

Adding value to Africa Report 2015

PARTNERING WITH YOU **TO DO** **GREAT THINGS**



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The world in which we operate



The positive impact we are making – Financial wellbeing



How we added value across Africa in 2015

08



The positive impact we are making – Responsible investment



Going forward

For definitions of terms used in this report, visit our Glossary



www.oldmutual.com/reportingcentre



Find out more about Old Mutual

Corporate website
www.oldmutual.com

Annual Report and Accounts 2015
www.oldmutual.com/reportingcentre

Positive Futures Plan
www.oldmutual.com/reportingcentre

Cover images

Smallholder farmer in Kenya
Pupil at Richard Varha Secondary School, South Africa
Financial Adviser, David Stone Customer, Jon Heywood
Doug Thompson, Head of Investor Relations, Old Mutual Alternative Investments.
Patrick O'Sullivan, Chairman

WELCOME TO OUR
**REPORT OF HOW WE
ADD VALUE TO AFRICA**

ABOUT US

We have a long and proud history operating in South Africa for over 170 years, and we have grown our business across many parts of Africa.

Over this period, we have partnered with individuals, communities and businesses to create positive impacts in the countries in which we operate. We are aware of our responsibilities as a significant financial services institution across Africa and are determined to enable positive futures for all.

This Report collates how we add value to our African markets with particular focus on our commitment to contributing to the socio-economic and environmental prosperity of South Africa. Other documents to read alongside this include our Annual Report and Accounts 2015 and our Positive Futures Plan 2015.

OUR FOUR STRONG BUSINESSES

Old Mutual began in Cape Town in 1845 as South Africa's first mutual life insurance company, offering financial security in uncertain times. Today, the Group is made up of four strong businesses operating successfully in their respective markets and enabling positive futures for their stakeholders.

Old Mutual Emerging Markets

We provide financial solutions to retail and corporate customers across a number of market segments and geographies.

Nedbank

We provide a wide range of wholesale and retail banking services and a growing insurance, asset management and wealth offering to individuals and businesses.

Old Mutual Wealth (UK)

We provide advice-driven wealth solutions to customers in the UK and a number of cross-border markets.

Institutional Asset Management

We provide a diverse range of investment strategies and products, delivered via a multi-boutique model to institutional investors.

Our purpose is to help our customers thrive by enabling them to achieve their lifetime financial goals, while investing their funds in ways which will create a positive future for them, their families, their communities and the world at large

WHERE WE OPERATE IN AFRICA



South Africa

AOP £662m (+5%)

Share of Group 62%

Old Mutual Emerging Markets and Nedbank's South African market



Rest of Africa

AOP £49m (+2%)

Share of Group 5%

Old Mutual Emerging Markets and Nedbank's markets in Africa (excluding South Africa)



Old Mutual Emerging Markets

We operate in 15 countries across Africa. We provide individuals, corporates and institutions with long-term savings, protection, lending, banking, investment solutions and general insurance.

In South Africa, we have leading market share positions in life, property and casualty insurance, asset management, credit solutions and banking. We look to provide a full suite of leading financial solutions to retail and corporate customers.

We aim to expand our operations in the rest of Africa through both acquisitions and organic growth. We have significantly increased our sales force, continued building strategic partnerships and alliances across our Emerging Markets businesses and have, over the course of the year, developed several new innovative product offerings. Acquisition of UAP in Kenya gives Old Mutual significant scale and broad product offering in East African markets.

Nedbank

Nedbank Group is a diversified financial services provider offering a wide range of wholesale and retail banking services, as well as insurance, asset management and wealth management solutions. Nedbank operates under a federal operating model, delivering our products and services through four main business clusters: Nedbank Corporate and Investment Banking, Nedbank Retail and Business Banking, Nedbank Wealth and Rest of Africa. Nedbank Group is listed on the Johannesburg and Namibian Stock Exchanges.

Nedbank Group's primary market is South Africa. We are continuing to expand into the Rest of Africa, with a presence in six countries in the Southern African Development Community ('SADC') and East Africa region, where we own subsidiaries and banks in Namibia, Swaziland, Malawi, Mozambique, Lesotho, Zimbabwe, and also have representative offices in Angola and Kenya.

See our Annual Report 2015 for more about our operations in Africa



www.oldmutual.com/reportingcentre

R26,433m

Our profit in Africa in 2015
(Adjusted operating profit, pre-tax and non-controlling interests)

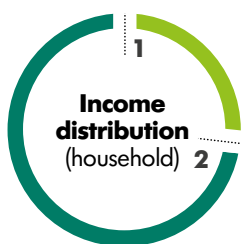
THE WORLD IN WHICH WE OPERATE

We have identified a number of interconnected trends that will impact the world in which we operate and the future of our businesses. These international risks and challenges are very much present in Africa; in order to remain in business in the long term, we believe we must respond to these immediate and potential issues to minimise risk and capitalise the opportunities.

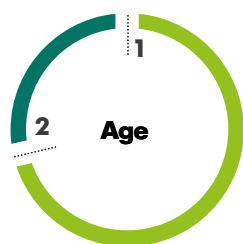
Positive transformation to a digitised economy

DIGITAL DIVISION IN AFRICA¹

Individuals with internet access



- 1. Bottom 40%
- 2. Upper 60%



- 1. Young (15-24)
- 2. Mature (45+)



- 1. Rural
- 2. Urban

In many countries, technology provides more people with access to products and services which opens up new markets and generates increased economic benefits. However, access to technology may also exacerbate income differences within some countries with those adapting quickly benefiting from technology-driven economic growth.

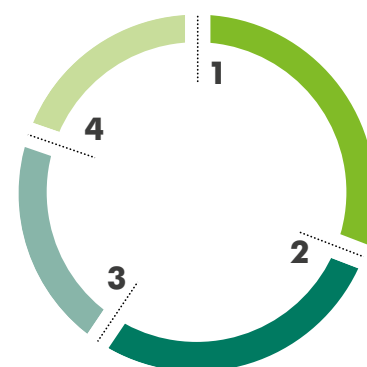
With increased reliance on technology, there is an increase of cyber risks such as mismanagement of personal data, critical system failures and cyberattacks.

Businesses are responding with resources committed to technology and digital safety for employees and customers.

¹ World Development Report 2016: Digital Dividends, World Bank
² Risks of highest concern over next ten years as rated by World Economic Forum survey respondents.

Extreme weather events and changing climate

GLOBAL RISKS OF HIGHEST CONCERN²



- 1. Water crisis
- 2. Failure of climate-change mitigation and adaptation
- 3. Extreme weather events
- 4. Food crisis

Unpredictable weather patterns are leading to increased pressure on natural resources, impacting food and water security and potentially leading to large-scale migration. The uncertainty caused by fast-paced climate change is exacerbated by growing competition for natural resources. Across rural Africa, the impact of extreme weather is having real-time financial consequences leading to increased importance placed on access to insurance, group lending schemes and accessible transactional accounts.

As highlighted in the graph above, weather events and climate change rank high for World Economic Forum stakeholders.

“Rapid urban growth is having a major impact on ecosystems with consequences for human health and security. Financial service companies can play a critical role, collaborating with others to deliver positive outcomes for society”



Polly Courtice

Director, Cambridge Institute for Sustainability Leadership



Support by The Old Mutual Foundation:
Sparrow Further Education & Training College students,
Johannesburg, South Africa

Youth education and unemployment

Unemployment affects business in many ways from slowing economic growth to threatening social stability. Unemployment amongst youth is a particular concern, as they leave the education system inadequately skilled for the demands of the current job market. South Africa's National Development Plan (NDP) aims to improve the country's low employment rate – key to the twin aims of eliminating poverty and reducing income inequality. The NDP has ambitions to reduce unemployment from 25% to 6% by 2030.

**By 2035,
sub-Saharan Africa
is projected to
have more young
people reaching
working age
than the rest of the
world put together**

Supported by The Old Mutual Foundation:
Douglas Robertson, Selby Lodge,
Cape Town, South Africa

Growing and ageing populations

The global population will increase from seven to nine billion by 2050. Of this growth of two billion people, one billion will be born in Africa. The working age population in Africa will exceed that of both India and China by 2035. While these are attractive trends for Africa as an economic epicentre, they also present their own challenges.

Across Africa, populations are growing so fast which is leading to pressures on agricultural production, natural resources, education systems, housing and infrastructure. There is a growing middle class, with high consumer demands but low savings and insurance cover, which highlights the need for long-term financial support. Ageing populations are also burgeoning. By 2100, Africa will see

a 15-fold growth in the number of adults aged 60 or over, from 46 million today to 694 million¹. This is placing burdens on individuals and national frameworks which have not yet adapted to supporting people into older ages. Further investment and support is needed for this demographic particularly in health and financial management.

x15

growth in number of older adults in Africa by 2100

¹ Age International, "Facing the facts: The truth about ageing and development".



11m

**By 2030, South Africa aims
to create 11 million new jobs**

**THE WORLD
IN WHICH WE OPERATE
CONTINUED**

Growing urban living

Africa is urbanising at a rate of 4%¹ per year and it is expected that the urban population will triple by 2025². With dramatically increasing pressure on urban landscapes and resources, there is a profound need for solutions that adapt and respond to change. As such efficient sanitation systems, water delivery, waste management, health and education facilities and transportation systems all need to be able to accommodate increasing numbers of people and growing industries, while being resilient to climate change and natural disasters. For housing alone, Africa requires 4 million houses per year, with over 60% of the demand required to accommodate urban living¹.

The Africa Infrastructure Country Diagnostic (AICD) says in excess of US\$93 billion in infrastructure development is required annually over the next 10 years. Less than half that amount has been provided, leaving a financing gap of more than US\$50 billion. Governments, non-governmental organisations (NGOs) and global economic institutions have all stated that sustainability must be a key consideration when it comes to developing Africa.

x3

Africa's urban population is expected to triple by 2025²

South Africa's National Development Plan aims to eliminate poverty and reduce inequality by 2030

South Africa

In South Africa, economic growth slowed during 2015 as a result of electricity supply constraints, the challenging socio-political environment, lower commodity prices, increased market volatility, a severe drought and weak business and consumer confidence.

South Africa shows growing signs of social discontent, partly attributable to a significant income divide and high unemployment rates.

Rest of Africa

Across our other African markets, the sharp decline in oil and precious metal prices has negatively impacted government revenues and economic growth for net exporter countries, resulting in the depreciation of sub-Saharan African currencies against the US dollar. The East African economies proved to be relatively resilient, while West Africa recorded lower economic growth.



¹ UN-Habitat, "The State of the African Cities 2014: Re-Imagining Sustainable Urbanization"
² World Economic Forum, "The Global Risks Report 2016".

“

We operate in countries where, during the past 12 months, there has been much fluctuation in the national economies, the socio-political and natural environments

”

Gail Klintworth

Group Customer Director and Responsible Business Lead

South Africa's National Development Plan (NDP)

The South African Government has set ambitious goals for poverty reduction, economic growth, economic transformation and job creation.

We believe that what is good for South Africa is good for Old Mutual. That is why we support the South African Government's commitment to the National Development Plan (NDP).

We understand the important role the private sector must play, in collaboration with Government, to help make these objectives a reality. Through long-term planning and responsible investments

in the future, we are focusing on reaching, supporting and empowering individuals and communities across the nation.

Through our investments in infrastructure assets and development impact funds, we contribute to the development of vital socio-economic infrastructure in a sustainable manner, while delivering long-term market-related returns for our investors. Through our private equity investments, we help to grow the secondary economy through the robust development of private businesses. This ethos has helped us to position Old Mutual as one of Africa's largest investors in economic and social

infrastructure, with around R128 billion invested or committed to projects with socio-economic and environmental aims.

Our real asset experience to date in South Africa and the rest of sub-Saharan Africa is extensive and we believe that we are positioned to actualise the African opportunity in line with a country's national development framework for the benefit of our customers and communities.

We are committed to working with others in civil society and across the private and public sectors to building a prosperous and equitable South Africa.

THE SUSTAINABLE DEVELOPMENT GOALS

We also view the United Nations' Sustainable Development Goals (SDGs) as an opportunity to demonstrate our commitment to contributing to the global sustainable development agenda of ending poverty, protecting the planet and ensuring prosperity for all.

Across the Group our businesses are delivering projects that support seven of the SDGs. These are Goals **4, 7, 8, 9, 10, 13** and **17**.



<https://sustainabledevelopment.un.org/sdgs>

“

Responsible businesses have enormous power to create decent jobs, open access to education and unlock energy solutions

”

Ban Ki-moon

Secretary-General of the United Nations

OLD MUTUAL PLC

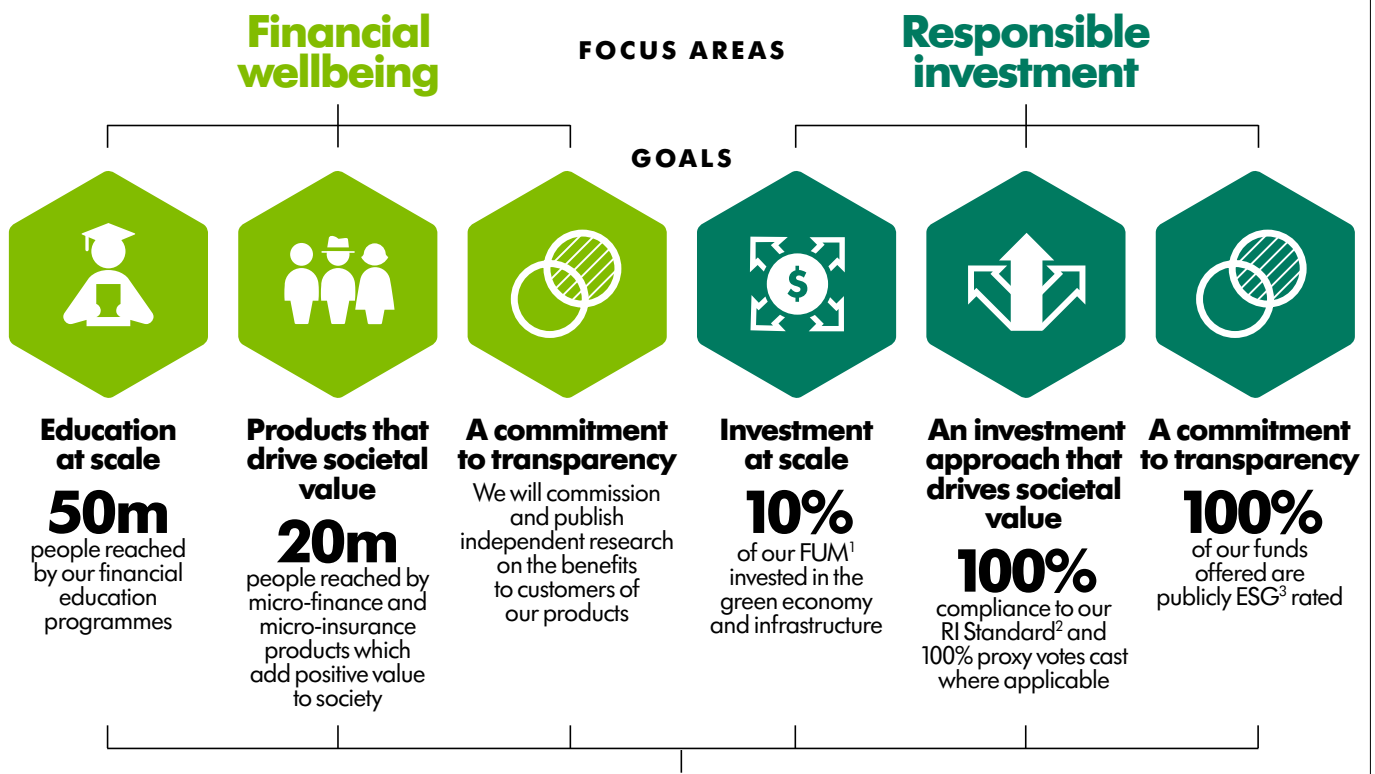
ADDING VALUE TO AFRICA REPORT

INTRODUCTION TO OUR POSITIVE FUTURES PLAN

In response to these challenges facing our markets, we have launched our Positive Futures Plan which focuses our efforts in addressing issues relevant to the sustainability and success of our business and the societies we serve.

Consolidating and scaling up our activities in financial wellbeing and responsible investment will help address issues affecting the quality of life of our customers and employees, and the health of the economies and environments across Africa.

OUR POSITIVE FUTURES PLAN



OUR 2020 GOALS

While delivering value through projects and partnerships in these areas we must maintain our licence to operate through our strong foundations in treating customers fairly, good governance, our culture, transformation, capital cover and risk management.

1 Funds under management
 2 Responsible Investment Standard
 3 Environmental, Social and Governance.

Commitments
from our leadership

Leading the way



Bruce Hemphill
Group Chief Executive

Old Mutual is proud to be involved in the communities we serve – an ethos which is a cornerstone in each of our businesses. In particular, we have a very special relationship with South Africa and the African continent. We remain committed to being proactive in our contribution to society, including the growth of jobs, housing and income.

Our Positive Futures Plan has the commitment from all our business leaders because it consolidates the great work our business units are doing in financial wellbeing and responsible investment, and unites us in our long-term view of creating positive futures for all.



Ralph Mupita
Chief Executive Officer,
Old Mutual Emerging Markets

Old Mutual Emerging Markets (OMEM)

As a proud African business we recognise that we have a significant role, partnering with others, to support prosperous societies with positive futures. Our business decisions take full account of the social and environmental challenges facing our markets.

As part of my commitment to integrate the Plan across OMEM, we will scale-up our involvement in financial education and enhance current programmes; in recognition of the high levels of indebtedness and financial constraints that our customers face.

As such, we will help build their financial wellbeing and long-term prosperity, while at the same time, responsibly invest their funds in ways that will contribute to the socio-economic development of Africa.



Mike Brown
Chief Executive Officer, Nedbank

Nedbank

To be a sustainable business, I recognise that Nedbank needs to operate within the confines of environmental limits while meeting social needs. Our eight Long-term Goals guide our strategy in this regard and will result in us being a more resilient bank that delivers value to our stakeholders. Our strong legacy position as a green and caring bank means we are uniquely placed to develop differentiated commercial offerings that shape the macro environment and deliver a better future for all. Fair Share 2030 and our approach to integrating sustainability into our strategy align to the aims of the Positive Futures Plan.

We are clear that we can capitalise the business opportunities our Plan offers to create sustainable benefit for our stakeholders and competitive advantage for Old Mutual

The positive impact we are making –

Financial wellbeing

Financial wellbeing means that individuals are included in the financial system, by making informed decisions about their short and long-term financial plans and accessing appropriate products and services. We facilitate financial inclusion by improving access to financial services and education, as well as investing in the communities in which we live and work through a range of financial educational programmes.

Financial education

To enable positive futures for more Africans, we are focusing on creating a financially inclusive society by improving access to financial education and services and improving the national level of savings.

Financial education is the gateway to financial inclusion. We are enabling growing numbers of people to make informed decisions when using financial services.

There are 350 million adults in sub-Saharan Africa. More than half have no ready access to financial services. Financial knowledge could be improved across all our markets and we have the skills and resources to contribute to this challenge.

For a number of years, we have committed substantial resources to financial education. Our recent work has identified all our financial programmes, partnerships and resources with the aim that we focus our investment in the activities with measurable positive impact and scale-up programmes across our business.

These are our future markets

We are providing a range of trusted financial education programmes, particularly across our African markets where the need is greatest. These large financially excluded markets have potential for business growth. We are working to ensure that our 57,700 employees and 177 million customers in Africa have access to the best financial education available – equipped to make responsible and appropriate financial decisions for themselves and their families.

Our financial education programmes have supported over 232,000 people across Africa this year through a range of workshops, financial health assessments and on-line training. Through educational workshops, On The Money was delivered to 108,000 participants in South Africa with the aim that they leave equipped to manage their personal and family finances and get into the habit of saving. On The Money started as a television programme in 2005 and this element has recently expanded to Zimbabwe, Namibia, Swaziland, Malawi, Kenya and Nigeria.



 Magaliesburg, South Africa

Building our youth for the future

More than 72,000 South African learners have had an opportunity early in life to sharpen their business skills, thanks to the Nedbank 4Me Entrepreneurs' Day Programme. This annual initiative teaches entrepreneurial skills to primary school pupils. They then put their skills into practice on Entrepreneurs' Day, when they open their businesses and compete to make a profit and support good causes. The programme has also reached more than 100,000 parents and 1,400 educators.



By focusing on financial wellbeing, we have a unique opportunity to build trust with our customers and, by providing them with products, education, accessibility and transparent information they deserve, we can become their partner for life



Gail Klintworth

Group Customer Director and Responsible Business Lead

OLD MUTUAL PLC

ADDING VALUE TO AFRICA REPORT

Fin360° is our financial wellbeing package for individuals who have a solid understanding of personal finance management but benefit from enhancing their investment knowledge. In 2015 alone, over 45,000 people participated in workshops, wellness days and other practical activities to maximise their financial success.

Financial inclusion

Education is only part of the solution. People also need access to suitable products and accessible distribution channels. This is to ensure that we build responsible and sustainable business prospects while solving social challenges of poverty, unemployment and income inequality. With 50% of people excluded from financial services in many of our markets – helping people access our services is a business opportunity as well as contributing to a thriving economy and financially inclusive society.

New ways to meet financial needs

The South African Government has been encouraging new approaches that bring financial services to underserved communities. In response, we have launched Imbizos which are community based providers of financial services offering Nedbank, Mutual & Federal and Old Mutual products in mostly rural and financially excluded areas. They have helped us develop new products to meet the needs of rural communities, such as affordable livestock insurance, group lending schemes and competitively priced transactional accounts. Acquisitions such as Faulu in Kenya and our role in Blue Marble Micro-insurance have strengthened our ability to offer innovative micro-finance solutions.

Technology also offers exciting new opportunities. Through partnerships with mobile operators and technology companies we aim to improve access to products and financial education.



 Kitale, Kenya

Protecting vulnerable societies

As one of eight founding partners of Blue Marble Micro-insurance, we want to help protect vulnerable societies through insurance, an important ingredient for economic development around the world. One of our first ventures aims to protect small-scale farmers in Africa from adverse weather conditions such as drought and excess rainfall that damages their crops.

For many people who need insurance, it is not available because of their location or ability to access services or technology. In Kenya and other parts of East Africa, we offer weather insurance products (such as replanting guarantees in the event of drought) that allow farmers to protect their livelihoods.

Through our Blue Marble partnership, Old Mutual is expanding these types of protection products to other parts of Africa. The project will use new technology to deliver low-cost, accessible insurance available through mobile phones and the use of climate data to help small-scale farmers make informed planting decisions.



<https://bluemarblemicro.com>

50m

By 2020, we want to bring meaningful financial education to 50 million people

The positive impact
we are making –

Responsible investment

We have long been committed to investing responsibly which has been fuelled by understanding that our responsible investment approach is a game changer – in Old Mutual's contribution to sustainability and in changing the competitive landscape.

Doug Thompson, Head of Investor Relations,
Old Mutual Alternative Investments; Patrick O'Sullivan, Chairman



+ Cape Town, South Africa

Generating energy and jobs

By the end of 2015, we had committed R60.5 billion of our customers' money in renewable energy projects, which also aim to drive job creation and enterprise development in surrounding communities. One such project is the 66 megawatt Hopefield Windfarm, developed by Old Mutual Alternative Investments through its 'IDEAS' and 'AIM' suite of funds.

Our commitment to integrating environment, social and governance factors

As allocators of capital we believe incorporating environmental, social and governance (ESG) factors into our investment and ownership decisions will support our pursuit of superior risk-adjusted returns for our customers and therefore as custodians of our shareholders' long-term futures, it is the right thing to do for our customers, society and our business.

We are continually enhancing our ESG analysis and influencing other investors to do the same. We will continue to use our position as trusted custodians of our customers' assets to effect positive change in the listed instruments in which we are invested. In our long-term unlisted investments, we will help to grow economies across Africa, so that we are contributors to social stability, economic development and environmental sustainability.

Driving growth in the green economy

Through our Positive Futures Plan and because of our expertise in key sectors, we have a strong position in the green economic arena primarily through investments in renewable energy and infrastructure projects. Contributing to renewable energy sources reduces localised pollution of air and water and contributes to sub-Saharan Africa's energy security.

During 2015, we had committed R60.5 billion of our customers' money into renewable energy projects across South Africa. We are a leading participant in the South African Government's Renewable Energy Independent Power Producer Procurement (REIPPP) Programme which forms an integral part of its Integrated Resource Plan (IRP) 2010. The REIPPP has significant investments across renewable energy projects which include wind farms, solar, hydro and biomass plants. Hopefield is one of Old Mutual Alternative Investments' 17 projects, with a combined capacity of 1,103 megawatts of which nearly 70% are already operational. These

R60.5bn

**committed investment in renewable
energy projects**

programmes have socio-economic requirements such as job creation, local ownership and enterprise development intended to benefit surrounding communities.

In the same year, we invested R57 billion in infrastructure projects and another R10.2 billion in affordable housing.

A pioneering affordable housing agreement between Nedbank Corporate and Investment Banking (NCIB) and the Green Fund – managed by the Development Bank of Southern Africa (DBSA) – saw R120 million in funding made available to fund 400 affordable energy and water efficient houses in South Africa during the year.

Green affordable housing integrates social and environmental sustainability imperatives providing access to better quality houses with approximately 20% lower running costs (relative to standard new homes) for lower middle income groups. In addition to delivering benefits to 400 new homeowners the project will stimulate local industries and create jobs.

We are focussed on ensuring that our investments are secure and that they consistently outperform base rates over the long term. In 2016 we will continue to seek out collaborative opportunities to further the responsible investment agenda in Africa and support the transition to mixed-energy resource efficient and socially inclusive economies.

Nedbank's Green Savings Bond

As South Africa's first green bond offered to retail clients, this fixed-term investment of 18 months to five years is designed to deliver a competitive rate and guaranteed returns for capital security. It is unique in that it allows regular investors to contribute positively to socio-economic and environmental conditions because the funds they invest are earmarked for the support of renewable-energy projects in South Africa. Since its inception R11.8 billion has been invested in the Nedbank Green Savings Bond, of which R4 billion flowed in during 2015.



+ Cape Town, South Africa

Building for the future

By the end of 2015, Old Mutual had invested R10.2 billion in affordable housing projects. Our Housing Impact Fund South Africa (HIFSA) aims to address the housing backlog in the affordable income segment of the market. The fund finances the construction of homes for sale and rent that are affordable to the lower to middle income markets. During the year, Nedbank also facilitated the provision of over 4,000 new homes. This includes their agreement with the Green Fund – delivering funding for 400 affordable energy and water efficient houses in South Africa.

Equator Principles

As one of the leading providers of project finance in South Africa, Nedbank reviews all potential project finance transactions for environmental and social compliance with the Equator Principles, IFC (International Finance Corporation) Performance Standards and legislation. We have adopted an integrated and risk-based approach to managing environmental

and social risk within our various products. Key to this approach is compliance with the Equator Principles, an international voluntary framework aimed at ensuring a consistent approach to managing environmental and social risks in project financing. We report application of the Principles and value of our deals in Nedbank's Sustainability Review 2015 at www.nedbank.co.za

R57bn

invested in infrastructure projects

How we added value Across Africa in 2015

Africa is our home. In our South African heartland, we've been partnering to do great things for over 170 years

GROWING THE ECONOMY

Total taxes paid
R28.3bn¹



Profit
R26.2 bn
(Pre-tax AOP)



Loans to customers
R682.7bn



Insurance claims paid
R14.8 bn²



Pensions paid
R9.2 bn²



Dividends
R7.4 bn³



Employees
57,700



Funds under management
R1,117.2bn



¹ Total taxes paid including corporation tax, VAT and tax paid on behalf of employees

² Excludes Nedbank

³ Dividends paid to Old Mutual plc African shareholders and dividends paid to Nedbank minority shareholders.

17.7m

customers in Africa

We believe growth in our African markets will be driven by responsible investments and by supporting individuals to develop skills and maximise opportunities to contribute to the economy

INVESTING IN INFRASTRUCTURE

**Affordable
housing**

R10.2bn¹

**Other
infrastructure**

R57bn²

**Renewable
energy**

R60.5bn³



DEVELOPING COMMUNITIES

**Broad-Based
Black Economic
Empowerment
ownership**

R16.1bn⁴

**Community
investment**

R175m

**Education
funding**

R116m



¹ Total invested by the end of 2015

² Excludes Nedbank

³ Committed investment

⁴ Net value created from Black Economic Empowerment transactions between 2005 and 2015.

“

**We are proud of our heritage in Africa
and the positive impact we have on the lives of our
customers, their families and wider communities**

”

Bruce Hemphill
Group Chief Executive

16 How we added value Across Africa in 2015 continued

While our Plan pulls together our work in financial wellbeing and responsible investment, we also recognise that our businesses have positive impacts in other ways through our core operations, our services, taxes paid and our long-standing corporate social investments.

In 2015, we contributed to African economies by generating profits in our African operations of R26.2 billion (pre-tax adjusted operating profit) which in turn generated taxes for the governments and dividends for our shareholders. We paid out R7.4 billion in dividends in 2015 to shareholders and we paid R28.3 billion in all taxes including corporation tax, VAT and taxes paid on behalf of employees.

Our Black Economic Empowerment (BEE) transactions have contributed positively to improving the quality of lives of communities across South Africa. Our Broad-Based Black Economic Empowerment (BBBEE) deals have created net value of R16.1 billion (net value created from Black Economic Empowerment transactions between 2005 and 2015) for our South African empowerment partners, employees and communities. Our BBBEE Partners, the Women Investment Portfolio Holdings Ltd (WIPHOLD), Brimstone and Izingwe have agreed to contribute to a legacy fund to continue to support initiatives consistent with the Financial Sector Code and National Development Plan. During 2015, the first disbursement of R11 million was made available to an agricultural development project which focuses on creating self-funding commercial funds from communally owned land. The project

intends to effect large-scale social change through rural employment, income generation and provision of food security.

We are proud to have over 57,700 employees across Africa. In societies where typically 50% of the population are financially excluded we aim to create employment, either directly through our businesses or indirectly through the projects in which we invest, as we believe secure employment is a foundation to financial freedom.

We have invested over R2.1 billion across Africa through our acquisitions over the past two years. The focus now is to execute the stated strategy within each of the businesses and deliver the intended benefits.

Being our customers' most trusted partner

Our prime role is to serve our customers and enable their positive futures. We do this by helping them to save, invest, lend, protect against risk and by providing for them in retirement.

In 2015, we paid out R9.2 billion in pension payments across Africa to customers who trust us to ensure they have a secure income on retirement.



 Dvokolwako, Swaziland

Working together to grow both our businesses

Working together with our customers takes many forms. In Joseph Mgabhi's case, we helped him to start and grow his business – and he helped us to grow our team in Swaziland.

Joseph part-funded his business with proceeds from his Old Mutual Max Investment Plan. We helped him to sustain and grow it with a loan and part-withdrawals from other investment plans, and it now has 25 employees. Impressed by our supportive approach, Joseph encouraged his daughter to join us – she is now an Old Mutual financial adviser.

ECONOMIC CONTRIBUTION

R26.2 billion (pre-tax AOP) from African operators

R7.4 billion paid in dividends

R28.3 billion paid in taxes to African governments

“
During 2015, our foundation helped over 20,000 marginalised people through skills development, education and job creation

”
Millicent Maroga
 Head of Old Mutual Foundation

We loaned around R682.7 billion to customers to help them buy cars and houses, invest in their children's education and in many cases to start their own business. Our loan levels can vary from R1,000 to millions because we span a wide customer base from individuals to large corporates.

When our customers face difficult times and turn to us to support them, we take our role seriously and paid out R14.8 billion worth of claims in their time of need during the year.

Investment in our communities

Across Africa, we invested a total of R291 million in our local communities through our foundations and trusts which will benefit numerous projects important to our employees. Of this over R116 million was dedicated to initiatives aimed at improving education. See page 18 for more about our education programmes.

We fund a range of Corporate Social Investments (CSI) projects, primarily through the Old Mutual Foundation, our Education Flagship projects, Masisizane Fund (enterprise development) and the Imfundo Trust (education).

The main focus areas of our CSI are education, enterprise development, skills capacity building, financial literacy, renewable energy and employee

volunteerism – all these combine to influence how society experiences Old Mutual as an African corporate citizen and contribute to our commitment to positive futures for all.

Created in 2007, Masisizane is a non-profit organisation which helps accelerate economic growth in South Africa. Masisizane's key focus is the development of rural businesses, with a bias toward financing women-owned businesses, working with entrepreneurs in topics such as financial education and building business skills.

Nedbank invested R136 million during 2015 in CSI activities aimed at strengthening the social fabric of South Africa. Nedbank has a culture of active citizenship and a belief that social upliftment is everyone's

responsibility; estimating a value of R5.5 million for their employees' volunteering during the year. Nearly half of Nedbank's CSI spend was in education programmes with R34 million invested in basic education and R32 million in tertiary education. Nedbank adopt a holistic approach to education, contributing at all education stages and across multiple levels including teacher development programmes, student support and infrastructure development.

To read more about Nedbank's CSI approach, visit Nedbank's Sustainability Review 2015 at www.nedbank.co.za

Read and see more about the positive impact Old Mutual Foundation is having on people across South Africa at www.dogreatthings.co.za

Nedbank and Wildlands staff



Mpumalanga, South Africa

Planting a greener future

We have been partnering with South African conservation charity Wildlands for 25 years, championing a greener environment and a sustainable future for all. In 2015, we celebrated 10 years of collaboration on Wildlands' innovative Trees for Life project to support vulnerable ecosystems. We have been partners on the Old Mutual Wild Series: running and cycling events that raise funds for key South African conservation projects. Nedbank has worked with Wildlands on a range of initiatives to build resilient and flourishing communities. These include a new partnership to drive the sustainable transformation of the Acornhoek community in Mpumalanga – through initiatives ranging from tree planting and the establishment of community recycling businesses, to restoration of the Blyde River area.

57,700

Old Mutual employees in Africa

How we added value

Across Africa in 2015

continued

Investing in education and schools

We believe the provision of quality education to all is a cornerstone to equality and a stable society. High levels of poverty and inequality remain in many regions across sub-Saharan Africa with many individuals lacking access to formal education.

The #FeesMustFall campaign in South Africa highlighted the challenges we face in education and reflects the pressures placed on students to finance their education.

Many students lack financial support and cannot afford to continue with tertiary education resulting in a large number of low-skilled workers. For many years, Old Mutual has actively and consistently contributed to Africa's education systems and the development of young people by providing affordable financing for students and education institutions, bursaries, school infrastructure development and investments in teaching staff with positive and quantifiable outcomes.

Nedbank's eight Long-term Goals describe the future we want for a prosperous South Africa. The goals were selected based on materiality for South Africa and the ability of Nedbank to contribute. Education is one of these – "Good educational outcomes are consistently being achieved for citizens at a cost that is comparable with that of other nations." In 2015, Nedbank invested R66 million through CSI programmes for basic and tertiary education support.

Schools and Education Investment Impact Fund

The Schools and Education Investment Impact Fund South Africa (Schools Fund), the first education impact fund in South Africa, is run in partnership with experts in education to address the education infrastructure backlog facilities and train educators. Funded by Old Mutual Life Assurance Company of South Africa and the Government Employees Pension Fund, there have been seven approved deals to the value of R838 million.

During the year, all schools improved their results from 2014, and increased the total number of learners by 212. In 2015, more than 14,000 learners enrolled in 22 schools supported by our Schools Fund. The aim is to increase the number of learners in 2016 to over 15,500. Over 1,000 staff were employed during the year of which 50% were in teaching roles. Over 760 learners from five schools sat for their 2015 NSC exam, with a 97.6% pass rate which is 7.6% higher than in 2014. 58% obtained university exemption (Bachelor pass) which is 32% higher than the national average of 26%.

This is an important achievement as it means that the quality of the matric pass is good, giving the young people an opportunity to study further at university and enhance their future livelihoods.



 King Williams Town, South Africa

Raising the standard

In 2013 we challenged ourselves: could we significantly improve the Grade 12 maths and science results in South African public schools? Not just for a privileged few, but for 250 schools across 10 school circuits. The result was the Old Mutual Education Flagship Project, which aims to positively influence the lives of 250,000 learners over seven years.

With a total budget of R350 million, the project also supports the National Development Plan's aim of improving the South African education system.

To achieve this, we have been working to understand the South African schooling system and partnering with government officials and education trade unions – so that we harness our own capabilities effectively and make the most of our collective resources. The project has built working partnerships in all the areas where we are supporting education improvement programmes.

250,000

Old Mutual's plan to help 250,000 South African maths and science students between 2013 and 2020

Working in partnership

We choose to collaborate with others to create long-term positive change. In order to deliver the aims of our Positive Futures Plan and address the challenges of building inclusive economies, united action is required by collaborating with aligned stakeholders.

Working in partnership enables us to scale-up the programmes, expand skills and knowledge and allows recipients of our support to access a range of solutions.

We have long-standing partnerships, delivering measurable returns on investment, and we are establishing new alliances which are helping us to deliver focused activities against our Plan.

In addition to our partnership working, we have a number of affiliations which help us measure and report our performance or benchmark us through a range of guidelines and ratings which have long positively influenced the way we conduct our business. Below are some of our key affiliations.



Kruger National Park, South Africa

Celebrating 25 years of trust

In 2015 the WWF Nedbank Green Trust (the Green Trust) celebrated its 25th anniversary. Established in 1990 as Nedbank and WWF’s joint response to the growing signs of a looming natural-resource crisis in South Africa, the Green Trust represented a shared belief in the value that could be unlocked if business, government, and communities could come together to accelerate conservation.

The majority of financial support of the Green Trust has been delivered through the pioneering Nedbank Green Affinity Programme. Each time a Nedbank client with a Green Affinity-linked product transacts, Nedbank donates a percentage to the Green Trust at no cost to the client.

The cumulative result of this innovative approach has been more than R200 million donated in support of more than 200 conservation projects throughout South Africa, in the areas of marine and freshwater, land stewardship, species protection and climate change. Most have had a significant link to community development and social upliftment. For more information, visit: www.wwf.org.za

¹ The FTSE/JSE Responsible Investment Index Series.



Nedbank’s contribution to the WWF Nedbank Green Trust is without a doubt one of the most substantial income streams from business to the environmental sector



Morné du Plessis
CEO: WWF-South Africa

Going forward

Delivering long-term value to Africa

Over the next year will continue to strengthen our partnerships and initiatives in the areas where are making positive impact. To reach our goal of engaging 50 million people in financial education by 2020, we will be testing education tools for customer use, launching pilot programmes and digitising some of our financial education programmes so they have wider reach.

Working towards our goal of reaching 20 million people through micro-finance and micro-insurance products which add value to society we will explore new micro-finance initiatives while developing existing services. For example piloting and expanding Blue Marble Microinsurance to more communities.

We have started to establish new partnerships such as with the charity Opportunity International who will help us support the schooling system in Kenya and other African markets.

We will grow our share of investment opportunities in infrastructure projects and the shift to a low carbon economy in part by building our capabilities in ESG practices and also targeting investments which meet our criteria of delivering positive environmental and social return. We aim to invest 10% of our funds under management into the green economy and infrastructure by 2020. We recognise that a thriving business must operate in a thriving society and so are committed to deploying capital in a way that creates positive change.

We are establishing a common approach to measure the impact of our Positive Futures Plan so that we can start reporting progress against our six goals. Our aim is to report not just what Old Mutual has delivered through our resources and time but what the effect is for our business and ultimately the long-term benefit for society. These benefits will also be aligned to the United Nation's Sustainable Development Goals and the South African Government's National Development Plan, demonstrating our commitment to deliver against global and national aims to create positive change.

We are committed to being transparent in our approach, our challenges and our progress as we contribute to improving lives across Africa.

“

We have harnessed our investment skills to invest Group and customer capital into infrastructure, renewable energy, agriculture, housing and affordable schools. We are delivering attractive returns to investors while empowering and adding value to the communities we touch

”

Ralph Mupita
Chief Executive Officer
Old Mutual Emerging Markets

“

As well as managing risk created by changes to the environment, we see opportunities to develop solutions that benefit the environment, our clients and our bank

”

Mike Brown
Chief Executive Officer
Nedbank



 Samrit Academy, Ghana

Financial solutions for schools

Working in partnership with Opportunity International, Old Mutual is helping to increase the access to capacity building loans and training for Kenya's growing number of low-cost schools. Operating through our Faulu Microfinance Bank, the loan product will be launched in 2016 to fuel the growth of Kenya's schooling market. Over the course of the long-term partnership, over 900 schools will access loans resulting in improved access to quality education for over 400,000 children.

“

**We are excited to start our partnership
with Old Mutual to make a lasting
difference to schools, teachers and children**

”

Gareth Simpson

Director of Philanthropy and Strategy Partnerships
Opportunity International

OLD MUTUAL PLC

ADDING VALUE TO AFRICA REPORT

Old Mutual plc

Registered in England and Wales No. 3591559 and as an external company in each of South Africa (No. 1999/004855/10), Malawi (No. 5282), Namibia (No. F/3591559) and Zimbabwe (No. E1/99)

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