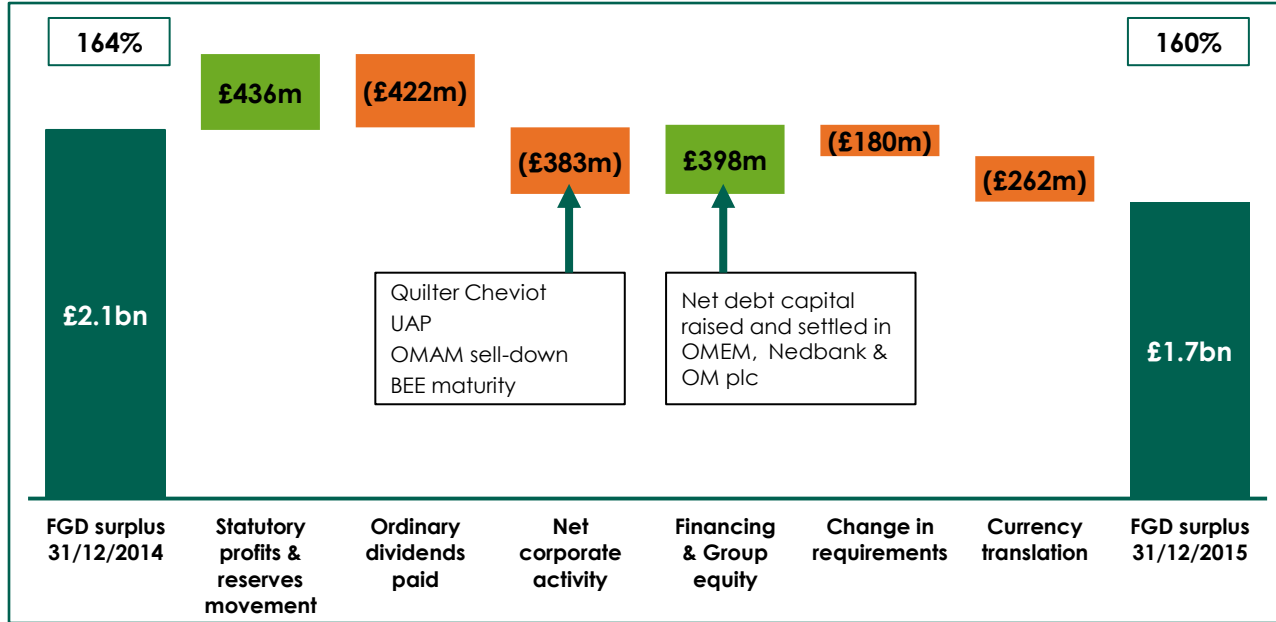


No near-term financing requirement at the holding company until 2020.

1. Includes £0.8bn holding company cash & liquid assets (FY 2014: £1.0bn) and £0.8bn RCF (undrawn) (FY 2014: £0.8bn).
2. Group debt excluding banking related business.
3. Hard interest cover now calculated to exclude LTIR on excess assets and all OMEM and Nedbank earnings (previously only adjusted for earnings in South Africa and Rest of Africa). Comparatives have been restated.
4. Amount outstanding (£m equivalent) at nominal value at 31 December 2015 foreign exchange rates.



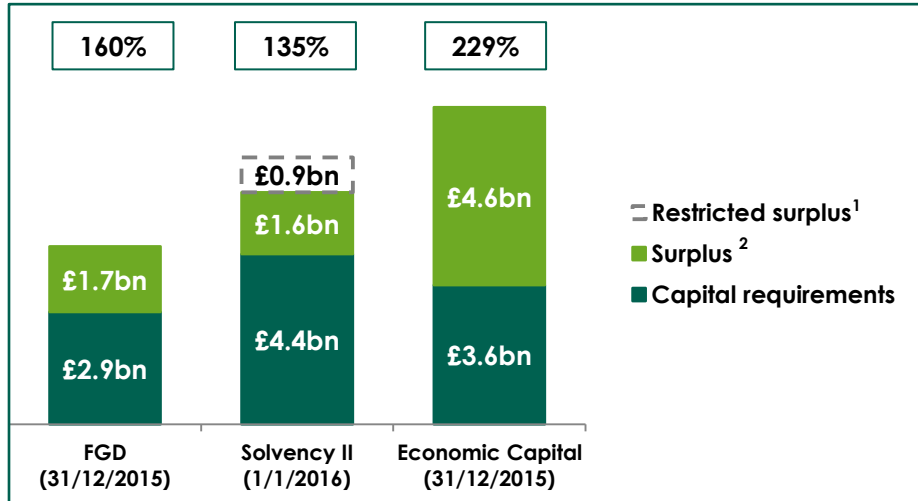
GROUP CAPITAL: FGD



FX sensitivity

At 1GBP to ZAR30, cover ratio at 31 Dec 2015 would have been 167%

EVOLVING CAPITAL REGIME



Clarity on methodology:

- Inherently conservative
- Standard formula
- Restriction on surplus from South Africa
- Combination of D&A and consolidation
- No reliance on transitionals³

Solvency II gives **lower but more resilient surplus and coverage** than under FGD.

We are **appropriately yet not excessively capitalised** under both FGD and Solvency II.

1. The restricted surplus represents £0.8bn of surplus restricted from entities held through South Africa due to exchange control rules and the terms of Old Mutual's demutualisation agreement and £0.1bn of other fungibility and transferability restrictions in Old Mutual Wealth. The £0.8bn from South Africa excludes the impact of currency translation risk that may apply if this surplus were considered available at the Group level.

2. For all measures the surplus and associated coverage ratio is presented before the deduction of the second interim dividend in respect of 2015.

3. Other than the grandfathering of debt in issue prior to 2015.



RESILIENCE OF SOLVENCY II RATIO

£bn	Capital Requirements	Group surplus	Coverage ratio	Restricted surplus
Base	4.4	1.6	135%	0.9
Equity markets: 25% fall	4.2	1.5	135%	0.7
Lapses ¹ : Immediate 10% lapse	4.2	1.5	135%	0.8
Interest rates: 100 bps rise	4.4	1.5	135%	0.9
Credit spreads: 100 bps widening	4.5	1.6	135%	0.8
Currency ² : ZAR 30% depreciation	3.7	1.6	142%	0.7
Currency ² : ZAR 10% appreciation	4.8	1.6	132%	0.9

Group Solvency II ratio is resilient to market and non-market stress events.

Additional severe scenario testing undertaken for an SA sovereign downgrade and deteriorating economic outlook for the rest of the world: Capital remains resilient.

1. Business lapse sensitivity for Old Mutual Emerging Markets and Old Mutual Wealth only.
2. Counterintuitive rand impacts due to Old Mutual Emerging Markets and Nedbank being included at a cover ratio of 100%.



LOCAL CAPITAL

Local statutory cover (31 December 2015)	OMLAC(SA) (Rbn) ¹	M&F (Rbn) ²	Nedbank (Rbn) ³	OM Wealth (£m) ^{4,5}
Capital resources	42.1	3.0	70.5	468
Capital resource requirement	13.2	2.1	50.1	210
Surplus	28.9	0.9	20.4	258
Coverage	3.2x	1.4x	1.4x	2.2x

Businesses retain strong and resilient local statutory capital cover which is a determinant of business unit dividend paying capacity.

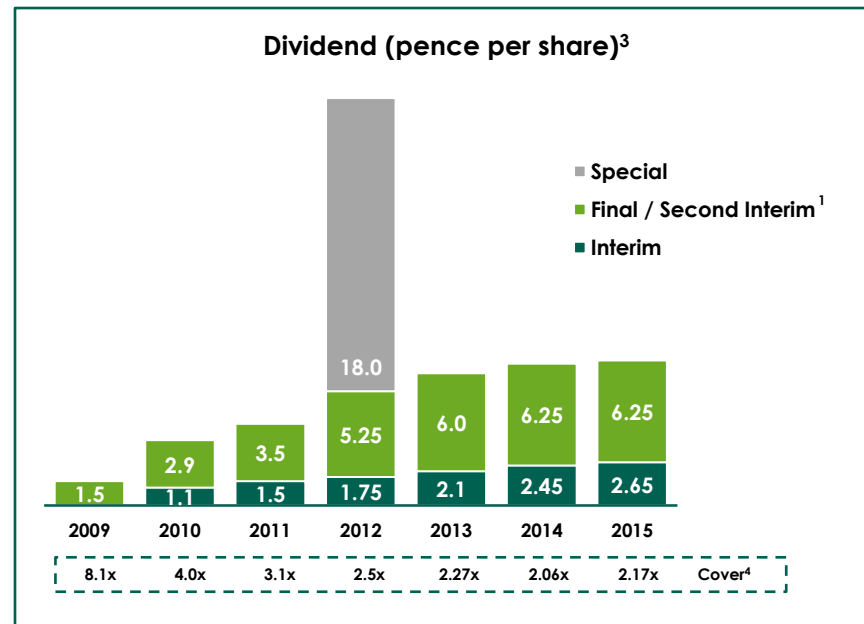
Old Mutual Wealth is well capitalised with a proforma Solvency II ratio at 1 January 2016 of 181%⁵.

1. South Africa Statutory Valuation Methods (SVM) in accordance with the FSB requirements.
2. Capital Adequacy Requirement (CAR) in accordance with the FSB requirements.
3. Basel III valuation method and including unappropriated profits.
4. FGD basis for 31 December 2015.
5. Note that for both FGD and future Solvency II reporting we are not required to report Old Mutual Wealth as a separate sub-group to the PRA.



2015 DIVIDEND

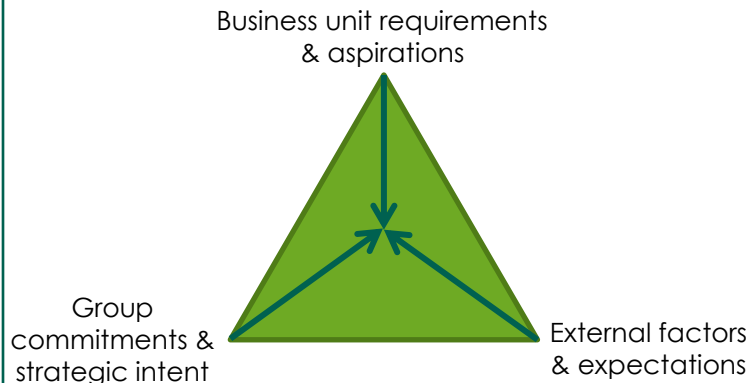
- Declared 2015 second interim dividend¹ of 6.25 p/share:
 - 2015 full year dividend 8.9 p/share, up 2%
 - 25% increase in full year rand dividend²
 - Cover ratio 2.17x AOP earnings
- Payment in April 2016



1. Following implementation of Solvency II, final dividend changed to “second interim dividend” as not subject to shareholder approval .
 2. Second interim dividend for 2015 converted using exchange rate at 9 March 2016 (21.6329).
 3. Amount as paid, unadjusted for the share consolidation in 2012.
 4. Cover based on AOP EPS as reported at each year end; does not include any retrospective restatements.

CAPITAL MANAGEMENT POLICY FOR THE MANAGED SEPARATION

Complexity of considerations



Ordinary dividend policy during the managed separation:

- Reflects the operational cash generation, investment and liquidity needs of the Group as well as the capital requirements of the underlying businesses.
- Will target a **dividend cover** equivalent to **2.5 to 3.5 times Group AOP earnings**.
- The “first interim” dividend will be based on cover of 3 times Group AOP earnings in that interim period.

Aim is to pay an appropriate dividend which balances all considerations

Subject to debt reduction & other commitments there may be scope for additional returns



FINANCIAL SUMMARY

Good underlying profit growth

- £1.7bn AOP pre-tax & NCI, up 11% in constant currency
- Strong local profit growth and cash generation
- 2016 earnings growth challenged by FX and market volatility

Strong and highly resilient balance sheet

- Appropriate levels of Group and business unit capital, liquidity & gearing
- Group Solvency II cover ratio of 135%: highly resilient to stress

Capital management policy for the managed separation

- Aiming to pay an appropriate dividend
- Targeting ordinary dividend cover of 2.5 to 3.5 times Group AOP earnings
- Potential scope for further returns to shareholders

CONCLUDING REMARKS

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CONCLUDING REMARKS

Strong financial performance in 2015

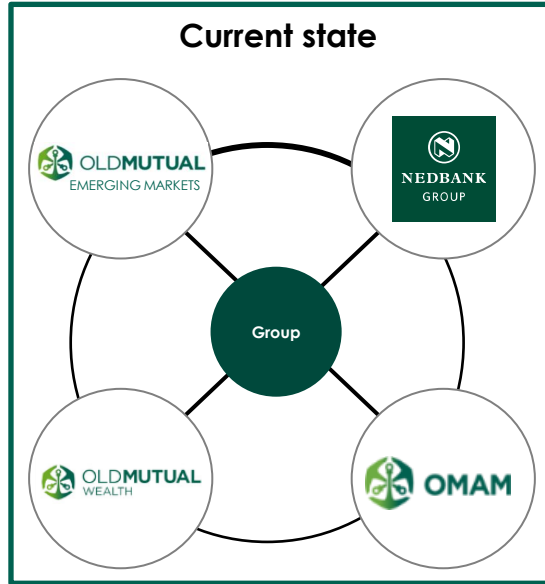
4 strong businesses constrained by current Group structure

Long-term interests of stakeholders best served by 4 independent businesses

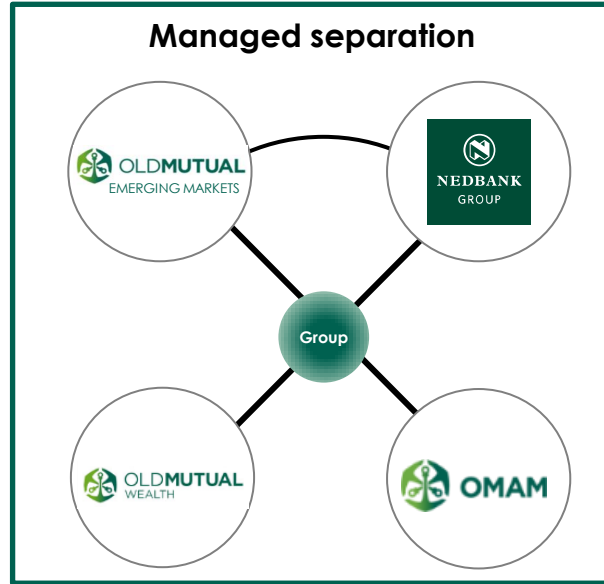
Execution route will balance value, risk, time and cost

Substantial completion of managed separation by end 2018

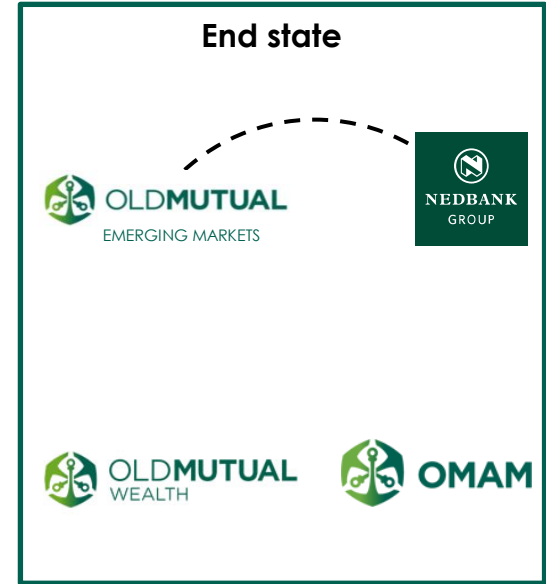
UNLOCKING VALUE FOR SHAREHOLDERS



2015



2016-2018



2019

Q&A

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PRELIMINARY RESULTS 2015

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