



Old Mutual Limited Analyst Presentation

17 May 2018

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This presentation may contain certain forward-looking statements with respect to certain of Old Mutual Limited and Old Mutual plc's plans and its current goals and expectations relating to its future financial condition, performance and results and, in particular, estimates of future cash flows and costs.

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

TODAY'S PRESENTERS



Trevor Manuel

- Chairman



Peter Moyo

- Chief Executive Officer



Casper Troskie

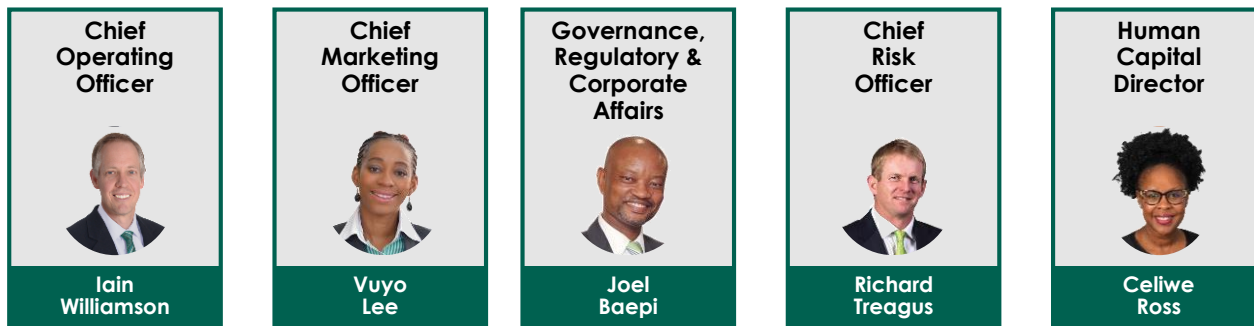
- Chief Financial Officer

SUPPORTED BY A MARKET LEADING EXECUTIVE MANAGEMENT TEAM

Delivering Old Mutual to our customers



Driving efficiency and change



AGENDA FOR THE DAY

Welcome	Trevor Manuel
Our Investment Case and Battlegrounds	Peter Moyo
Our Group KPIs and Operational Performance	Peter Moyo
Q&A with Executive Management	Peter Moyo & Executive Management
Coffee Break	
Financial Review	Casper Troskie
Conclusion	Peter Moyo
Q&A	
Lunch	

WE ARE EXCITED TO BRING OLD MUTUAL BACK TO AFRICA

Homecoming

- ✓ Part of South Africa's and wider Africa's financial and social fabric
 - ✓ Committed to doing our part for the societies we serve
 - ✓ Aligned to improved political and macro sentiment within South Africa
-

Exceptional business

- ✓ African financial services group with 173 years of history
 - ✓ Widely recognised and established brand
 - ✓ Compelling equity story
-

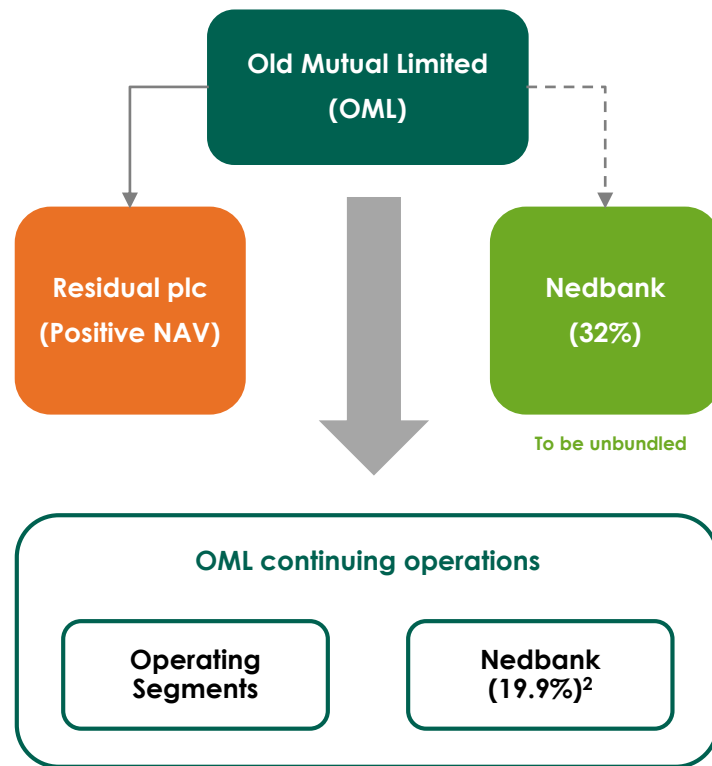
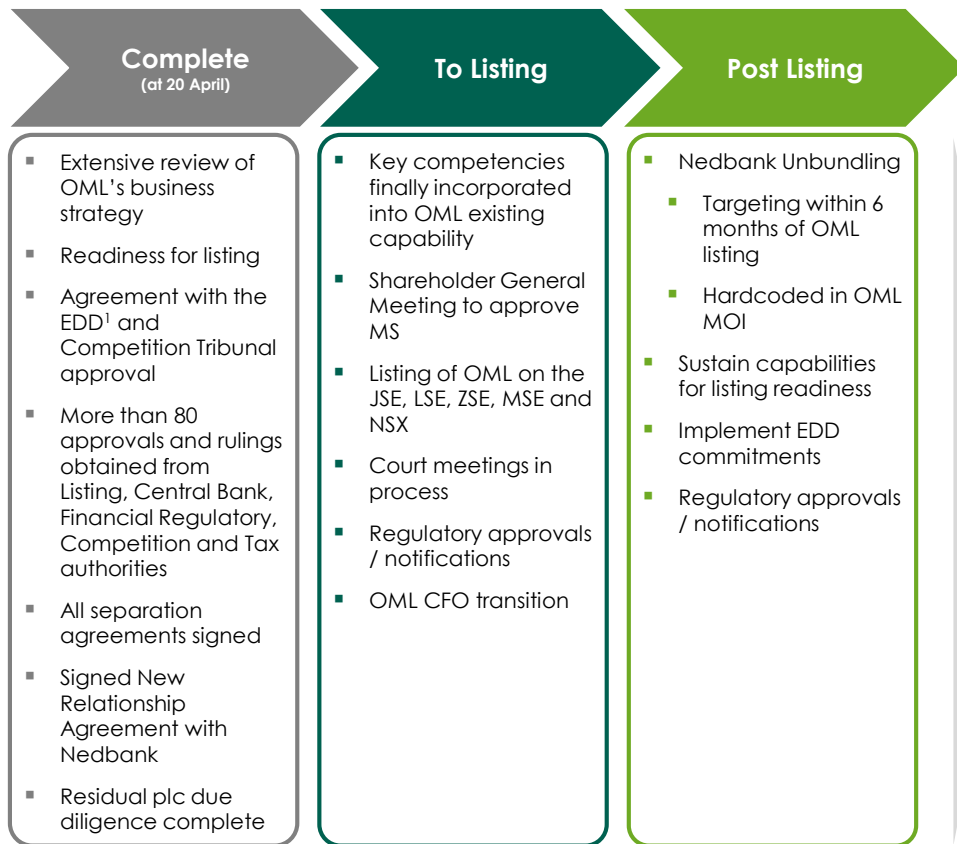
Focused management team

- ✓ Transformed and experienced management team
 - ✓ Restructured leadership and reporting lines
 - ✓ Sharpened operational focus
-

Strong governance

- ✓ Established Board in place
 - ✓ Deep insurance and banking experience as well as experience governing a JSE-listed company
-

EXTENSIVE PROCESS IN PREPARATION FOR OUR LISTING



1. Economic Development Department

2. OML, through its shareholder funds, owns 52% of the issued share capital of Nedbank. After the Nedbank Unbundling, the Group will retain a minority of 19.9% of the issued share capital of Nedbank in its shareholder funds.

AGENDA FOR THE DAY

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Trevor Manuel

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Peter Moyo

Our Group KPIs and
Operational Performance

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Q&A with Executive Management

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Peter Moyo

Q&A

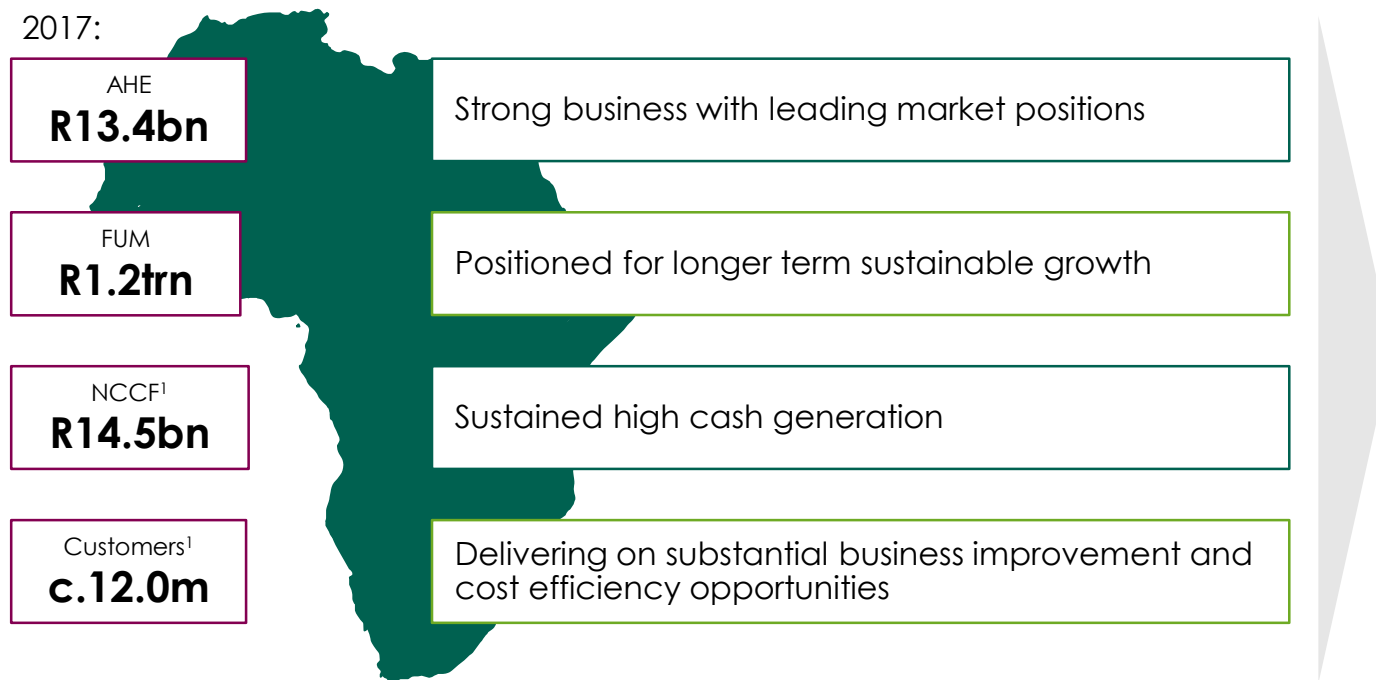
Lunch

WHAT WE WILL BE DISCUSSING TODAY

- ✓ Progress on our 8 battlegrounds and strategy update
- ✓ Detail on 2017 performance
- ✓ Our KPIs and guidance on key metrics
- ✓ Our financial and capital position
- ✓ Management incentivisation

A COMPELLING INVESTMENT PROPOSITION

2017:



RoNAV²
Average CoE + 4%

Results from operations³ of
Nominal GDP + 2%

SAM Solvency Ratio⁴
155% – 175%

Dividend Cover⁵
1.75x – 2.25x

Cost savings target to end 2019⁶
R1.0bn

1. Figures do not include Nedbank.

2. "RoNAV" is defined as Adjusted Headline Earnings divided by average Adjusted IFRS equity. Adjusted IFRS Equity is calculated as total Group equity attributable to ordinary equity shareholders, before adjustments related to consolidation of funds. It excludes equity related to Residual plc and discontinued operations and is further adjusted to recognise the equity attributable to the retained 19.9% interest in Nedbank from the 2015 financial year onwards. From the time of the Nedbank Unbundling, the equity attributable to Nedbank will be adjusted to remove the one-off fair value adjustment required under IFRS and the same adjustment will be applied when calculating RoNAV on an ongoing basis. The average Adjusted IFRS equity will be calculated on a quarterly basis for each reporting year.

3. The Group is targeting to grow Results from Operations at a CAGR of Nominal GDP + 2% over the three years to 2020. Nominal GDP growth is defined with reference to South Africa.

4. The Standard Formula allows for, subject to Regulatory approval, certain methodology elections to be made. The estimated SAM Solvency positions are presented on the basis of the Group's preferred methodology which will, once the SAM framework is implemented, be formally presented for Regulatory approval. Excludes any residual plc NAV surplus. Based on current Nedbank shareholding.

5. Based on Adjusted Headline Earnings. Targeting an interim dividend of 40% of the current year interim Adjusted Headline Earnings. Any dividends will take into account: underlying local cash generation, fungibility of earnings, targeted liquidity and solvency levels, business strategy needs, and market conditions at the time.

6. R1.0 billion of pre-tax run-rate cost savings by end 2019, net of costs to achieve this. This will be based off the 2017 IFRS administrative cost base (as defined), and adjusted for inflation and FX over 2018 and 2019. Targeting costs to be managed within inflation thereafter.

KEY STRENGTHS SUPPORTING THE OML EQUITY STORY



Over **12 MILLION CUSTOMERS** with OML catering for all **CUSTOMER NEEDS**



Largest multi-channel **DISTRIBUTION NETWORK** and reach amongst traditional SA peers¹



Significant scale to leverage **MASS & FOUNDATION** leading market position



STRONG CAPITAL BASE with future upside from Residual plc




STRONG MANAGEMENT TEAM aligned to deliver **DIVERSE OFFERINGS**



Widely recognised and established **BRAND** in various geographies

PROGRESS ON OUR 8 BATTLEGROUND

Consolidating and growing our leadership position


1 |  Defend SA market share in mass market & corporate

2 |  Defend and grow in SA Personal Finance market


Improving key underperforming businesses

3 |  Improve the competitiveness of Wealth and Investments

4 |  Continued turnaround of Old Mutual Insure

5 |  Turnaround East African business and improve returns across ROA

Building long-term competitive advantage

6 |  Win the war for talent

7 |  Refresh the technology offering

8 |  Cost efficiency leadership

Growth, returns
and cash
generation
opportunity

CONSOLIDATING AND GROWING OUR LEADERSHIP POSITION

Progress to date

1



Defend SA
share in
Mass &
Corporate

- ✓ Maintained **market leadership**
- ✓ One of the most **competitive transactional solutions** in SA¹
- ✓ **Leading corporate market share** in umbrella funds
- ✓ Solid **growth in SuperFund membership**

2



Defend and
grow in SA
Personal
Finance market

- ✓ Launch of **iWYZE Life**, our direct life offering
- ✓ PF - MFC **distribution collaboration**
- ✓ Improved **advice proposition**

IMPROVING KEY UNDERPERFORMING BUSINESSES

Progress to date

3

Improve the competitiveness of Wealth & Investments



- ✓ **Momentum** in NCCF and deal flow
- ✓ Strong **investment performance**
- ✓ Improved **advice proposition** and platform

4

Continued turnaround of Old Mutual Insure



- ✓ On track to deliver **underwriting margin** within the near term target range of 4% – 6%
- ✓ Continued **iWYZE profitability**
- ✓ Restoration of the quality of the **Personal Lines and Commercial Lines book**

5

Turnaround East African business & improve returns across ROA



- ✓ East Africa **P&C underwriting performance and life profitability**
- ✓ Strong results achieved in **ROA, specifically in Malawi**
- ✓ **Positive operating profits** in core businesses of Life, Asset Management, Health and GI

BUILDING LONG-TERM COMPETITIVE ADVANTAGE

Progress to date

6 

Win the war
for talent

- ✓ **Number 1 employer** in 13 countries¹
- ✓ **Key hires** across group and segments
- ✓ Accelerated **talent development** programmes

7 

Refresh the
technology
offering

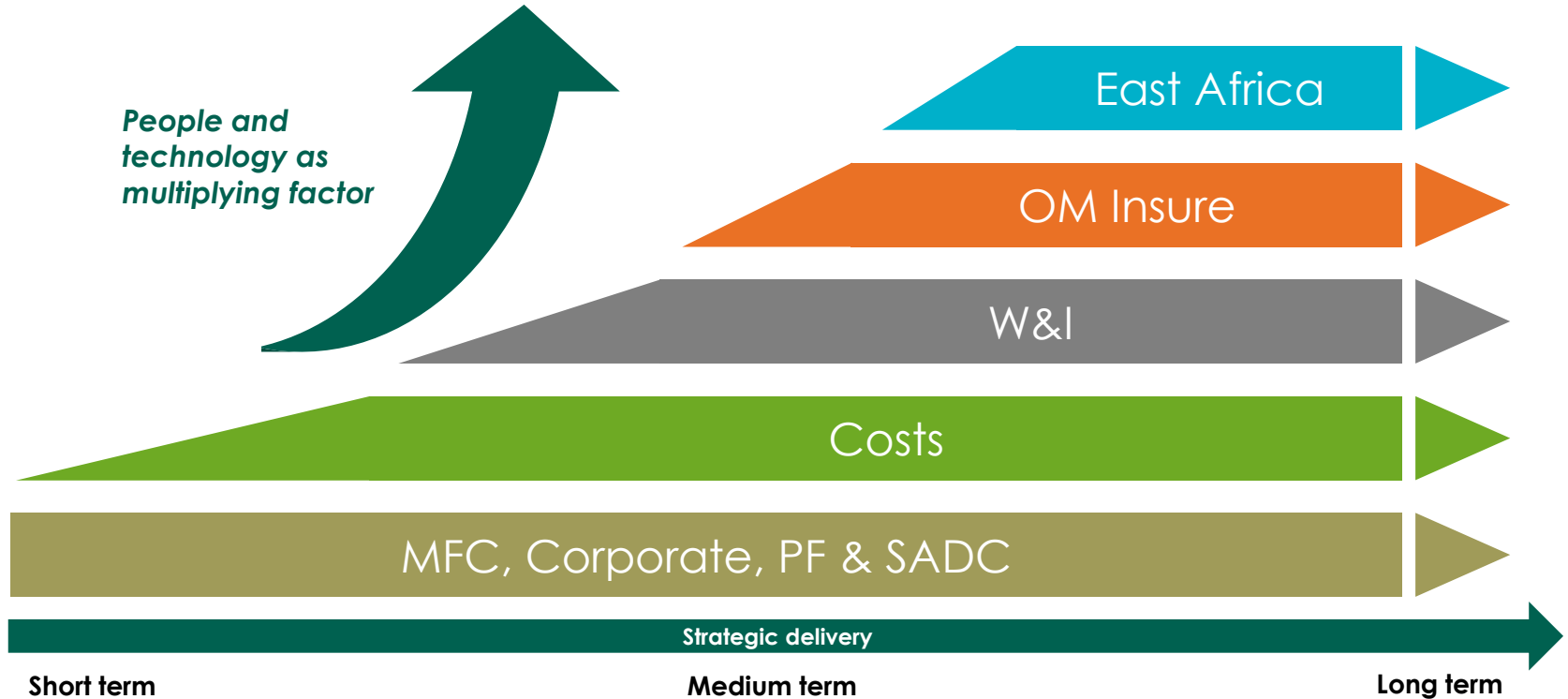
- ✓ Significant **technology upgrades**
- ✓ Investment in **digital channels**
- ✓ Multiple **smaller IT projects delivered**
- ✓ **Rewards programme** being tested before launch

8 

Cost efficiency
leadership

- ✓ **R1.0 billion of pre-tax run-rate cost savings** by end 2019, net of costs to achieve²
- ✓ Cost containment initiatives in 2017

ALL BATTLEGROUND AREAS ACTIVELY BEING ADVANCED – PROGRESS ALREADY SEEN AND FURTHER STRATEGIC GAINS EXPECTED IN BOTH NEAR & MEDIUM TERM



DERIVING VALUE FROM OUR RELATIONSHIP WITH NEDBANK

19.9% shareholding negotiated with Nedbank together with SARB and the FSB in order to provide stability to the broader financial system and to the Nedbank and OML investor bases during managed separation, whilst also supporting our ongoing commercial arrangements

OML is committed to being a significant minority shareholder in accordance with the new Nedbank Relationship Agreement¹

- ✓ **Synergies**, costs savings & outsourced IT network
 - ✓ R1bn synergies achieved by 2017 through Group Collaboration Programme
- ✓ Uses OML as a **product provider** for complex Life and P&C products
- ✓ Nedbank is the **transactional banker** to OML (Nedbank's largest transactional client)
- ✓ Ongoing Nedbank board representation post unbundling

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Peter Moyo

**Our Group KPIs and
Operational Performance**

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OML GROUP KPIs

1

Results from Operations

2

Adjusted Headline Earnings

3

RoNAV

4

Free Surplus Generation

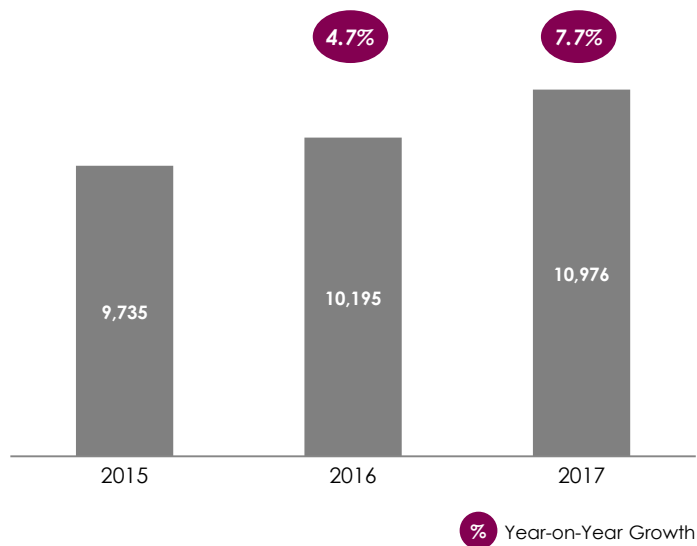
5

SAM Solvency Cover

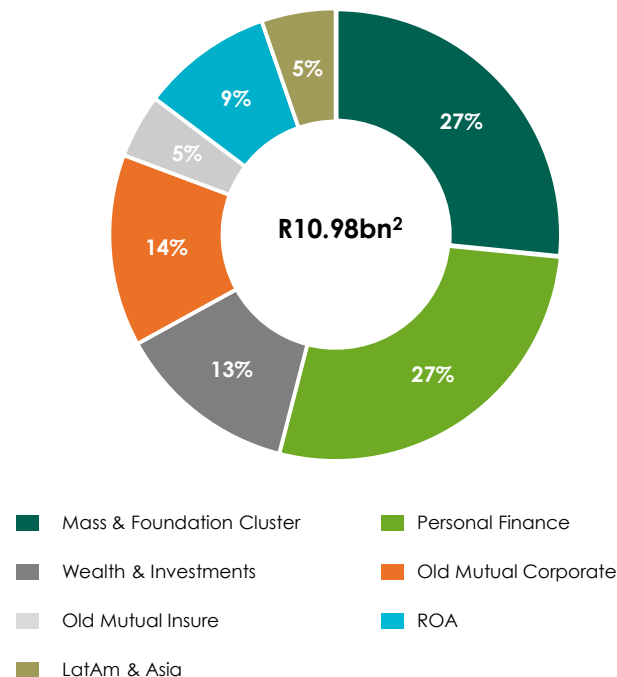
Cost efficiencies a key focus area to deliver and support the above KPIs

CONSISTENT TRACK RECORD OF GROWTH WITH BALANCED EARNINGS STREAM

Results from Operations – improved Y-o-Y growth
(Rmillion)

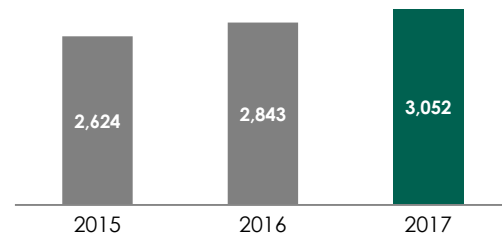


Results from Operations by Segment (2017)¹

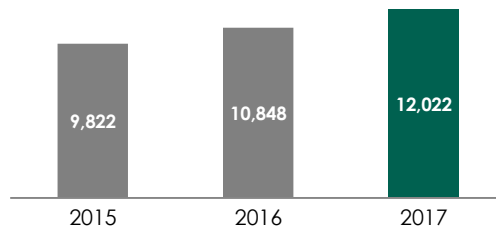


1 MFC: SOLID RESULTS IN A TOUGH OPERATING ENVIRONMENT

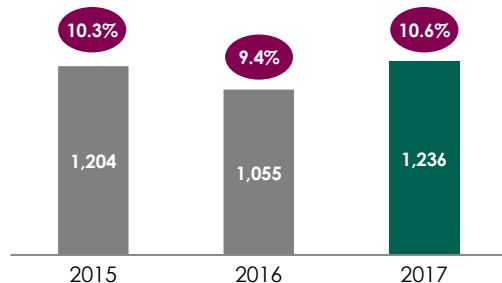
Results from Operations¹
(Rmillion)



Gross Flows
(Rmillion)

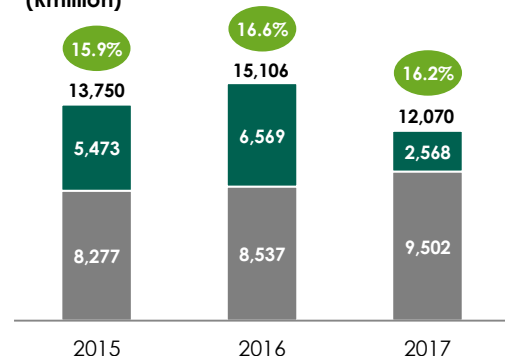


VNB
(Rmillion)



% VNB margin

Loans & Advances
(Rmillion)



■ Net Loans and Advances ■ Impairment provision
% Net lending margin¹

Strategic growth drivers

1 Entrenched distribution footprint

- Branch network continues to deliver better persistency experience and best-in-class productivity, delivering 29% of total MFC life APE sales
- 31 new branches opened in 2017
- Enhancing digital platform – online lending and Money Account offers & reviewing online funeral proposition

2 Continued focus on customer satisfaction

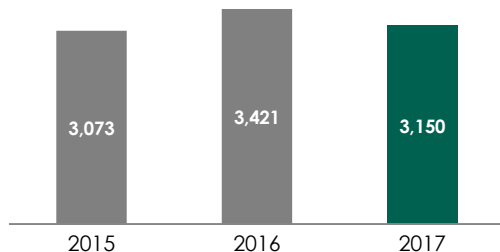
- Significant improvement in speed of claim payments
- Customers up to 3.3m
- Funeral value chain participation
- Enhance transactional offering

3 Leveraging scale

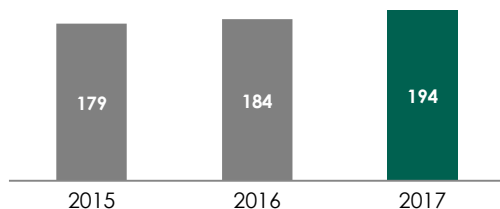
- Continued focus on reducing unit costs through tight expense management and productive distribution

2 PERSONAL FINANCE: SOLID PERFORMANCE IN A TOUGH MARKET

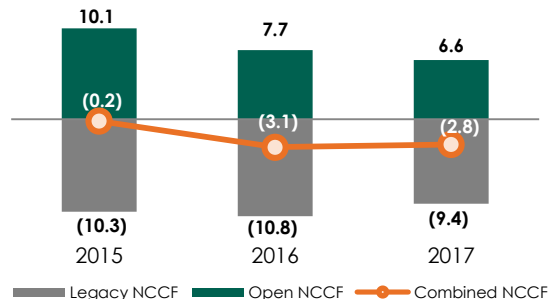
Results from Operations
(Rmillion)



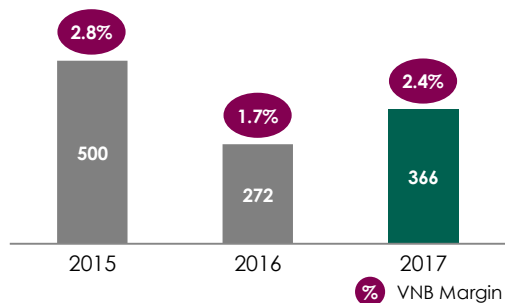
FUM
(Rbillion)



NCCF
(Rbillion)



VNB
(Rmillion)



Strategic growth drivers

1 Re-focusing on our core customer markets

- Expanding customer penetration in Gauteng
- Growing needs met per customer

2 Leverage distribution footprint and advance digital and direct

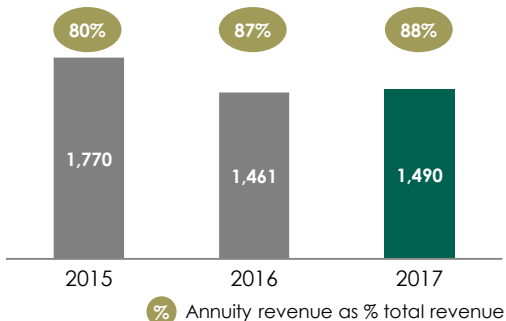
- Focus on growing adviser productivity
- Enhancing digital customer engagement and leverage iWYZE Life

3 Continued collaboration with the rest of OML

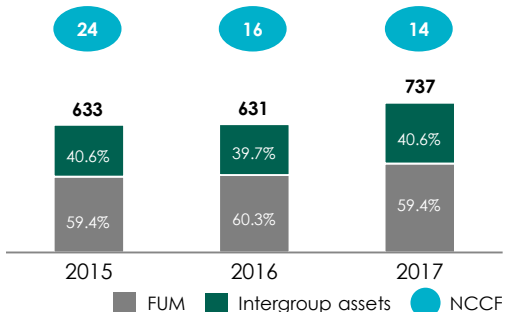
- Contributing to other parts of the business - R3.5bn in APE for Wealth, R2.3bn in gross sales for Corporate and R1.6bn to Corporate AGP through PF retail platforms
- 50k PF customers have taken up the Money Account in 2017
- PF financial wellbeing offer available for debt consolidation

3 W&I: STRONG MOMENTUM BUILT THROUGH 2017

Results from Operations and Revenue Composition (Rmillion)



AUM¹ and NCCF (Rbillion)



Old Mutual Investment Performance Core Retail Funds (31 December 2017)

	Quartile Rank			Morningstar Rating
	1 yr	3 yrs	5 yrs	
MULTI-ASSET				
Stable Growth	1	2	2	★★★★★
Balanced	1	1	1	★★★★★
Flexible	1	1	1	★★★★★
Maximum Return	1	1	n/a	★★★★★
EQUITY				
Investors'	3	3	1	★★★
Managed Alpha	2	2	1	★★★★★
GEM	4	2	2	★★★
Global Equity	1	1	1	★★★★★
FIXED INCOME				
Money Market ²	1	1	2	★★★★★
Income	1	2	3	

1st Quartile

2nd Quartile

3rd Quartile

4th Quartile

1st Quartile 2nd Quartile 3rd Quartile 4th Quartile

Strategic growth drivers

1 Investment Performance

- Improved top quartile performance across core fund ranges

2 Future-fit capabilities

- Leverage competitive advantage in the unique capabilities of LDI, smart beta, passives and alternatives

3 Retail market focus

- Significant advice model, platform and fund enhancements to improve the customer experience and reporting

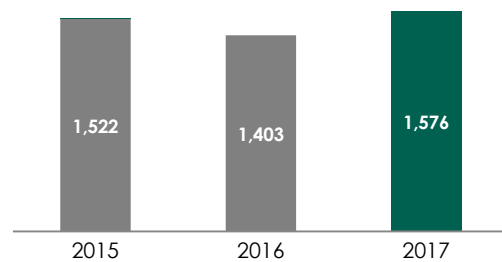
4 Global capability margin

- Grow active and passive capabilities to support increased management of global mandates

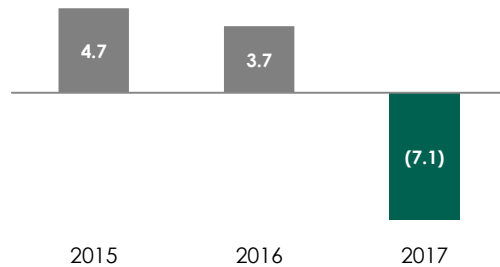
1. AUM comprises FUM as defined for the Group, as well as funds managed on behalf of other entities in the Group, which is reported as FUM of these respective segments. Assets under administration that is managed externally is not included in AUM.
2. Category not rated per Morningstar.

4 CORPORATE: ASSET-BASED FEES DRIVE PROFITS

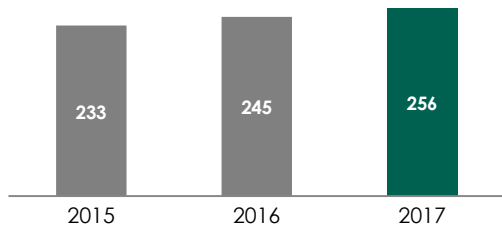
Results from Operations
(Rmillion)



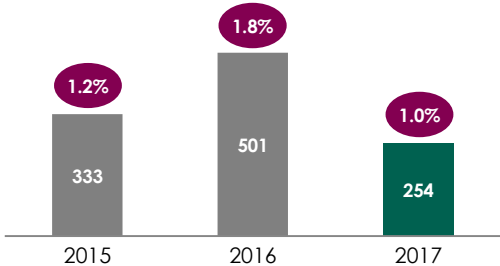
NCCF
(Rbillion)



FUM
(Rbillion)



VNB
(Rmillion)



% VNB Margin

Strategic growth drivers

1 Defend SA share in Corporate

- Winning standalone to umbrella conversions, diversifying and refining product propositions

2 Continued Product Innovation

- SuperFund DC Annuity successfully launched to retain assets in fund
- Launched enhanced passive investment offering – Nucleus Index Fund range

3 Improve Profitability

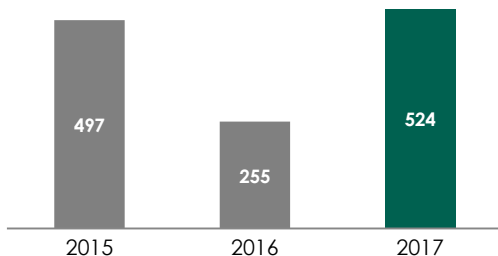
- Repricing income protection benefits and implementation of new income protection options to provide more sustainable benefit structures

4 Collaboration with Retail Channels

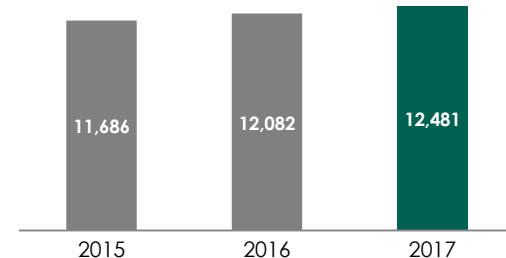
- c.23,000 customers acquired by the retail channels through the corporate customer base
- R392m APE in retail life sales

5 OM INSURE: INCREASED PROFITABILITY AS REMEDIATION EFFORTS BEAR FRUIT

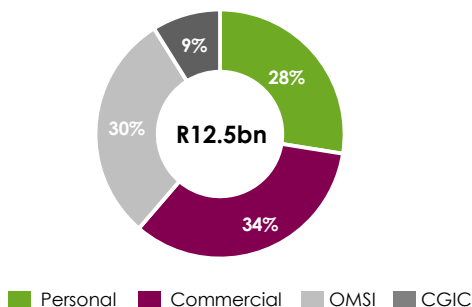
Results from Operations
(Rmillion)



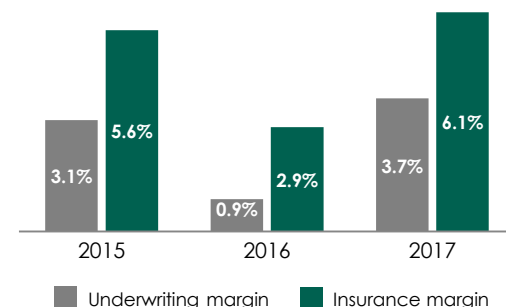
GWP
(Rmillion)



2017 GWP Split by Business Line
(%)



Underwriting & Insurance Margins
(%)



Strategic growth drivers

1 Ongoing remediation

- Significant progress made to achieve iWYZE profitability
- Focusing on improving quality of the book and remediating the commercial lines portfolio
- Reinforcing skills to support disciplined underwriting and claims management – turnaround progress has widened access to talent

2 Diversification

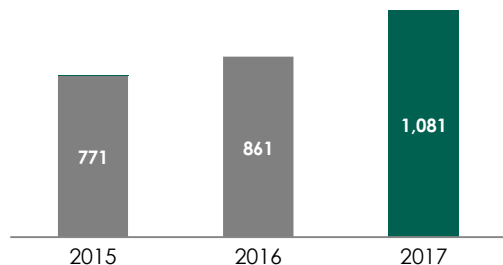
- Diversifying and increasing exposure to higher margin lines
- Brand and balance sheet position OM Insure well in a consolidating industry

3 Collaboration

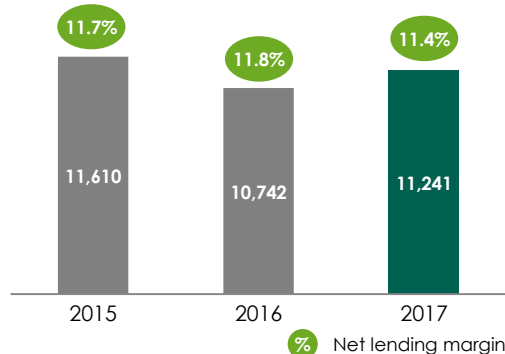
- Ongoing collaboration with PF and ROA
- Current PF customer penetration rate of c.10%, with the intention of growing this over time

6 ROA: IMPROVING ROA PERFORMANCE AT HEADLINE LEVEL

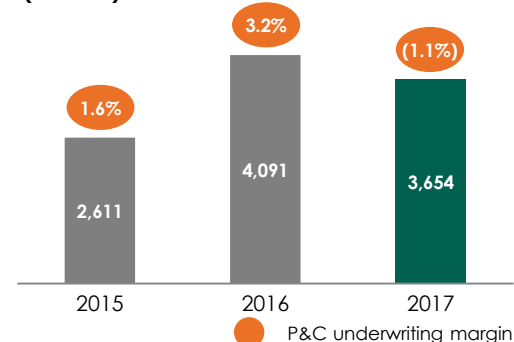
Results from Operations
(Rmillion)



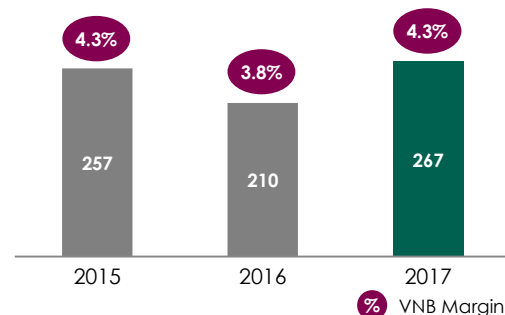
Loans & Advances
(Rmillion)



P&C GWP
(Rmillion)



VNB
(Rmillion)



Strategic growth drivers

1 SADC

- Malawi life business growth driven by first mover advantage in pension scheme reform
- Seize opportunities in infrastructure development to support asset management and general insurance businesses
- Exploiting pockets of growth in Zimbabwe informal market, Malawi retail mass, Namibian wealth business and scaling Life in Botswana

2 East Africa Turnaround

- Continued turnaround of the health business, with focus on more profitable businesses
- Ongoing repricing in P&C and life book
- Drive further efficiencies

3 West Africa

- Continue with 'capital-light' strategy

Q & A

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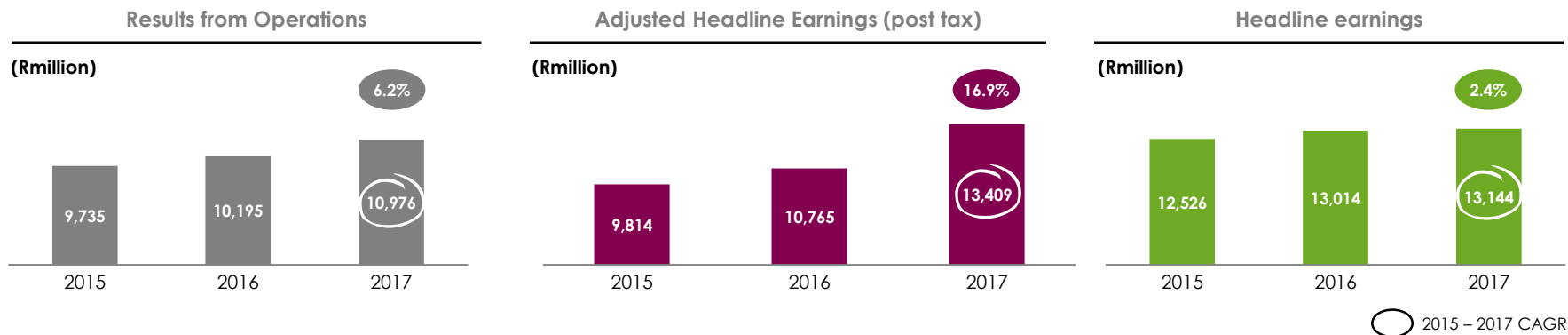
FINANCIAL REVIEW: WHAT WE WILL COVER TODAY

- ✓ Understanding our income statement and balance sheet going forward
- ✓ Solvency and how this may evolve under the new SAM regulatory regime
- ✓ Our gearing and liquidity
- ✓ Composition of Residual plc
- ✓ Bringing together our KPIs
- ✓ Dividend policy
- ✓ OML targets going forward

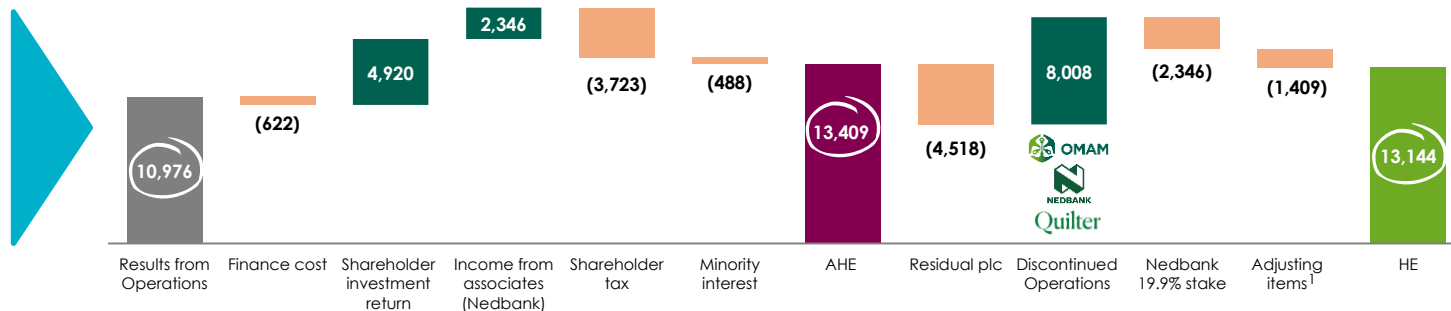
FINANCIAL REVIEW:

OUR INCOME STATEMENT AND BALANCE SHEET DRIVERS

STEPPING THROUGH OUR NEW INCOME STATEMENT



2017 Results from Operations to HE Profit Recon (Rmillion)



UNDERSTANDING OUR NEW INCOME STATEMENT OVER TIME

		Income Statement line items/year	2017	2018	Beyond
Segments	A	OML segments			
Central Functions	B	Central expenses			
		Results from Operations			
Other Group Activities	C	Finance costs, shareholder investment return, shareholder tax, non-controlling interests			
		Nedbank 19.9%			
		Adjusted Headline Earnings			
Discontinued operations	D	Add: Non-core operations (Residual plc)			2025
		Remove: Nedbank 19.9%			Targeted within 6 months
		Add: Discontinued operations			
		- Nedbank 52%			Targeted within 6 months
		- Quilter			
		- OMAM			
Required reporting (JSE / IFRS)	E	Add: Other adjusting items			
		Headline Earnings (JSE requirement)			
		Adjusting items ¹			
		IFRS (statutory requirement)			

Coloured / hatched fill indicates inclusion in FY results

RECONCILIATION TO ADJUSTED HEADLINE EARNINGS

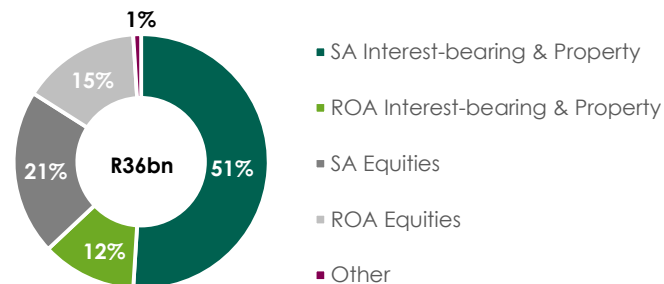
	(Rmillion)	2015	2016	2017
	Results from operations	9,735	10,195	10,976
1	Finance cost	(296)	(529)	(622)
2	Shareholder investment return	1,690	2,205	4,920
	Income from associates (Nedbank) ¹	2,155	2,282	2,346
	Adjusted headline earnings before tax	13,284	14,153	17,620
	Shareholder tax	(3,122)	(3,148)	(3,723)
	Minority interest	(348)	(240)	(488)
	Adjusted Headline Earnings	9,814	10,765	13,409
1	Residual plc ²	(4,800)	(3,061)	(4,518)
	Discontinued operations	10,348	8,332	8,008
	Nedbank Group Limited 19.9% stake ¹	(2,155)	(2,282)	(2,346)
	Investment return for Group equity and debt instruments in life funds	(610)	(864)	(1,355)
	Impact of restructuring	(71)	124	(54)
	Headline Earnings	12,526	13,014	13,144

- **Finance costs** represent interest charges associated with long-term debt only (excludes Residual Plc, banking and operational debt). 2017 only partially reflects OM Insure's R500m Tier 2 bond³
- **Principal minority interests** include:
 - Old Mutual Zimbabwe (25%), OMF (25%), iWYZE (30%), CGIC (25%), Faulu (33%) and UAP (39.3%)
- **Discontinued operations** comprise OMAM, Quilter and Nedbank (52%)
- **Investment return for Group equity and debt instruments in life funds:** increasing share price reduces headline earnings

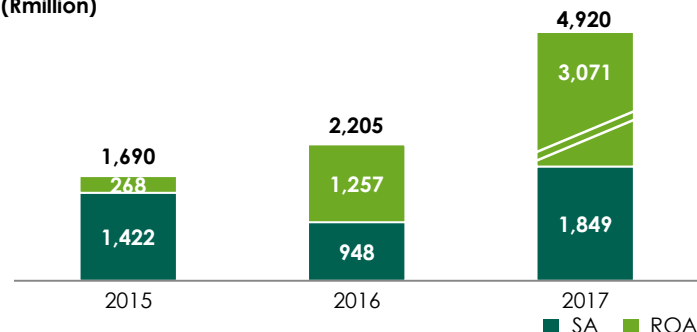
REPORTED SHAREHOLDER INVESTMENT RETURN: MOVING FROM SMOOTHED TO ACTUAL

- Shareholder returns are Reported on an actual basis, i.e. without smoothing:
 - ✓ Primary earnings measure reflects actual investment returns in the year
 - ✓ Dividend policy provides flexibility for unexpected / volatile unrealised gains or non-fungible earnings
 - ✗ Greater volatility in earnings and RoNAV; anticipated variability in dividend cover range
- Increased focus on capital allocation
- The investment return includes the operational cost of delivering this return and optimising shareholder value
- 2017 performance mainly driven by strong Zimbabwean equity markets, muted JSE performance in 2016 impacted SA numbers. Q1 2018 – lower equity markets in SA and particularly in Zimbabwe¹

Shareholder Investment Assets Split¹
(As at December 2017, %)



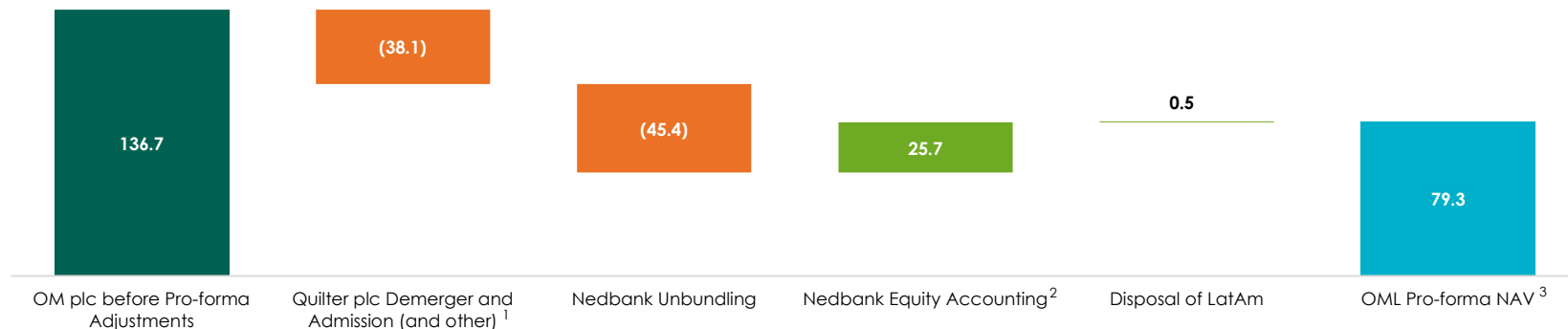
Shareholder Investment Return by Region
(Rmillion)



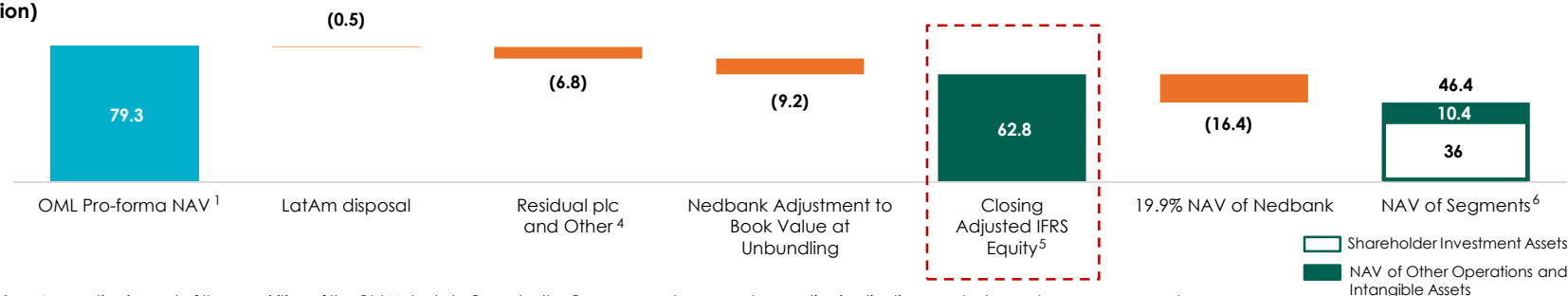
Shareholder capital generally invested in short-dated fixed interest instruments or equities, with the South African portion mostly in the form of protected equity, which protects against material devaluations

TRANSITIONING OUR BALANCE SHEET FROM PLC TO OML

2017 OML Pro-forma NAV Recon from OM plc
(Rbillion)



2017 OML Pro-forma NAV Recon to NAV of Segments
(Rbillion)



- Accounting impact of the acquisition of the Old Mutual plc Group by the Company and managed separation implications on plc share scheme arrangements.
- As the pro-forma statement of consolidated financial position presents the financial position as if the Transactions had occurred on 31 December 2017, the initial recognitions of the Company's 19.9% shareholding in the issued share capital of Nedbank in its shareholder funds is equity accounted at fair value on 31 December 2017.
- Net of NCI of R3,720m.
- Other represents the net impact of executing the steps of managed separation.
- Used for RoNAV calculation.
- Emerging markets as per HFI.

SEGMENT BALANCE SHEET REVIEW

Emerging Markets financial position ¹ (Rmillion)	2015	2016	2017	15 – 17 Segments CAGR
1 Goodwill and other intangibles	9,485	7,813	6,653	(16.2%)
2 Loans and advances	20,820	20,517	21,483	1.6%
Investments and securities	600,146	602,173	652,569	4.3%
Other assets	104,484	103,547	103,194	(0.6%)
Total Assets	734,935	734,050	783,899	3.3%
3 Life insurance contract liabilities	165,730	157,835	159,323	(2.0%)
4 Investment contract liabilities with discretionary participating features	161,677	170,963	193,425	9.4%
5 Investment contract liabilities	261,254	265,120	291,300	5.6%
6 Property & casualty liabilities	7,788	8,181	8,285	3.1%
7 Borrowed funds ²	10,245	11,343	11,146	4.3%
Other Liabilities	82,145	74,855	70,307	(7.5%)
Total liabilities	688,839	688,297	733,786	3.2%
Total Equity	46,096	45,753	50,113	4.3%
Equity attributable to equity holders	41,619	42,115	46,393	5.6%
Non-controlling interests	4,477	3,638	3,720	(8.8%)
FUM³	1,134,760	1,143,365	1,244,359	4.7%

- 1 Goodwill impairments in East Africa and Uruguay
- 2 More conservative credit risk appetite, given economics and regulations (SA & RoA)
- 3 Lower traditional insurance sales and legacy book wind down
- 4 Our strong franchise in smoothed bonus products has driven strong premium growth, supported by solid investment performance
- 5 Sustained net flows as we grow our open book and expand new generation products
- 6 Focus on remediation rather than growth
- 7 Includes term debt, revolving credit facilities and subordinated debt²
- 8 Sustained growth in FUM

1. Emerging Markets as per the HFI.

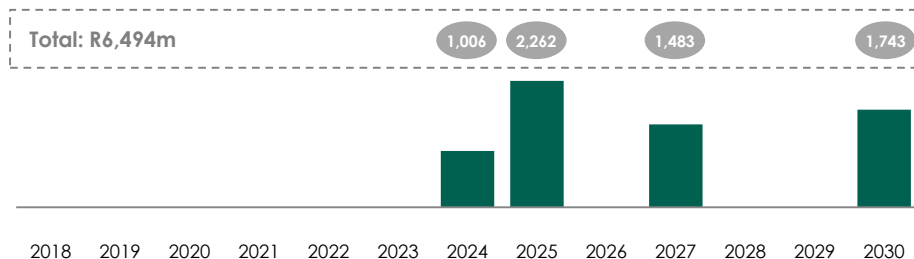
2. Excluding inter-segment loans. 2017 borrowed funds comprise R3,537m in term loans, R1,115m in revolving credit facilities and R6,494m of subordinated debt securities.

3. FUM is the total market value of funds managed by the Group, at the point at which funds flow into the Group. The intra-group eliminations related to FUM previously recognised by other Old Mutual plc Group entities is no longer shown as an elimination for the Group as these will be considered third party FUM on a go forward basis.

ci APPROPRIATE GEARING SUPPORTED BY DIVERSE LIQUIDITY POOLS

- The principal subsidiaries are responsible for managing their own liquidity in terms of group approved limits, to cater for stress scenarios
 - Nedbank liquidity managed separately with no OML commitment to provide liquidity
- Liquidity also held centrally to meet demands as a listed company and manage OML shareholder liquidity
- The liquidity position is monitored over a forecast period of 24 months
- Central liquidity risk appetite is to ensure that a liquidity coverage ratio (available liquidity to required liquidity) of 100% is not breached even under a downside scenario. The Group manages liquidity in terms of 150% early warning threshold
- Liquid resources available from assets backing capital, assets backing policyholder liabilities as well as external RCF facilities with local banks

Debt Maturity Profile¹ (Rmillion)



Debt Summary (excl. Residual plc)

(Rmillion)

Total IFRS book value of subordinated debt	6,494
Total gearing - IFRS basis²	11.5%
Average weighted coupon	10.1%
Interest cover	29.3x

Current S&P Rating of OMLAC(SA):

- **Global Scale Rating:** BB+ Stable
- **Long-term SA National Scale Rating:** zaAA+
- **Short-term SA National Scale Rating:** zaA-1+
- **Subordinated Deferrable Debt rating:** zaA

1. Based on Tier 2 capital debt only. All callable subordinated debt securities have a first call date five years before the maturity date.
 2. Debt ratios are calculated based on the IFRS book value of OMEM debt that supports the capital structure. This excludes non-qualifying debt, Nedbank and Old Mutual plc debt. As such, the IFRS net asset value is on the same basis, and therefore also excludes Nedbank and Old Mutual plc net asset value. This is subject to future engagement with the rating agencies and may change in future.

SOLVENCY ASSESSMENT AND MANAGEMENT FRAMEWORK¹

Overview

- FSB in process of implementing SAM framework - expected in force from 1 July 2018
- OMEM has been **producing SAM in parallel**, but moved our capital management onto a SAM basis with effect Dec 2017
- All OML SAM numbers presented are pro-forma at 31 December 2017

Solvency

- OML SAM solvency ratio²: 155% – 175% (post Nedbank Unbundling)
- OMLAC(SA) SAM solvency ratio: Greater than 200%
- OMLAC(SA) Insurance Business solvency ratio³: 180% – 210%

Methodology

- **OML comprises multiple regulated and unregulated financial services entities** (e.g. OMLAC(SA), OM Insure, Nedbank)
- OMLAC(SA) SCR is calculated using Standard Formula (per SAM)
- Material South African insurance entities aggregated using the accounting consolidation approach
- Remaining entities added using Deduction and Aggregation
 - Nedbank (and banking and financial entities) on Basel III basis
 - Other insurance businesses are included using the SAM Standard Formula
 - Other unregulated entities are included at their IFRS NAV with a notional capital requirement based on the risk of holding equities
- Fungibility adjustments are used to reduce Own Funds where they might not be readily available to the group

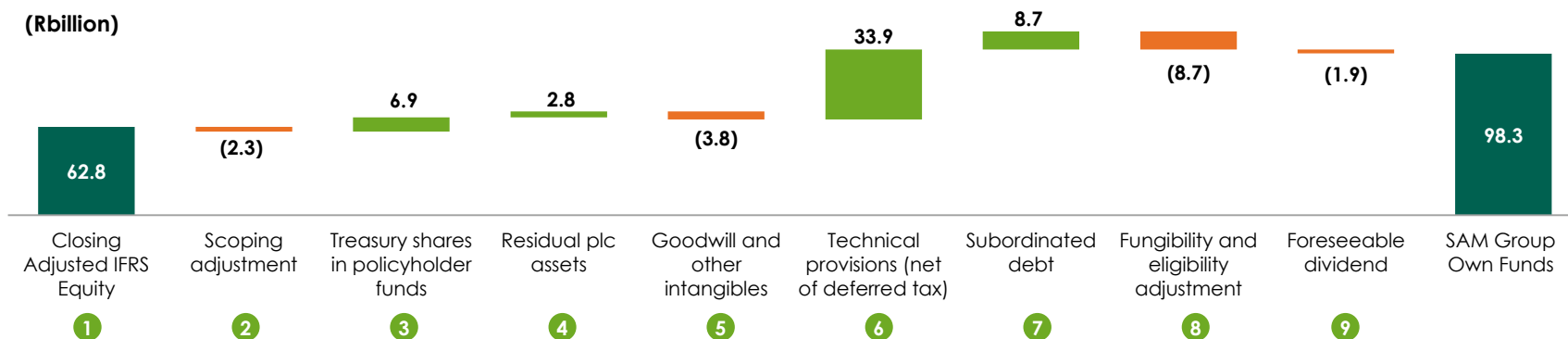
1. The SAM Framework allows for, subject to regulatory approval, certain methodology elections to be made. The estimated SAM solvency positions are presented on the basis of the Group's preferred methodology which will, once the SAM framework is implemented, be formally presented for Regulatory approval.

2. Any benefit from residual plc positive NAV is assumed not to be fungible.

3. Excluding OMLAC(SA)'s holding in strategic assets.

RECONCILIATION FROM OML NAV TO SAM OWN FUNDS

(Rbillion)

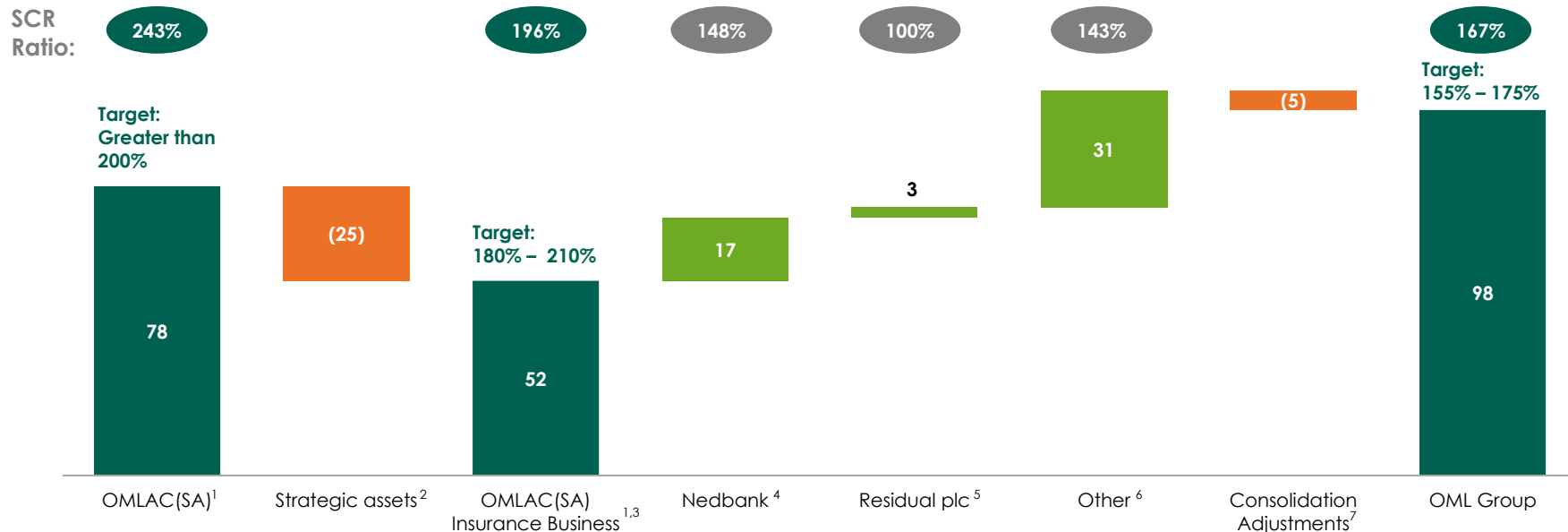


- 1 Reflects the closing adjusted IFRS equity, consistent with that utilised in the RoNAV disclosure
- 2 Deduction for entities included in IFRS reporting but not included in scope for SAM Group reporting
- 3 These are Old Mutual plc Shares and Nedbank shares backing policyholder liabilities that are eliminated under IFRS but not under SAM
- 4 Reflects SAM own funds after adjusting for the assumed fungibility restriction, which sets the Own Funds for Residual plc equal to its SCR. Note this restriction is contingent on the outcome of the proposed first scheme¹
- 5 Goodwill and other intangibles are assets that are recognised under IFRS, however, they are deemed inadmissible for SAM purposes. The figure shown in the above reconciliation only includes the goodwill and other intangible assets for those entities which are in the scope of SAM Group reporting
- 6 SAM uses a best estimate liability basis to measure insurance liabilities. This effectively recognises a future earnings component within the liabilities resulting in an increase in own funds and the related capital requirements. This is partially offset by the recognition of the risk margin which replaces prudential margins allowed for in IFRS insurance liabilities
- 7 OMLACSA, OM Insure and Nedbank subordinated debt comprises Tier 2 debt instruments counting towards the SAM capital position
- 8 Restricted surplus includes excess Own Funds mainly from Zimbabwe. Further adjustments are made for eligibility requirements and the removal of inadmissible items
- 9 A dividend is foreseeable at the later of when it is declared or approved by the Board of Directors regardless of any requirement for formal approval at an Annual General Meeting

OUR SAM SOLO & GROUP SOLVENCY POSITIONS

OML SAM Own Funds and SCR Ratios as at 31 Dec 2017

(Rbillion)

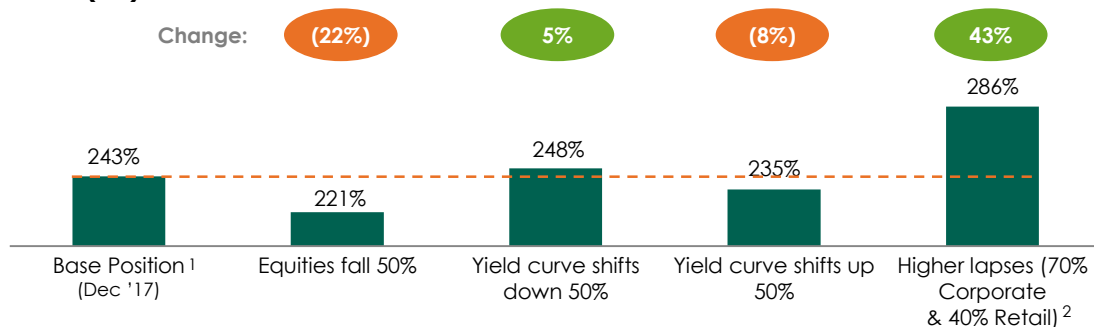


1. The standard formula under SAM is used for OMLAC(SA).
2. Includes, among others, Nedbank and intercompany loans. As at 31 Dec 2017 there was R5.9bn of outstanding inter-company indebtedness between OMLAC(SA), OMGH and its subsidiary OMPH. During 2017 R3.8bn of intercompany indebtedness was repaid to OMLAC(SA), funded through greater cash retention. The settlement of the remaining inter-company indebtedness is expected to be largely settled via the transfer of Nedbank shares to OMLAC(SA) up to the desired retained shareholding of 19.9%. Any remaining indebtedness will be settled in cash.
3. The OMLAC(SA) position excludes OMLAC(SA)'s holding in strategic assets, to reduce double counting between entities shown.
4. 19.9% shareholding in Nedbank included on a Basel III basis in Group solvency. This is different to the treatment in the OMLAC(SA) calculation where the holding is included in the Own Funds at the market value of the shares, with an equity stress applied to calculate the SCR.
5. To the extent that some of the surplus is deemed fungible after the outcome of the proposed First Scheme, it will contribute positively to the overall Group surplus.
6. This category includes the balance of the Group, including holding companies, Old Mutual Insure, asset managers, Rest of Africa, Latin America and Asia and smaller lending businesses.
7. Includes the (i) elimination of double counting between entities e.g. the investment of a holding company in a subsidiary, (ii) fungibility restrictions where the own funds for certain entities are restricted to the solvency capital requirement of that entity (calculated on a SAM basis). The most material non-fungible surplus relates to Zimbabwe and (iii) diversification of risks within entities subject to accounting consolidation, most importantly between OMLAC(SA) and Old Mutual Insure.

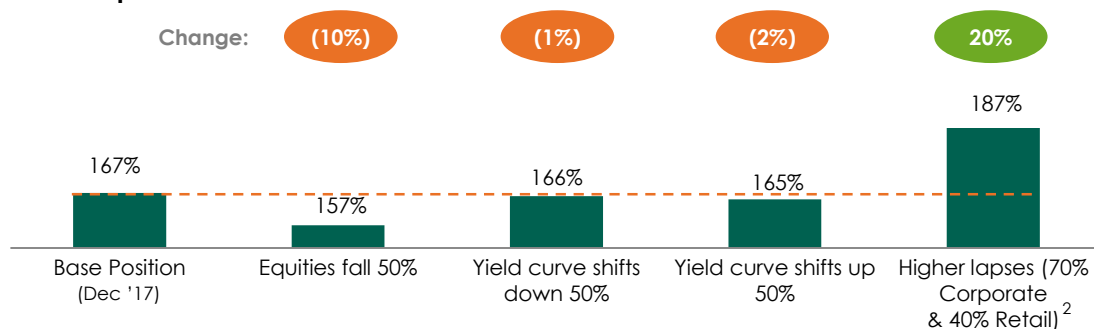
SOLVENCY REMAINS RESILIENT UNDER STRESS

Changes in SAM solvency ratio during a stress scenario

OMLAC(SA)



OML Group



- Stress testing of the regulatory capital is used to identify potential capital and liquidity risk exposures, the resources available to address the risks and the range of appropriate management actions that could be taken to protect the entity in a stress event
- High quality capital base with strong operating capital generation
- Capital available to fund OML's business strategy
- Sufficient quality and quantity of capital under stress scenarios

1. The OMLAC(SA) ratio shown is the solo solvency ratio including strategic assets.
 2. Under the mass lapse stress the number of policies in-force decreases and as a result the Own Funds and SCR associated with these policies is eliminated. However the shareholder assets that support these policies remain largely unchanged resulting in an increase to the cover ratio.

D1 RESIDUAL PLC DELIVERS POSITIVE NAV, UPSIDE FOR OML IN TIME

FY2017 Residual plc pro-forma NAV¹

	£million	Rmillion
Cash	773	12,953
Seed Investments	6	101
Net intercompany funding	-	-
Borrowed funds ²	(461)	(7,725)
Net sundry debtors	77	1,290
Plc Head Office NAV	395	6,619
OM Bermuda	57	955
Residual plc NAV	452	7,574

1. Reflects certain significant transactions until 15 March 2018.
2. £341 million of Tier 2 debt maturing in June 2021 at a coupon of 8% and £61 million of Tier 2 debt maturing in November 2025 at a coupon of 7.875%.
3. In the context of plc's anticipated reduction in capital, Old Mutual plc will need to satisfy the court that it will continue to hold sufficient liquid, high quality assets to meet its liabilities and deal with any contingencies, plus adequate headroom, taking into account relevant insurances.
4. Post proposed Quilter listing.
5. Income statement would be impacted by IFRS 9 fair value accounting.

Future Development of Residual plc NAV

- The speed of release of any surplus to OML is subject to the ruling of the UK court³
- Assets⁴ within the Old Mutual plc legal entity to largely consist of sterling denominated high quality fixed income securities and cash or near cash instruments to match debt maturity profile
- Residual plc surplus not included in OML solvency, nor in meeting FSB approvals
- OM Bermuda in run-off (c.50% of obligations matured in 2017; the bulk of remaining during H1 2018)
- OML guarantee to plc in relation to certain highly remote obligations arising from a plc Head Office legacy item
- One-off transaction and advisory costs that will be incurred in relation to the managed separation estimated at £15 – 20 million and at least £40 million respectively
- £40m estimate for the accelerated resolution of pre-existing HO items (£90m incurred to the end of 2017)

Other Items (estimates)

£million	Description
32	Annual coupon on 2021 and 2025 debt ⁵
26	Head Office (HO) wind-down costs (£39m incurred to date). Expected towards upper end
50	Estimated corporate costs in 2018, with majority of plc HO operations ceasing beyond 2018
55	Old Mutual plc second interim dividend paid in April 2018 (net of dividends received from OMEM and Nedbank)

FINANCIAL REVIEW:

RETURN ON NET ASSET VALUE,
FREE SURPLUS AND
DIVIDEND

OML GROUP KPIs

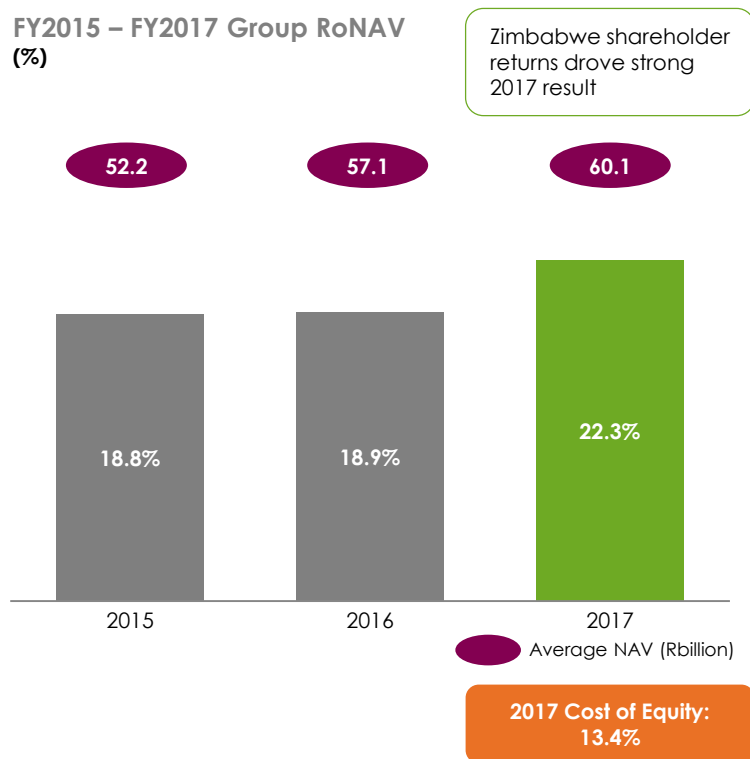
KPI	Description
1 Results from Operations	<ul style="list-style-type: none"> Primary measure of operational performance and quantifies the segments' contribution to Group AHE Pre-tax and minority earnings of operations, less central expenses, excluding net investment return on shareholder assets and finance costs
2 Adjusted Headline Earnings¹	<ul style="list-style-type: none"> Primary group profit measure. Will include (i) results from operations, (ii) shareholder investment return, (iii) finance costs (excl. Residual plc), (iv) Nedbank on equity accounted basis, (v) shareholder tax and (vi) non-controlling interests
3 RoNAV	<ul style="list-style-type: none"> Defined as AHE divided by average Adjusted IFRS equity Adjusted IFRS Equity calculated as Group equity attributable to ordinary equity shareholders, excluding equity related to Residual plc and discontinued operations²
4 Free Surplus Generation	<ul style="list-style-type: none"> Defined as the difference between AHE and the amount of capital required by the businesses to grow in line with the Group's strategy Includes adjustments for non-fungible earnings and only includes Nedbank's contribution as a dividend
5 SAM Solvency Cover	<ul style="list-style-type: none"> Overall solvency assessment, calculated at an OML and OMLAC(SA) level

Supported by R1.0 billion of pre-tax run-rate cost savings by end 2019 net of costs to achieve³

- Headline earnings, defined by SAICA Circular 2/2015, adjusted for items that are not reflective of the economic performance of the Group.
- Adjusted IFRS Equity is calculated as total Group equity attributable to ordinary equity shareholders before adjustments related to consolidation of funds. It excludes equity related to Residual plc and discontinued operations and is further adjusted to recognise the equity attributable to the retained 19.9% interest in Nedbank from the 2015 financial year onwards. From the time of the Nedbank Unbundling, the equity attributable to Nedbank will be adjusted to remove the one-off fair value adjustment required under IFRS and the same adjustment will be applied when calculating RoNAV on an ongoing basis. The average Adjusted IFRS equity will be calculated on a quarterly basis for each reporting year.
- This will be based off the 2017 IFRS administrative cost base (as defined), and adjusted for inflation and FX over 2018 and 2019. Targeting costs to be managed within inflation thereafter.

RETURNS WILL BE SUPPORTED BY IMPROVED FOCUS ON COST AND CAPITAL ALLOCATION

FY2015 – FY2017 Group RoNAV (%)

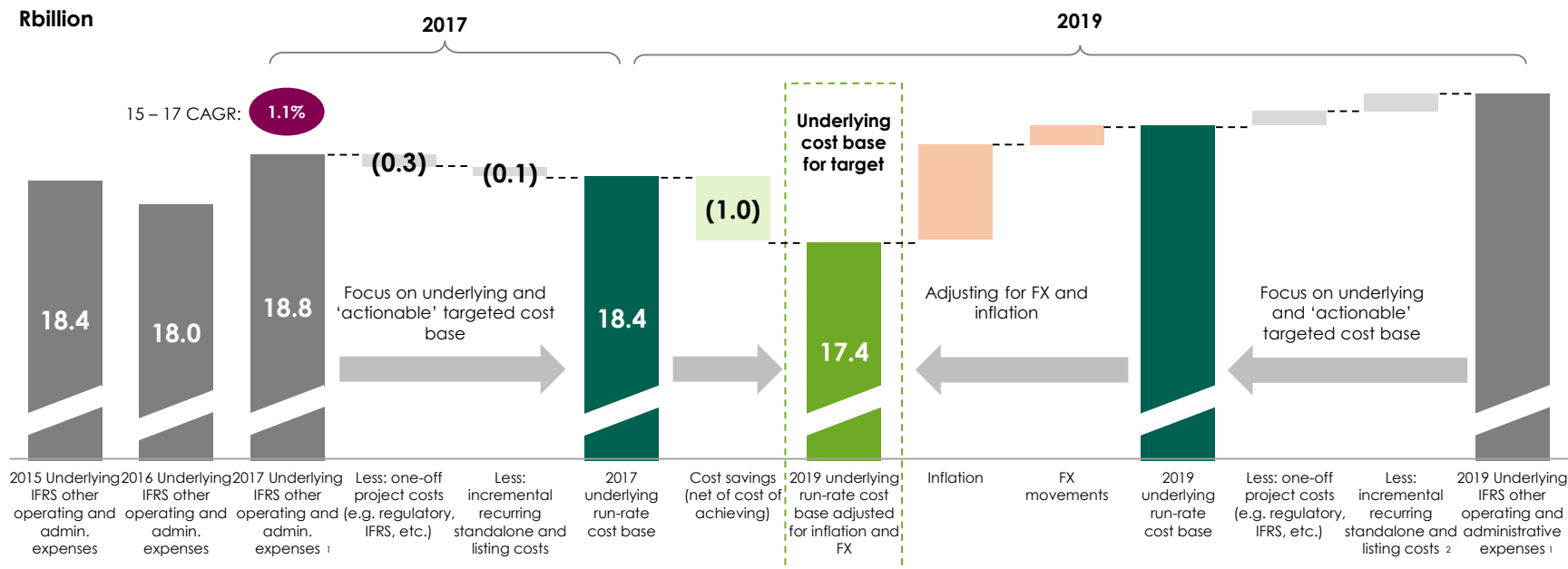


Revised Operating and Financial Model

- Fundamental multi-year (3 – 4) transformation of finance function, transitioning from a legal entity view to a segment approach to better reflect the balance sheet economics and levers to drive value
- Commence with introduction of new cost, customer and capital allocation methodologies from 2018:
 - **Central costs:** Costs incurred by the holding company alone
 - **Segment costs:** Costs allocated to each segment respectively
 - **Cost allocation:** IFRS 17 will impact on cost allocation to segments
 - **Capital allocation:** Segment methodology aligned with the new SAM regulatory regime and incoming IFRS 17

CONCEPTUAL ILLUSTRATION OF COST EFFICIENCY TARGET

R1.0 billion of pre-tax run-rate cost savings by end 2019, net of costs to achieve this. This will be based off the 2017 IFRS administrative cost base (as defined), and adjusted for inflation and foreign exchange movements over 2018 and 2019

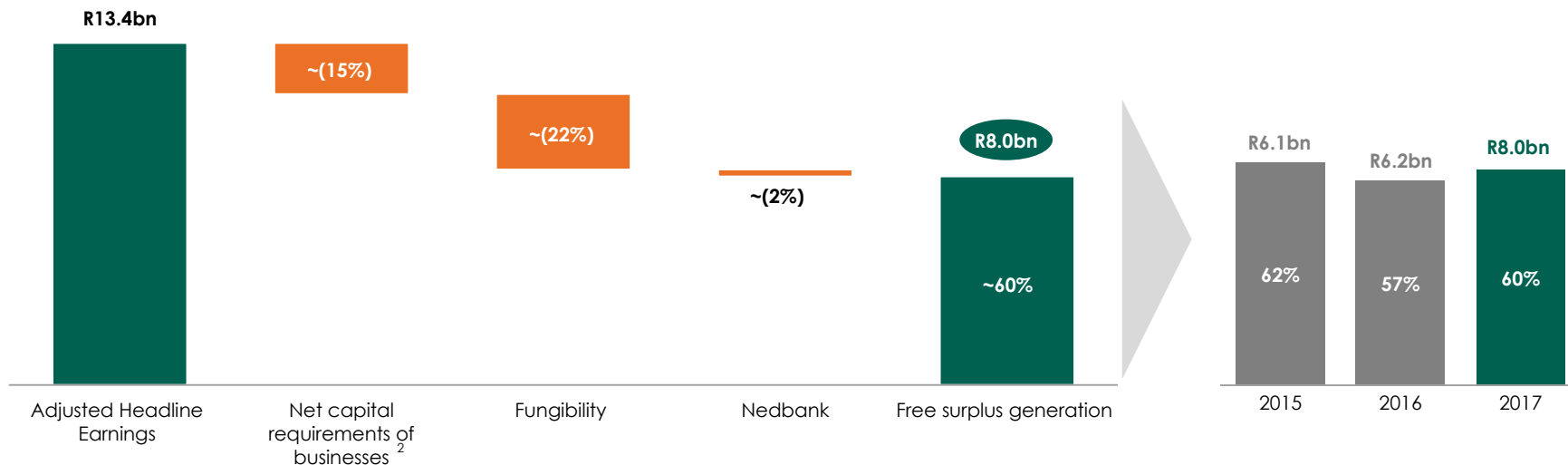


From 2020 onwards, targeting to manage cost base within inflation

HIGH CASH GENERATION BUT IMPACTED BY FUNGIBILITY CONSTRAINTS AND NEDBANK TREATMENT

2017 Free Surplus Generation¹
(Rbillion)

Free Surplus Generation as % of AHE:
FY2015 – FY2017



Post assumed 50% dividend payment, 10% of free cash flow retained within the business

OUR SOLVENCY & CASH GENERATION SUPPORTS A SUSTAINABLE DIVIDEND POLICY

- Target full year ordinary dividends covered by Adjusted Headline Earnings between **1.75 to 2.25 times**
- Target an **interim dividend at 40%** of the current year interim Adjusted Headline Earnings
- Any dividends will take into account:
 - Underlying local **cash generation**
 - **Fungibility** of earnings
 - Targeted **liquidity and solvency** levels
 - **Business strategy** needs
 - **Market conditions** at the time
- Dividends will be set using the **full flexibility of the cover range**
- OML may, from time to time, distribute additional returns to shareholders outside of the ordinary dividend cover, where it is determined that there is excess permanent capital in the business
- OML will declare dividends in **Rand** and conversion rates for non-South African shareholders based on **a rate determined by OML** with reference to the presiding exchange rates at the time which will be communicated before dividends are paid
- Malawi, Namibia and Zimbabwe in-country dividends funded from local operations

OUR FINANCIAL TARGETS

Returns	<ul style="list-style-type: none"> RoNAV¹ 	Average COE + 4% (weighted average COE)
Growth	<ul style="list-style-type: none"> Results from Operations 	CAGR of Nominal GDP + 2% over the three years to 2020 (nominal GDP growth is defined with reference to South Africa)
Efficiency	<ul style="list-style-type: none"> Cost efficiencies P&C 	<p>R1bn by end 2019 (pre-tax run-rate cost savings net of costs to achieve. Based off 2017 IFRS administrative cost base (as defined), adjusted for inflation & FX over 2018 & 2019)</p> <p>From 2020 onwards, targeting to manage cost base within inflation</p> <p>OM Insure underwriting margin of 4% - 6% in near term</p>
Capital	<ul style="list-style-type: none"> SAM solvency 	<p>OML²: 155% - 175% (post Nedbank Unbundling)</p> <p>OMLAC(SA)³: Greater than 200%</p> <p>OMLAC(SA)³ Insurance Business: 180% - 210%</p>
Cash returns	<ul style="list-style-type: none"> Dividend Cover⁴ 	Target full year ordinary dividends covered by Adjusted Headline Earnings between 1.75 to 2.25 times . Target an interim dividend at 40% of the current year interim AHE

1. "RoNAV" is defined as Adjusted Headline Earnings divided by average Adjusted IFRS equity. Adjusted IFRS Equity is calculated as total Group equity attributable to ordinary equity shareholders, less equity related to Residual plc and businesses classified as discontinued operations (Quilter and Nedbank), plus an adjustment to recognise the equity attributable to the retained 19.9% interest in Nedbank. The equity attributable to Nedbank is adjusted to remove the one-off fair value adjustment required under IFRS at the time of unbundling and the same adjustment will be applied when calculating RoNAV on an ongoing basis. The average will be calculated on a quarterly basis for each reporting year.
2. OML comprises multiple regulated financial services entities (OMLAC(SA), OM Insure, Nedbank). Nedbank assumed to be unbundled to 19.9%. Residual OM plc surplus is assumed not to be fungible.
3. OMLAC(SA) calculated using Standard Formula (per SAM).
4. Based on Adjusted Headline Earnings. Any dividends will take into account: underlying local cash generation, fungibility of earnings, targeted liquidity and solvency levels, business strategy needs, and market conditions at the time. Dividends will be set using the full flexibility of the range.

AGENDA FOR THE DAY

Welcome

Trevor Manuel

Our Investment Case and Battlegrounds

Peter Moyo

Our Group KPIs and
Operational Performance

Peter Moyo

Q&A with Executive Management

Peter Moyo & Executive Management

Coffee Break

Financial Review

Casper Troskie

Conclusion

Peter Moyo

Q&A

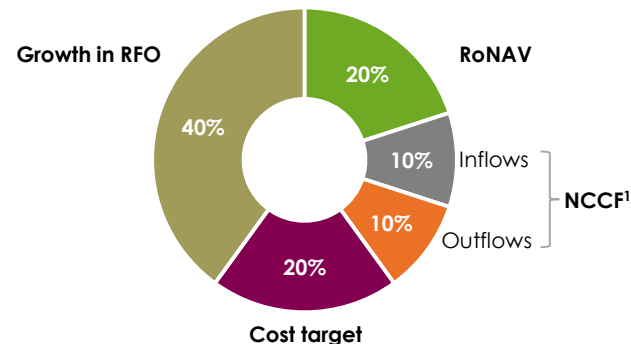
Lunch

REMUNERATION POLICY ALIGNED WITH SHAREHOLDERS INTEREST TO DELIVER VALUE

Overview

- **Objective:** Attract, retain, motivate critical talent through competitive reward that aligns employees' interests with shareholders
- **Remuneration Committee:** Four independent non-executive directors
- **Three core elements to remuneration framework:** Guaranteed package (including employee benefits); short term incentive ("STI"); long term incentive ("LTI")
 - Incentive plans, including targets, to be detailed in the 2018 Remuneration Report
- **Shareholder engagement** in amending and implementing our remuneration policies

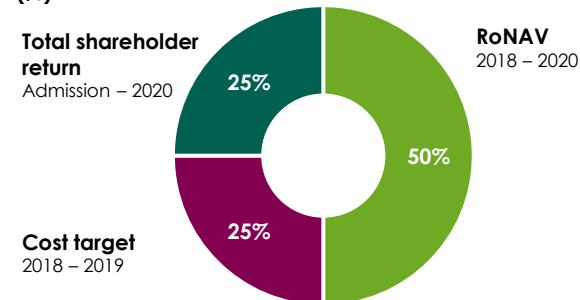
Short-term incentive plan weighting (%)



Share Plans (ESOP & LTIP)

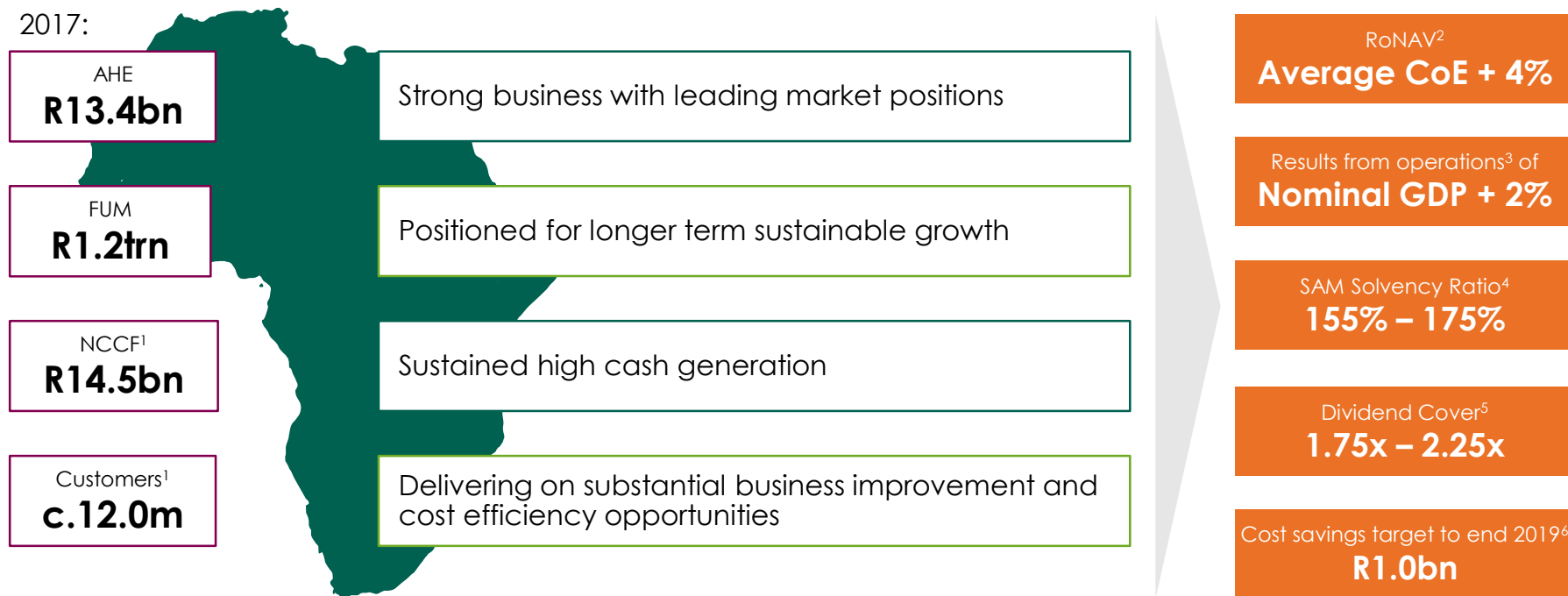
- **Employee Share Ownership Plan (ESOP):**
 - Delivering deferred bonus awards, on-appointment awards, retention awards for key talent in exceptional circumstances
 - No prospective performance conditions. Vesting subject to continued employment
- **Long Term Incentive Plan (LTIP):**
 - Delivering performance shares to senior employees, including executive directors

Long-term incentive plan weighting (%)



A COMPELLING INVESTMENT PROPOSITION

2017:



1. Figures do not include Nedbank.

2. "RoNAV" is defined as Adjusted Headline Earnings divided by average Adjusted IFRS equity. Adjusted IFRS Equity is calculated as total Group equity attributable to ordinary equity shareholders, before adjustments related to consolidation of funds. It excludes equity related to Residual plc and discontinued operations and is further adjusted to recognise the equity attributable to the retained 19.9% interest in Nedbank from the 2015 financial year onwards. From the time of the Nedbank Unbundling, the equity attributable to Nedbank will be adjusted to remove the one-off fair value adjustment required under IFRS and the same adjustment will be applied when calculating RoNAV on an ongoing basis. The average Adjusted IFRS equity will be calculated on a quarterly basis for each reporting year.

3. The Group is targeting to grow Results from Operations at a CAGR of Nominal GDP + 2% over the three years to 2020. Nominal GDP growth is defined with reference to South Africa.

4. The Standard Formula allows for, subject to Regulatory approval, certain methodology elections to be made. The estimated SAM Solvency positions are presented on the basis of the Group's preferred methodology which will, once the SAM framework is implemented, be formally presented for Regulatory approval. Excludes any residual plc NAV surplus. Based on current Nedbank shareholding.

5. Based on Adjusted Headline Earnings. Targeting an interim dividend of 40% of the current year interim Adjusted Headline Earnings. Any dividends will take into account: underlying local cash generation, fungibility of earnings, targeted liquidity and solvency levels, business strategy needs, and market conditions at the time.

6. R1.0 billion of pre-tax run-rate cost savings by end 2019, net of costs to achieve this. This will be based off the 2017 IFRS administrative cost base (as defined), and adjusted for inflation and FX over 2018 and 2019. Targeting costs to be managed within inflation thereafter.

Q & A

APPENDICES

ESTABLISHED BOARD WITH BROAD SECTOR AND PUBLIC MARKET EXPERIENCE

Continuing non-executive board members



Trevor Manuel (Chair)



Paul Baloyi



Peter de Beyer



Albert Essien



Itumeleng Kgaboesele



Ingrid Johnson
From 1 July 2018 to
at least 31 March 2019



Nosipho Molohe



Vassi Naidoo



Marshall Rapiya



Nombulelo Moholi

New non-executive board members



Thys du Toit



John Lister



**Sizeka
Magwentshu-Rensburg**



**Thoko Mokgosi-
Mwantembe**



James Mwangi



Ignatius Sehoole



Stewart van Graan

Executive board members



Peter Moyo
CEO



Casper Troskie
CFO from 27 March 2018



Ingrid Johnson
Acting OML CFO (to 27 March 2018)
OML Executive Director (until 30 June 2018)

AGREEMENT WITH THE ECONOMIC DEVELOPMENT DEPARTMENT

BEE

- 25% BEE ownership within 3 years after listing
- Within 5 years, OML BEE ownership of at least equal to that of its best empowered peer¹

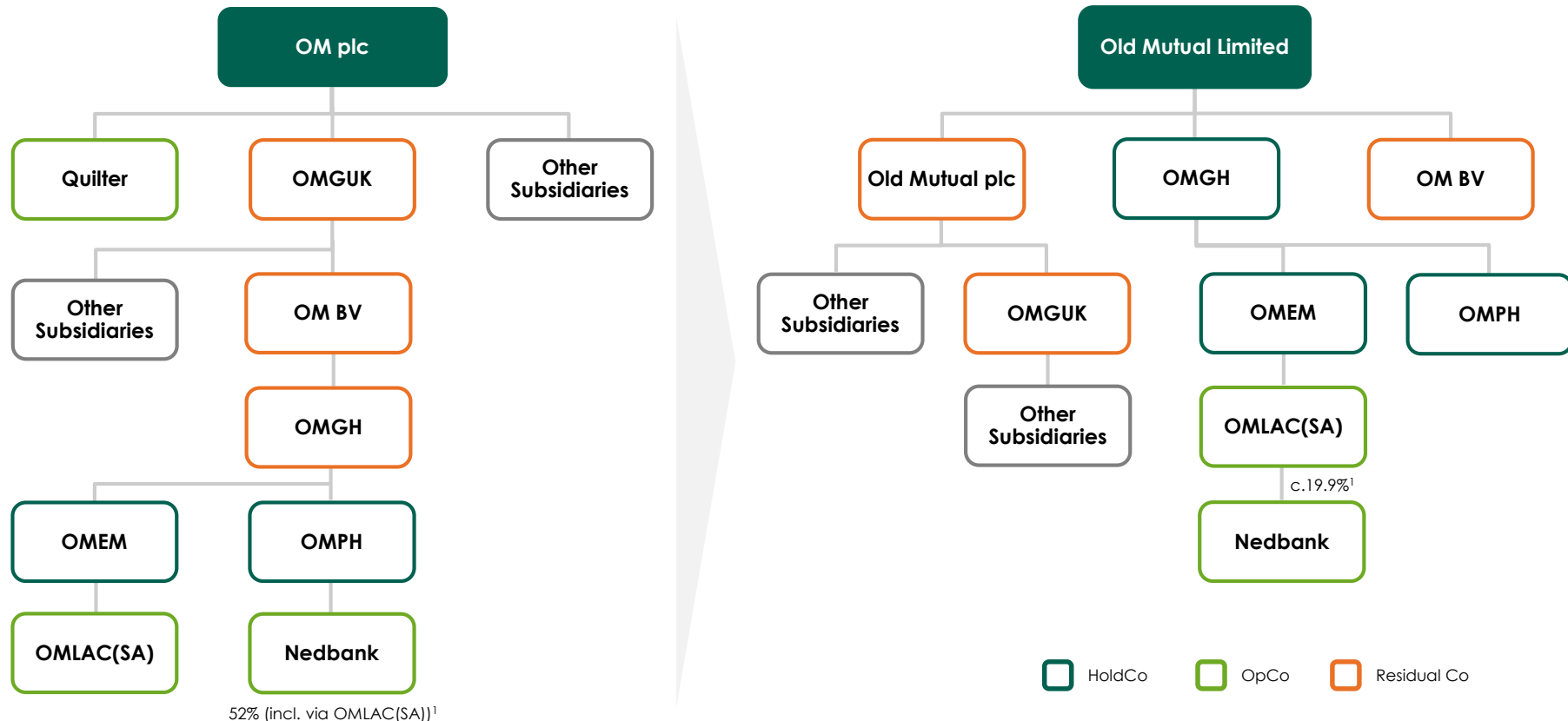
Employment Commitments

- No merger-related job losses
- Increase in the number of FTEs² within OML South Africa by no less than 50 people prior to listing

Enterprise Development Commitments

- R500m to be ring-fenced for a perpetual Enterprise Supplier Development Fund
- Any normal-course job losses to be compensated by new jobs created in the OML Ecosystem

NEW HOLDCO STRUCTURE PRE AND POST UNBUNDLING



HEADLINE EARNINGS TO IFRS RECONCILIATION

(Rmillion)	2015	2016	2017
Headline earnings	12,526	13,014	13,144
Impairment of goodwill and other intangibles ¹	(267)	(1,783)	(1,106)
Impairment of investments in associates	-	(557)	-
Profit/(loss) on disposal of subsidiaries, associated undertakings and strategic investments	(1,639)	399	2,081
Profit/(loss) after tax for the financial year attributable to ordinary equity holders of the parent	10,620	11,073	14,119
Dividends on preferred securities	474	278	253
Profit/(loss) after tax for the financial year attributable to equity holders of the parent	11,094	11,351	14,372

58 1. Mainly comprises goodwill impairment but also includes amounts related to impairment of fixed assets and profit on disposal of fixed assets and intangible assets.

RECON FROM AOP TO AHE

	(Rmillion)	2015	2016	2017
	AOP (pre-tax)	12,418	12,731	13,326
1	LTIR	(2,838)	(2,951)	(2,974)
2	Shareholder investment return	1,914	2,375	5,120
3	Amortisation of acquired intangible assets and acquisition costs	(362)	(351)	(221)
4	Impairment of intangible assets and fixed assets	(3)	67	23
5	Income from associates	2,155	2,282	2,346
	Adjusted Headline Earnings before tax and NCI	13,284	14,153	17,620
	Shareholder tax	(3,122)	(3,148)	(3,723)
	Non-controlling interest	(348)	(240)	(488)
	Adjusted Headline Earnings	9,814	10,765	13,409

- 1 Shareholder returns are no longer smoothed and actual returns are included to derive Adjusted Headline Earnings
- 2 Represents actual investment return on shareholder assets, net of costs to generate it
- 3 Non cash charge on acquired intangibles, e.g. OMF, UAP and Faulu
- 4 Non-cash charge on other intangibles and fixed assets
- 5 Add 19.9% minority shareholding in Nedbank – proportionate income earned from the investment in Nedbank

RESULTS FROM OPERATIONS RECONCILIATION BY SEGMENT

(Rmillion)	2017					2016				
	AOP (pre-LTIR and finance costs)	Investment return on insurance funds	Amortisation of acquired intangibles, etc.	Impairment of intangibles, etc.	Results from Operations	AOP (pre-LTIR and finance costs)	Investment return on insurance funds	Amortisation of acquired intangibles, etc.	Impairment of intangibles, etc.	Results from Operations
Recon of AOP to RFO by segment										
Mass and Foundation Cluster	3,165	-	(113)	-	3,052	3,058	-	(215)	-	2,843
Personal Finance	3,151	-	-	(1)	3,150	3,421	-	-	-	3,421
Wealth and Investments	1,623	-	(132)	(1)	1,490	1,592	-	(132)	1	1,461
Corporate	1,576	-	-	-	1,576	1,403	-	-	-	1,403
Old Mutual Insure	312	200	-	12	524	80	170	-	5	255
Rest of Africa	1,074	-	(6)	13	1,081	806	-	(7)	62	861
LatAm & Asia	609	-	-	-	609	611	-	-	-	611
Central expenses and admin costs	(536)	-	30	-	(506)	(662)	-	2	-	(660)
Total segmental result	10,974	200	(221)	23	10,976	10,309	170	(351) ¹	67 ¹	10,195

OUR CURRENT COST BASE IN CONTEXT OF COST EFFICIENCY LEADERSHIP

(Rmillion)	2015	2016	2017
Total other operating & administrative expenses	23,141	25,286	26,993
plc Head Office and Old Mutual Bermuda	(2,251)	(2,727)	(2,807)
Consolidation of funds	(137)	(528)	(515)
Elimination of transactions with discontinued operations	155	156	350
Emerging Markets operating and administrative expenses	20,908	22,187	24,021
Expenses excluded from underlying Emerging Markets cost base:			
Amortisation of acquired intangible assets	(394)	(354)	(252)
Impairment of goodwill and other intangible assets	-	(1,340)	(1,478)
Operational finance costs	(833)	(870)	(1,096)
Investment management expenses excluded from admin expenses	(1,306)	(1,625)	(2,173)
One-off business standalone costs	-	-	(237)
Underlying Emerging Markets operating and administrative expenses	18,375	17,998	18,785

Computation of cost base to reference measurement

- OML operating and admin expenses of R27bn
- Comprises items unrelated to core Emerging Markets business – Residual plc, OM Bermuda, Consolidation of Funds and Discontinued Operations
 - R1bn of pre-tax run-rate cost savings target by end 2019, net of costs to achieve, to be measured against Emerging Markets operational cost base which only includes items that can be directly influenced by management
- Resulting **R18.8bn admin cost base** before inflation
- 2017 Total other operating & administrative expenses of R26.9bn includes R11.1bn of staff costs