UBS EUROPEAN CONFERENCE

12 November 2013

Philip Broadley, Group Finance Director

INSURANCE | INVESTMENT | SAVINGS | BANKING

OLDMUTUAL

DISCLAIMER

This presentation may contain certain forward-looking statements with respect to certain of Old Mutual plc's plans and its current goals and expectations relating to its future financial condition, performance and results. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Old Mutual plc's control including amongst other things, international and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which Old Mutual plc and its affiliates operate. As a result, Old Mutual plc's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Old Mutual plc's forward looking statements. Old Mutual plc undertakes no obligation to update the forward-looking statements contained in this presentation or any other forward-looking statements it may make.

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AGENDA

- **Who is Old Mutual**
- **Overview of H1 2013**
- **Update on Q3 2013**
- **Strategy**
- **Conclusion & Summary**

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WHO IS OLD MUTUAL?

- Established in South Africa in 1845
- An international long-term savings & investments, protection and banking Group
- Businesses in Africa, the Americas, Asia and Europe
- Serving over 14 million customers
- Employing over 54,000 people
- AuM of £287 billion

EMERGING MARKETS
- South Africa
  - Mass Foundation
  - Retail Affluent
  - Corporate
  - OMIG
- Rest of Africa
- Latin America & Asia

PROPERTY & CASUALTY
- Mutual & Federal

BANKING
- Nedbank

OLD MUTUAL WEALTH

US ASSET MANAGEMENT

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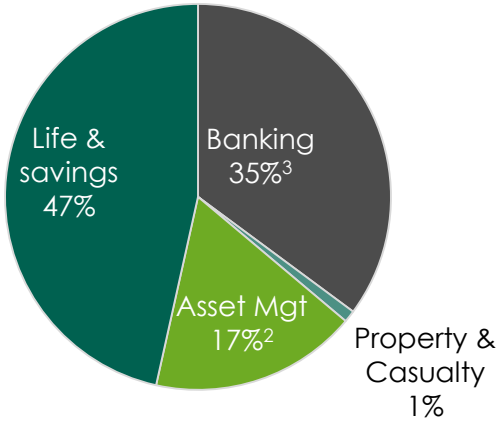
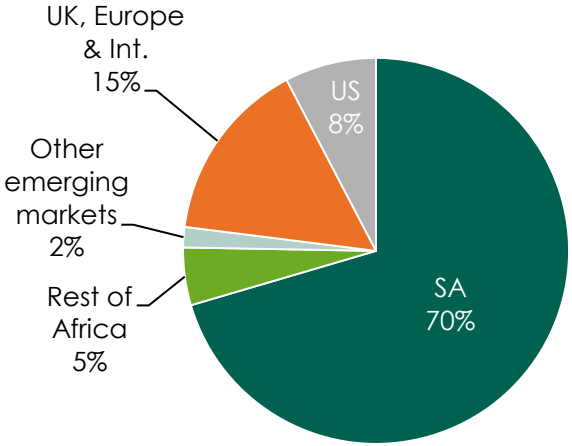
SNAPSHOT OF OLD MUTUAL'S BUSINESS[1]

H1 2013 AOP by line of business (pre-tax, post NCI)



H1 2013 AOP by geography (pre-tax, post NCI)



1. Core operations, excluding GHO net central costs
2. Includes USAM, OMGI and OMEM & Nedbank's asset management businesses
3. Includes Nedbank and OMEM's Zimbabwe CABS

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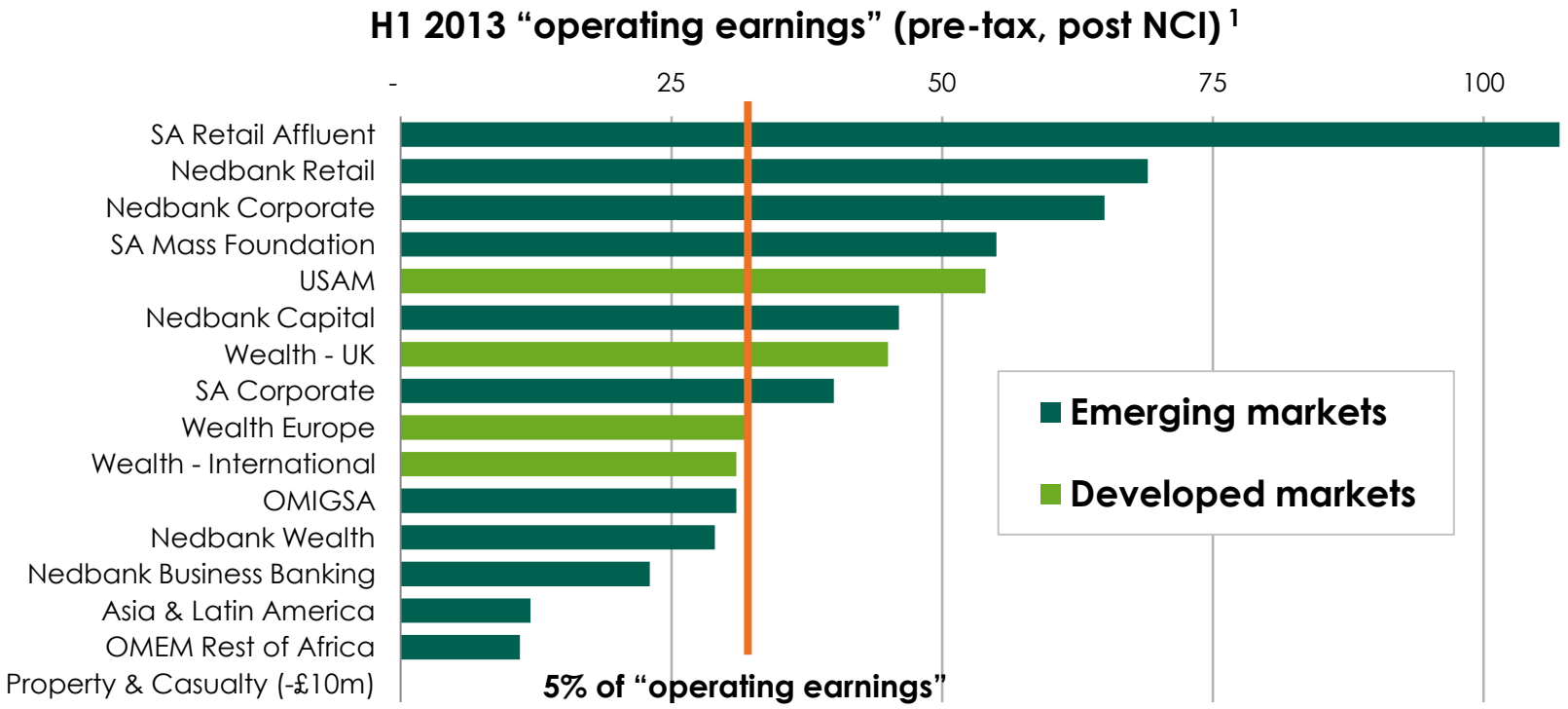
A DIVERSITY OF OPERATING EARNINGS (£m)



1. Excludes LTIR, Group Head Office and OMEM Central Costs and unallocated income in Nedbank

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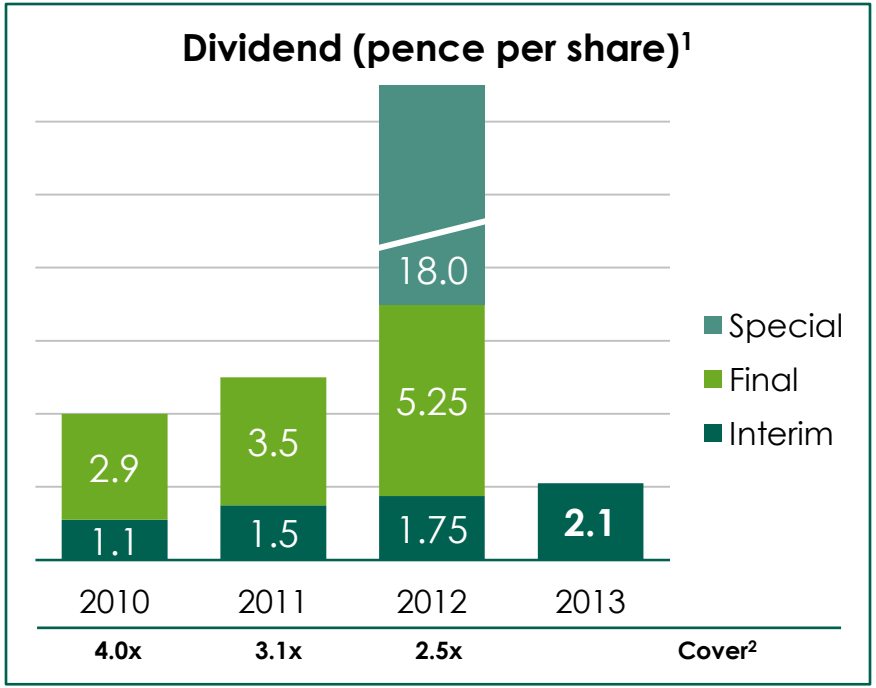
CASH RETURNED TO SHAREHOLDERS



- 2.1p per share interim ordinary dividend declared
- Paid on 31 October
- Progressive dividend policy
  - Targeting 2.25 times cover
  - Interim dividend set routinely at c.30% of prior year total dividend
- Dividend progression is supported by earnings and cash flow

1. Dividend is as paid, unadjusted for the share consolidation in 2012
2. Cover based on AOP EPS as reported at each year end; does not include any retrospective restatements

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Q3 2013: OPERATIONAL PERFORMANCE REMAINS STRONG

- **£6.5bn gross sales (Q3 2012: £5.9bn)**

  - continued shift from traditional insurance to modern investment products

- **£2.6bn NCCF[1] (Q3 2012: £0.8bn outflow):**

  - represents 4% of opening funds under management (on an annualised basis)

- **Third consecutive quarter of positive NCCF across all core businesses**

- **Funds under Management[1] up 14%[2] in year to date: now at £287.5bn**

- **FGD Surplus of £2.3bn with statutory cover of 174%**

- **Plc cash of £0.6bn, announced debt tender offer up to £175m – in line with our debt repayment target of £1.7bn (£1.5bn already achieved)**

1. Core operations
2. Constant currency basis

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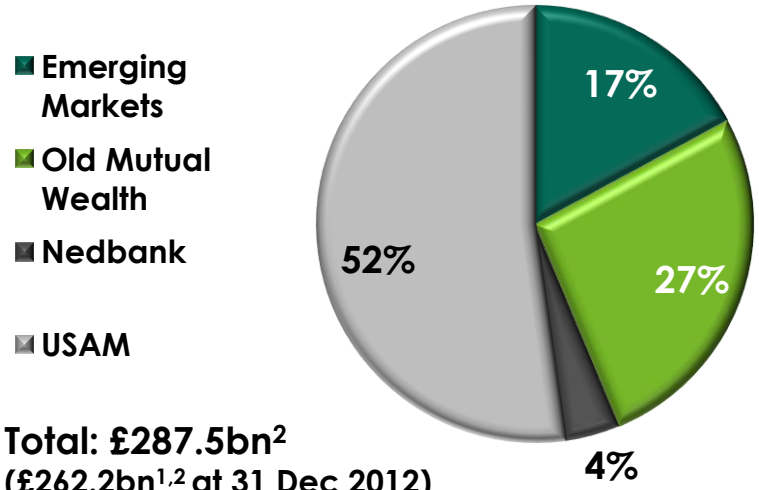
GROUP OVERVIEW: Q3 NCCF & FUM

Net Client Cash Flow (£bn)		
	Q3 2012[1]	**Q3 2013**
Emerging Markets	(0.2)	**0.3**
Old Mutual Wealth	0.5	**0.6**
Nedbank	0.5	**0.2**
US Asset Management	(1.6)	**1.5**
Group core operations	(0.8)	**2.6**

Funds under Management at 30 Sept 2013



Total: £287.5bn[2]
(£262.2bn[1,2] at 31 Dec 2012)

1. As reported
2. Includes £0.2bn of FuM for Property & Casualty

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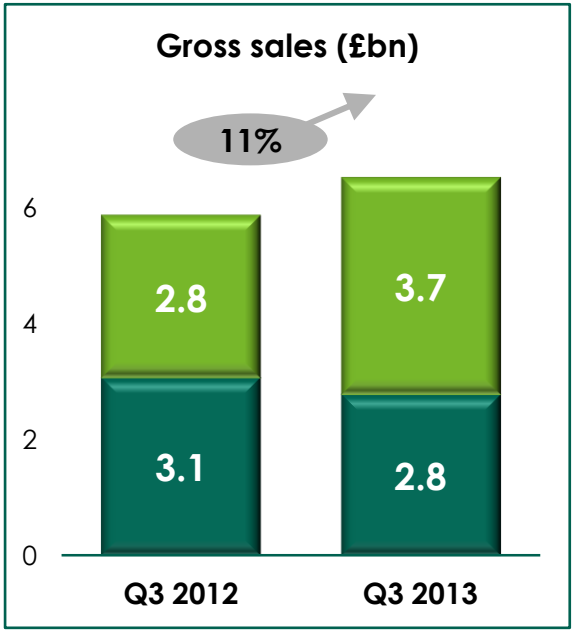
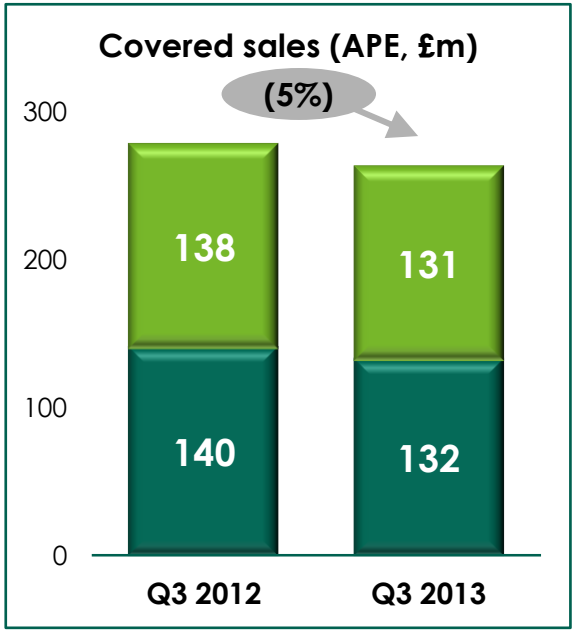
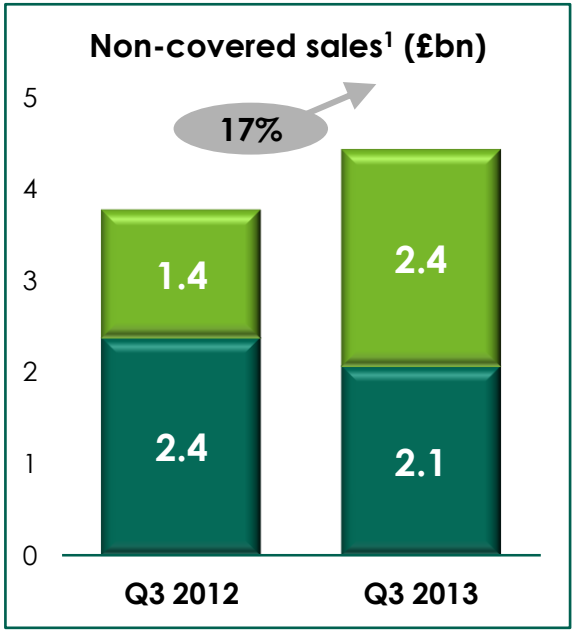
GROUP OVERVIEW: SALES (Q3)







Old Mutual Wealth
Emerging Markets[2]

1. Non-covered sales include unit trust/mutual fund sales as well as other non-covered sales
2. From Q1 2013 sales by the Asian businesses (India & China) have been disclosed as covered APE sales rather than non-covered sales; comparatives have not been restated

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NEDBANK: Q3 TRADING UPDATE

	Q3 YTD 2012	**Q3 YTD 2013**	Change
Net interest income (Rm)	14,523	**15,725**	8%
Net interest margin	3.52%	**3.58%**	6 bps
Credit loss ratio	1.02%	**1.15%**	(13 bps)
Non-interest revenue (Rm)	12,403	**14,166**	14%
Total assets (Rbn)	687[1]	**731**	8%[3]
Common equity tier 1 ratio[2]	10.9%	**11.6%**	70 bps

1. As at 31 December 2012
2. 2013 based on Basel III capital criteria; 2012 based on Basel 11.5 capital criteria
3. Annualised

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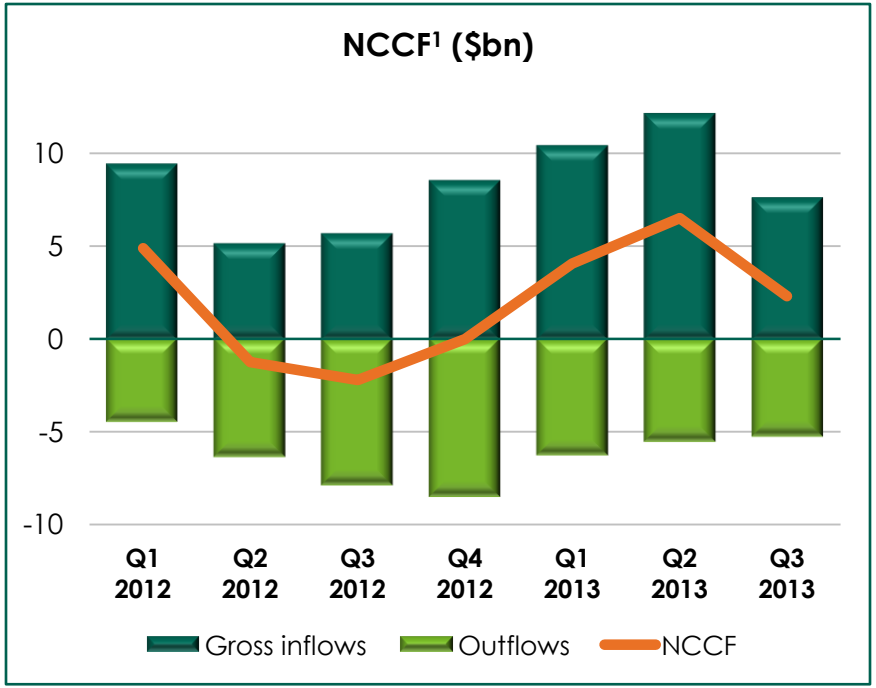
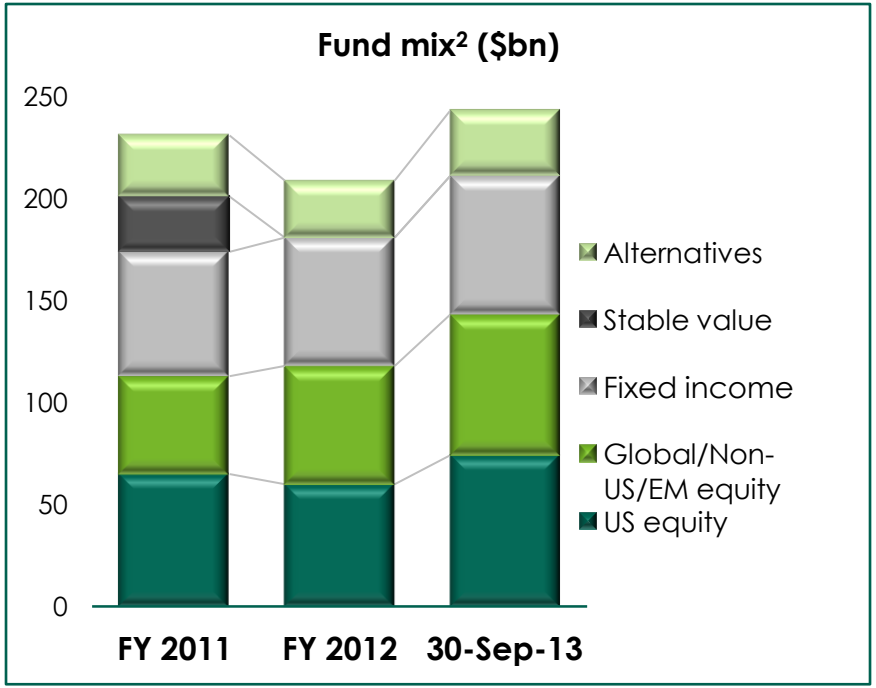
US ASSET MANAGEMENT





1. Continuing business; excludes affiliates disposed of/sold/held for sale and OMAM UK which has been transferred to Old Mutual Wealth
2. As reported: includes affiliates disposed of/held for sale

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STRATEGY FOR GROWTH

Emerging Markets	Expanding in growth markets of **South Africa**
	Expanding footprint in **Africa** & selected other emerging markets
Developed Markets	Growing **Old Mutual Wealth**
	Improving & growing **US Asset Management**
Group Wide	Unlocking value through efficiency & appropriate simplification

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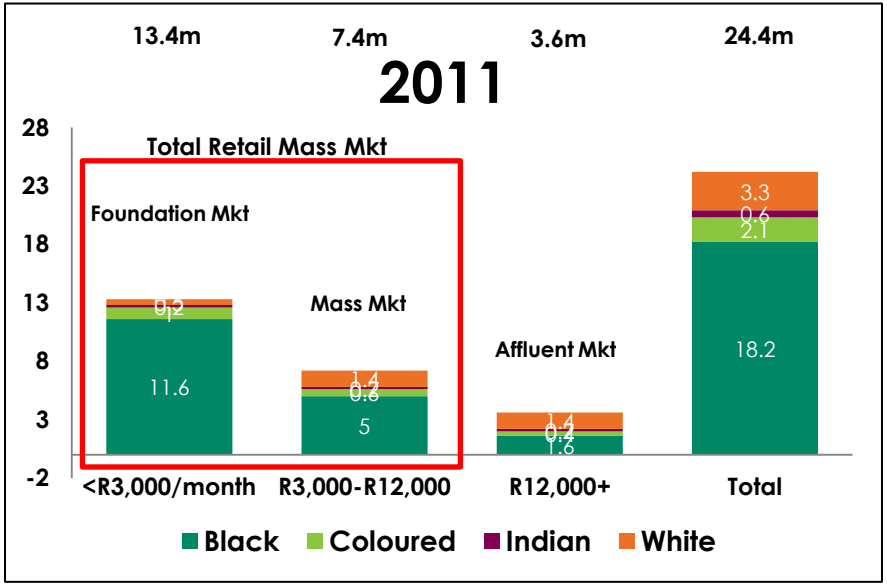
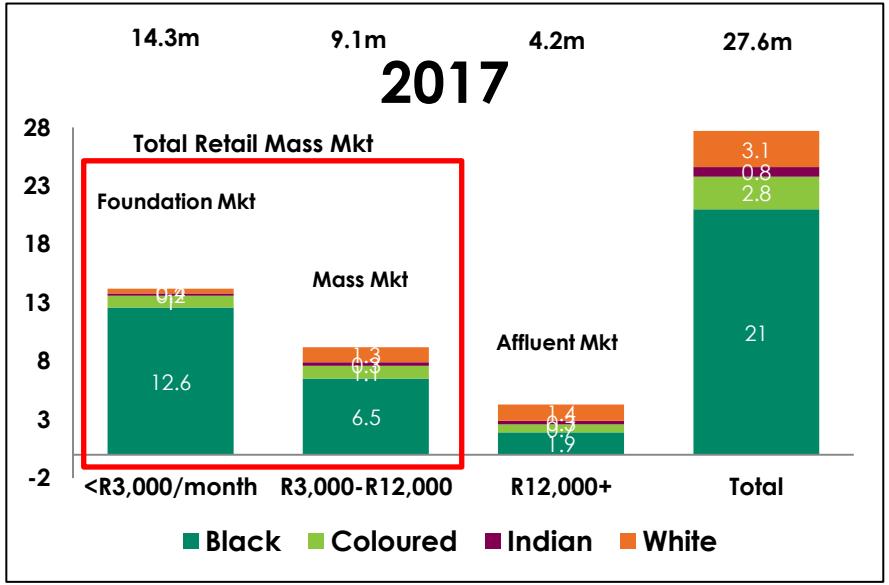
POPULATION OF SOUTH AFRICA BY INCOME LEVEL/RACE[1] (# PERSONS, 'M)[1]





- The total population of South Africa in 2012 was 51.1m[2]

1. Source: Deutsche Bank, ASSA, AMPS (All Media Product Survey).
2. Source: Population Reference Bureau, 2012 World Population data sheet.

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MASS FOUNDATION BUSINESS – WELL POSITIONED FOR GROWTH

- >2 million customers (500k added between 2009 and 2012) – largest market share
- Successful tied agency and worksite/local community distribution as well as OM Finance branch network – competitive advantage
- Simple products – protection (funeral plans) and goal-based savings
- Long-term revenue growth of 15% p.a.

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FOUNDATION MARKET CUSTOMER

Name: Maria Modipa

Age: 40

Current Financial Products: Bank account, Funeral cover through a Burial Society

Market Overview

- High potential market segment
- Customers have hopes and dreams for a better quality of life.
- There is a strong sense of community and extended family support and obligations.

Customer Detail

- Domestic worker earning R2,500 per month
- Lives in an informal settlement and has 3 children
- Ambitions beyond being a domestic worker
- Member of church burial society as important to have a dignified funeral
- Wants to save for her children's education
- Wants protection for herself and her savings
- Community meeting at the church hall where an old mutual advisor will provide information on financial matters in the local language

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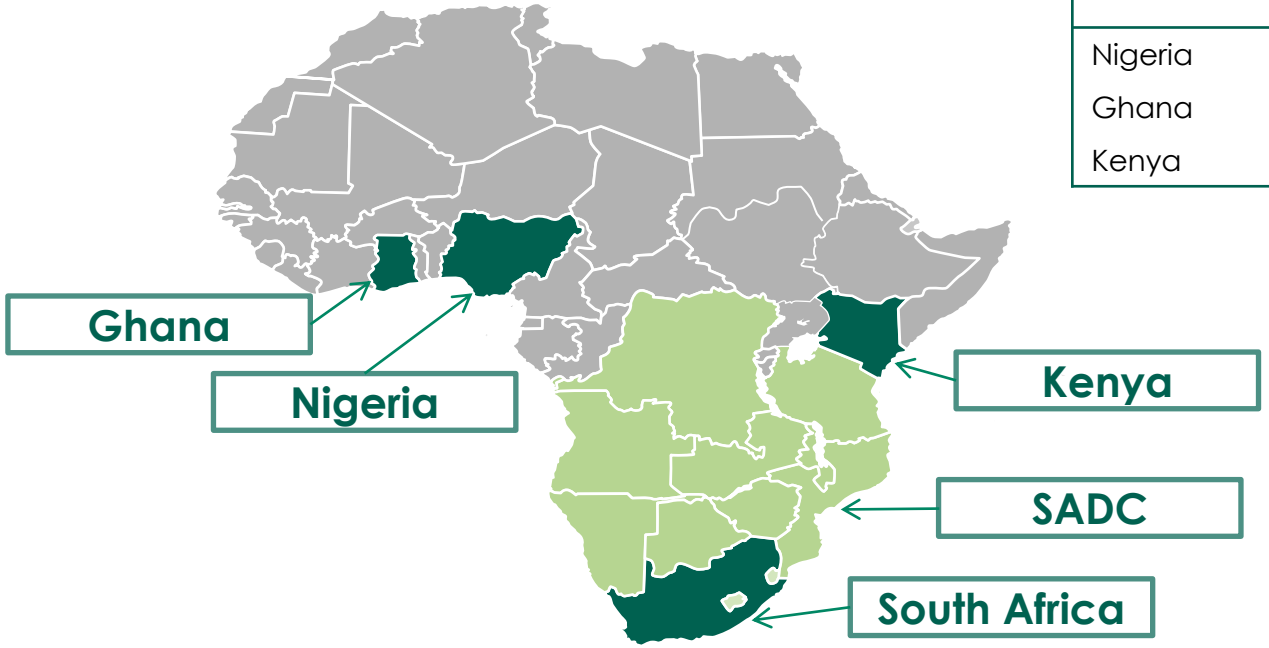
EXPANSION IN AFRICA: A KEY DIFFERENTIATOR



	Population[1]	Estd. GDP growth 2012-2017[2]
Nigeria	170m	5.1%
Ghana	26m	4.5%
Kenya	43m	4.0%

1. Source: Population Reference Bureau, 2012 World Population data sheet
2. Source: Ernst & Young Africa Attractiveness Survey 2013

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EXPANSION IN AFRICA: PROGRESS MADE IN 2013

Nigeria

- Completed acquisition of **Oceanic Life**: gaining new customers under Old Mutual brand
- Acquired[2] a majority stake in Ecobank's property & casualty business

Ghana

- Acquired a majority stake in **Provident Life Assurance Company**
- Life & investment products
- Customer base mostly retail mass

Kenya

- Acquiring[1] a majority stake in **Faulu Kenya**
- Extensive retail distribution network
- Customer base has similar demographic to Mass Foundation market in SA

Mozambique

- Nedbank acquiring[1] a 36.4% stake in **Banco Unico**
- Innovative banking product, including mobile banking applications

Total spent[1] R925m (incl Nedbank); R700m of OMEM's R5bn allocation

1. Subject to regulatory approval
2. Subject to final completion

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OLD MUTUAL WEALTH PROFIT[1] TARGET MATRIX

Operating Margin %[2]

FUM £bn	20	30	40	50
60	100	150	200	250
70	125	175	240	300
80	140	200	275	350
90	150	225	300	375
100	175	250	350	425

2015 targets:

- AOP - £300m
- ROE – 12-15%
- Operating Margin – 40%

H1 2013:

- AOP - £108m
- FUM - £75bn
- Operating Margin – 36%

- "Invest & Grow" markets key to future growth:
  - Vertically integrated wealth management business; cross-border International business

1. IFRS AOP pre-tax profit (£m)
2. Operating margin defined as: IFRS AOP pre-tax divided by net revenues (gross revenues less external commission).

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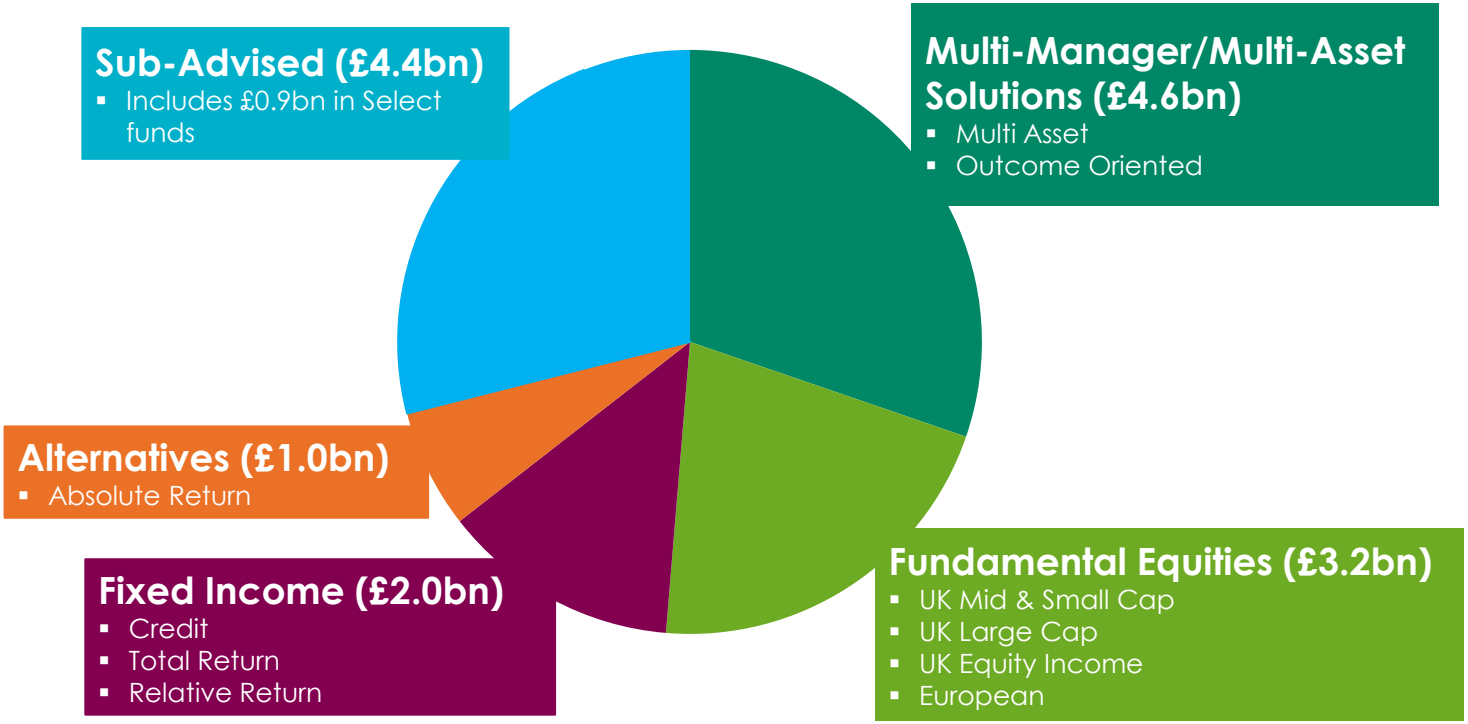
STRONG ASSET MANAGEMENT CAPABILITY[1]…



1. Total FUM of £15.2bn by asset class as at 30 September 2013 (start manager basis)

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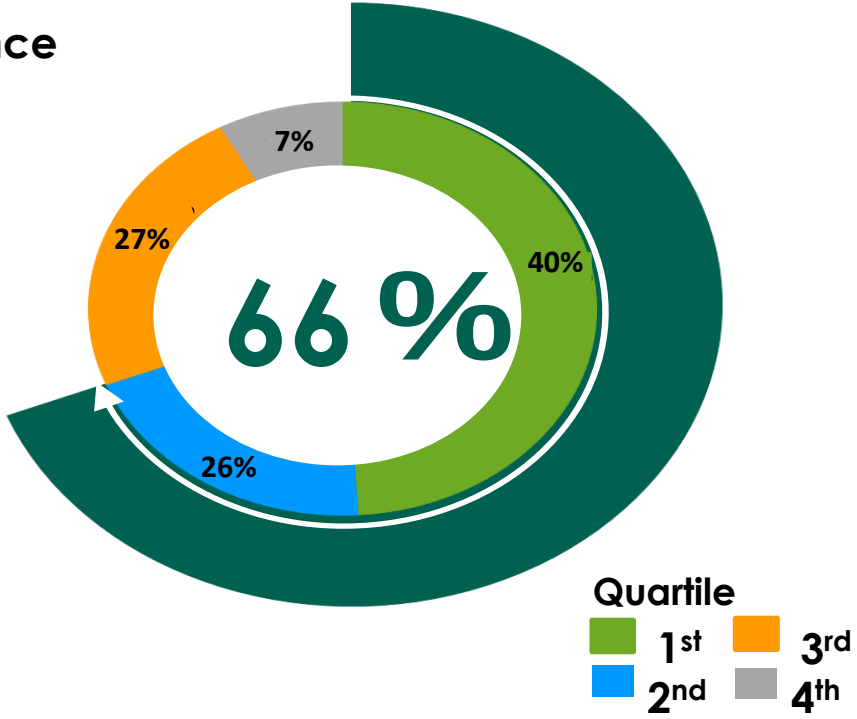
...WITH SUPERIOR INVESTMENT PERFORMANCE[1]

3 year mutual fund investment performance

- 40% of funds in First Quartile
- 66% of funds above Median
- Credible offering to UK advisers
- Provides the basis for attractive revenue levels and economics
- Virtuous circle of performance and attracting talent



1. Performance weighted by AUM over 3 years to 30 September 2013. Excludes Hedge funds and Mandates and funds where no Peer group defined.

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...ATTRACTING TOP INVESTMENT TALENT

RICHARD BUXTON
HEAD OF UK EQUITIES

STRONG LEADERSHIP FROM AWARD-WINNING FUND MANAGERS

EXCEPTIONAL LONG-TERM PERFORMANCE

PROVEN, FUNDAMENTAL-DRIVEN PROCESSES

UK MID AND SMALL CAP TEAM

DANIEL NICKOLS
OLD MUTUAL UK SMALLER COMPANIES FUND

RICHARD WATTS
OLD MUTUAL UK MID CAP FUND

LUKE KERR
OLD MUTUAL UK DYNAMIC EQUITY FUND

ASHTON BRADBURY
OLD MUTUAL UK SPECIALIST EQUITY FUND

UK LARGE CAP TEAM

RICHARD BUXTON
OLD MUTUAL UK ALPHA FUND

ERROL FRANCIS
OLD MUTUAL UK ALPHA FUND

SIMON MURPHY
OLD MUTUAL UK EQUITY FUND

STEPHEN MESSAGE
OLD MUTUAL UK EQUITY INCOME FUND

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RESTRUCTURING HAS POSITIONED THE BUSINESS FOR GROWTH

Evolution of USAM

Key Business Metrics

	YE 2010	H1 2013 YTD	Q3 2013 YTD
Number of Affiliates	18	9	9
AUM ($bn)	258	230	243
NCCF ($bn)	(18)	11	13
AOP Post-MI ($m)	111	84	-
Operating Margin (Pre-MI) [1]	18%	33%	-

Restructuring Actions Taken Since 2011

- Focused Affiliate base around "What We Stand For":
  - Divested US mutual fund business (sub-advisory mandates retained)
  - Merged UK retail business into Old Mutual Wealth Management
  - Divested non-active manager
  - Completed MBOs of six managers
- Reduced Holding Company Expense
  - Aligned staffing structure with Affiliate base
  - Outsourced certain functions, including USAM Trust Company
- Executed Global Distribution Initiative

1. H1 2013 figure reflects equity method accounting for Heitman; 2010 figure has not been restated to reflect this adjustment; H1 2013 consolidated figure would have been 31%.

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AFRICA SHOWCASE

Cape Town, 4-6 December 2013

OM Emerging Markets, Nedbank,
Property & Casualty (incl. M&F)

To register for this event please email omg-ir@omg.co.uk

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SUMMARY

- Continued momentum in Q3
- Good financial performance
- Continued to build our business in emerging and developed markets
- Right shape, right markets, right strategy
- Continued delivery of growth and shareholder value

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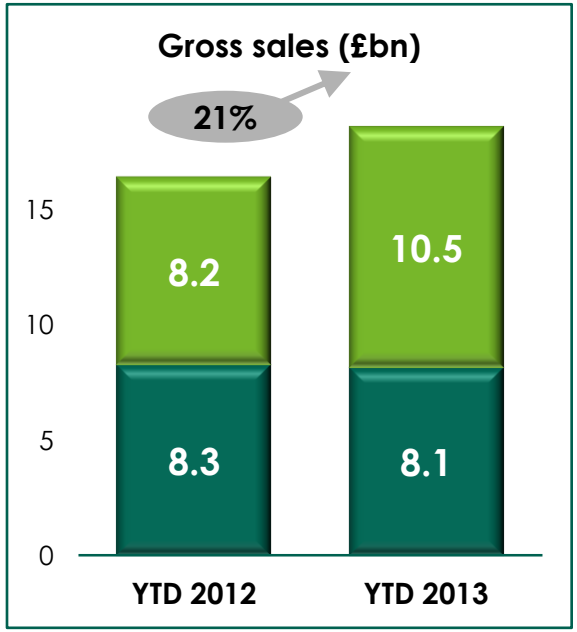
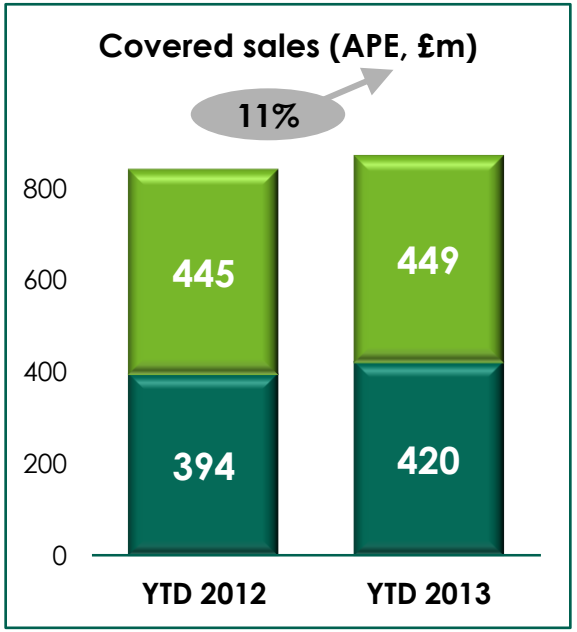
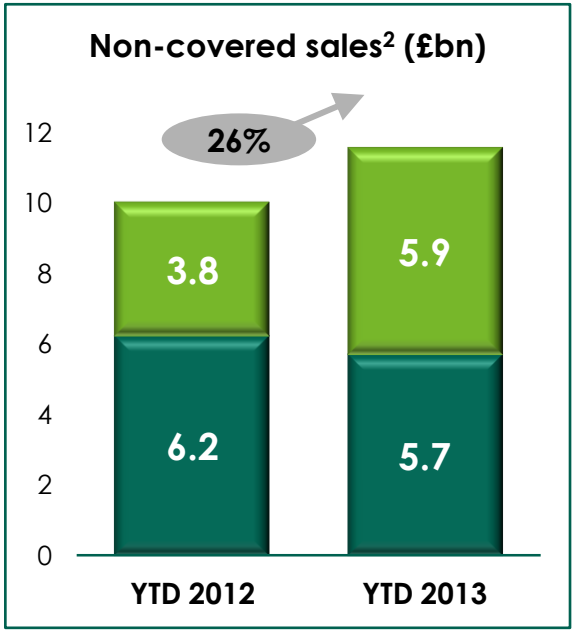
Q&A

APPENDIX

GROUP OVERVIEW: SALES[1] (Q3 YTD)







Old Mutual Wealth[3]
Emerging Markets[4]

1. Sales for the 9 months to 30 September: % changes are shown on a constant currency basis
2. Non-covered sales include unit trust/mutual fund sales as well as other non-covered sales
3. From Q2 2012 OMAM(UK) has been reported within OMW rather than USAM; comparatives have not been restated
4. From Q1 2013 sales by the Asian businesses have been disclosed as covered APE sales rather than non-covered sales; comparatives have not been restated

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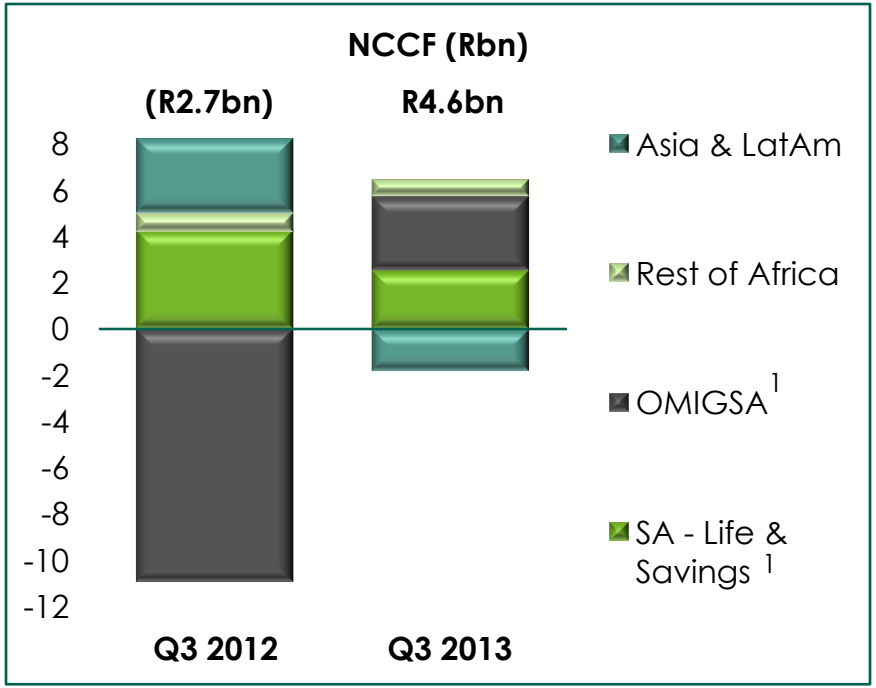
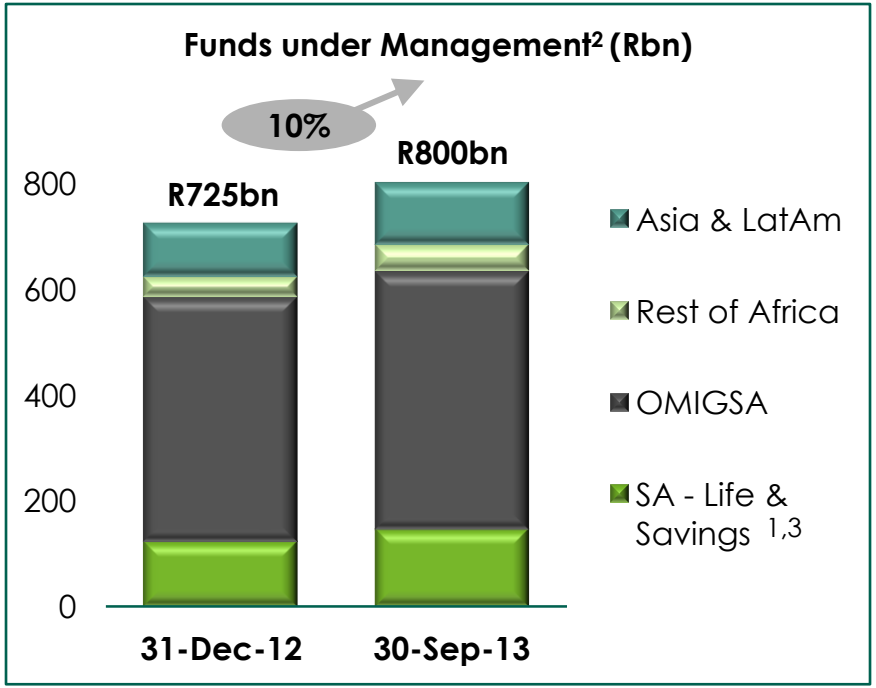
EMERGING MARKETS: Q3 NCCF & FUM





1. From Q4 2012 Symmetry has been reported within SA – Life & Savings (Retail Affluent) rather than OMIGSA
2. Stated on an end manager basis; OMIGSA includes funds managed on behalf of other Emerging Markets businesses
3. Includes shareholder FuM (31 Dec 2012: R29.2bn, 30 Sep 2013: R32.3bn)

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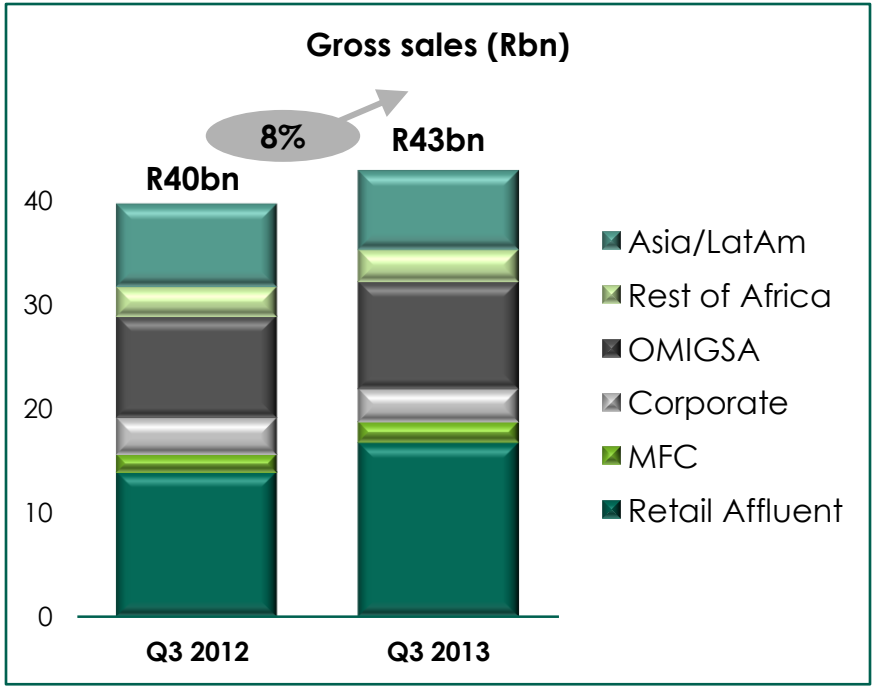
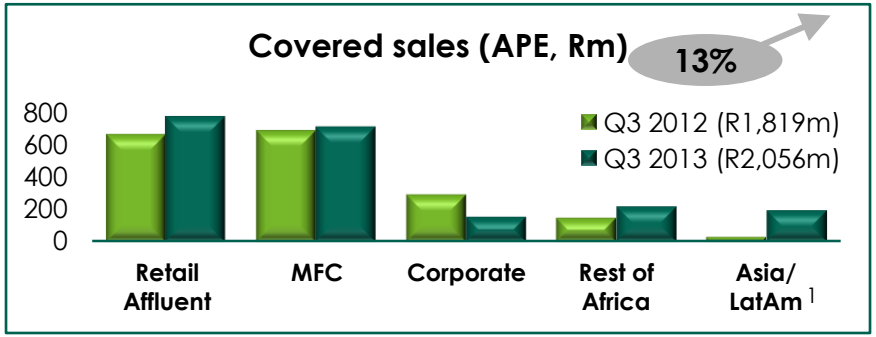
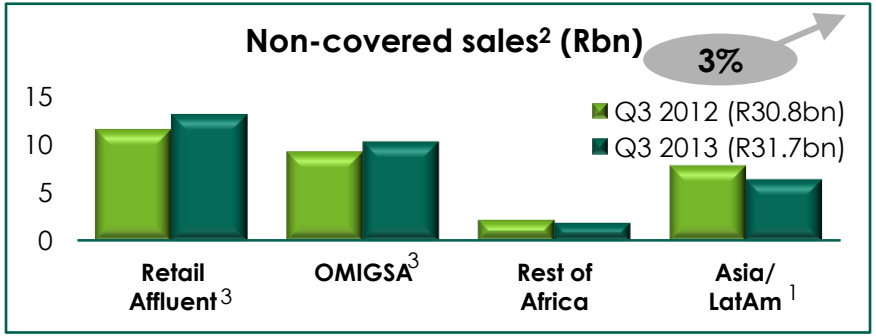
EMERGING MARKETS: Q3 SALES







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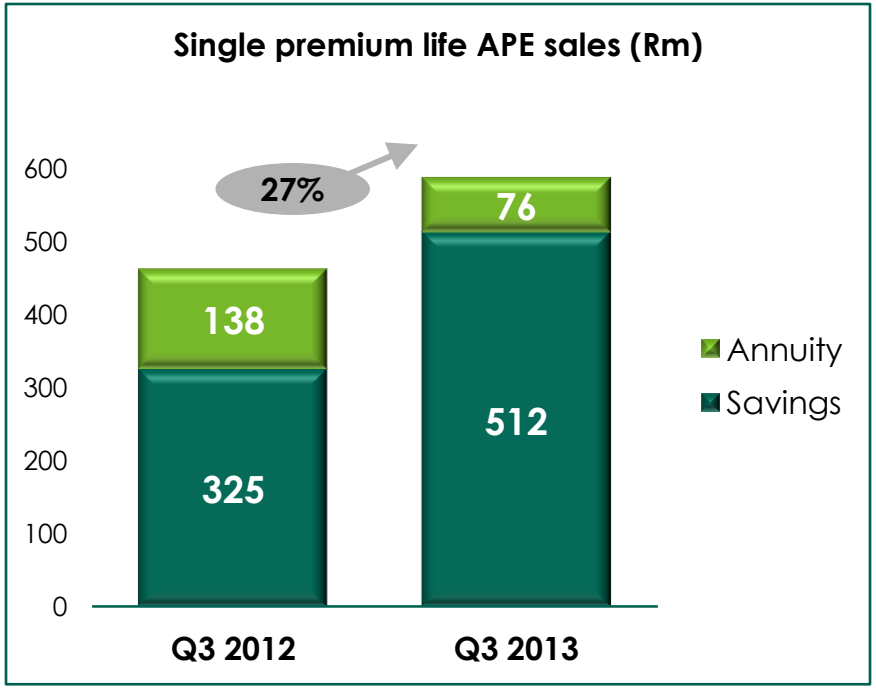
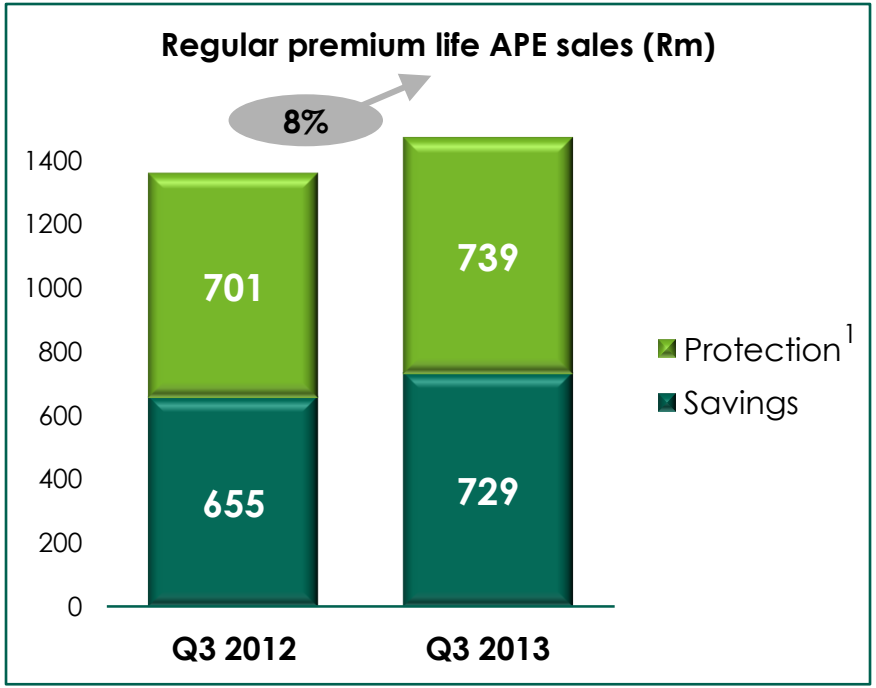
EMERGING MARKETS: Q3 LIFE APE SALES





1. OMF credit life sales are included within protection sales

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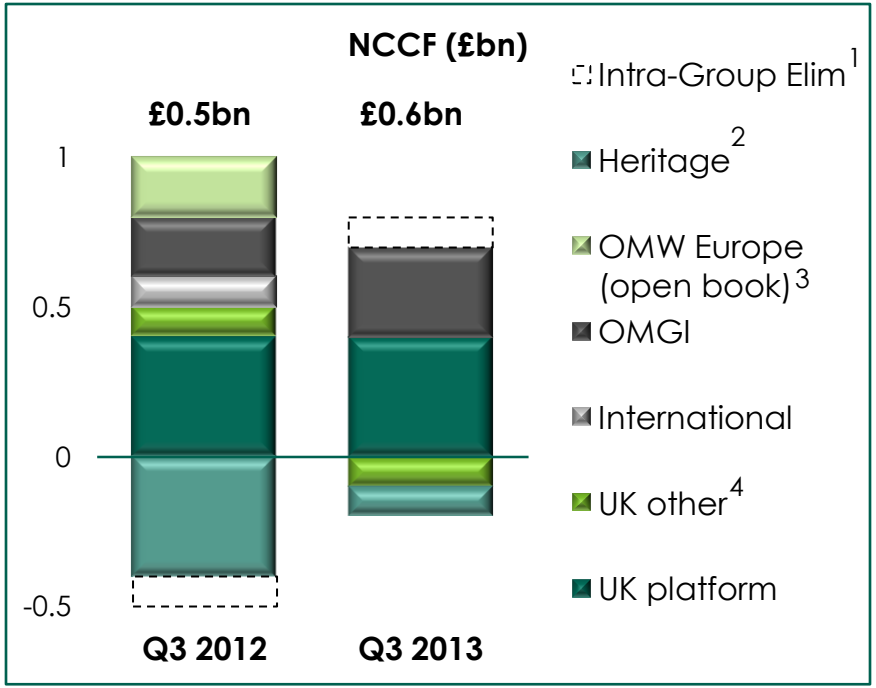
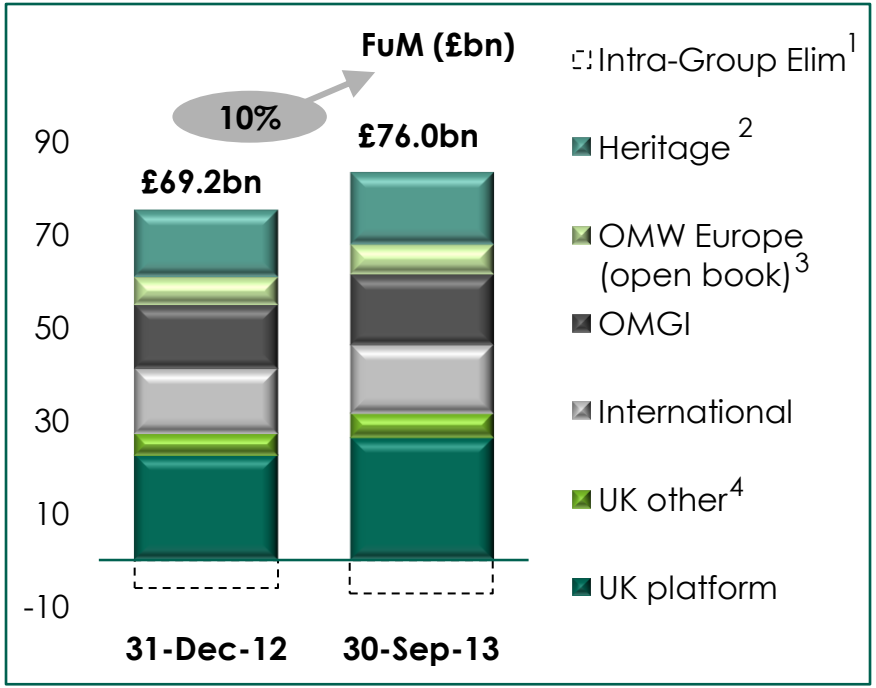
OLD MUTUAL WEALTH: Q3 NCCF & FUM





1. Assets and flows managed by OMGI on behalf of other Old Mutual Wealth businesses
2. Includes UK Heritage and OMW Europe closed book (Germany, Austria and Switzerland)
3. Includes business written in France, Italy and Poland
4. Includes Protection, Series 6 pensions and UK Institutional business

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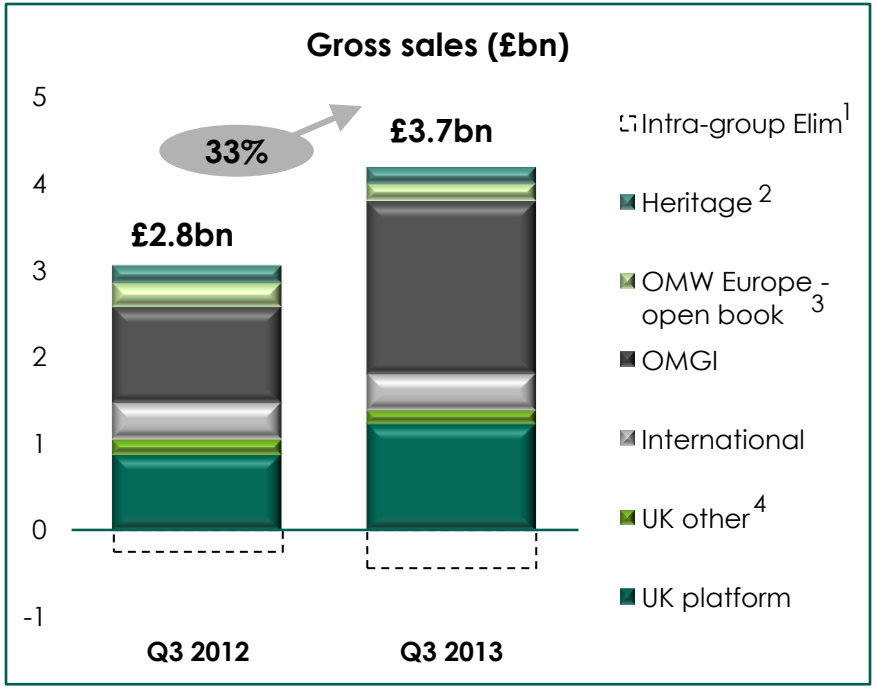
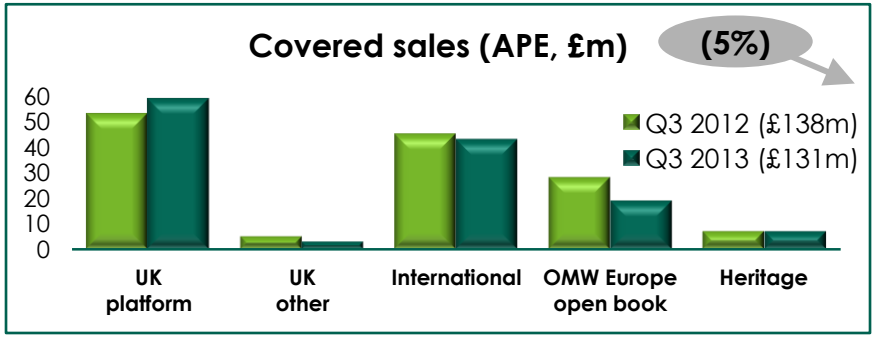
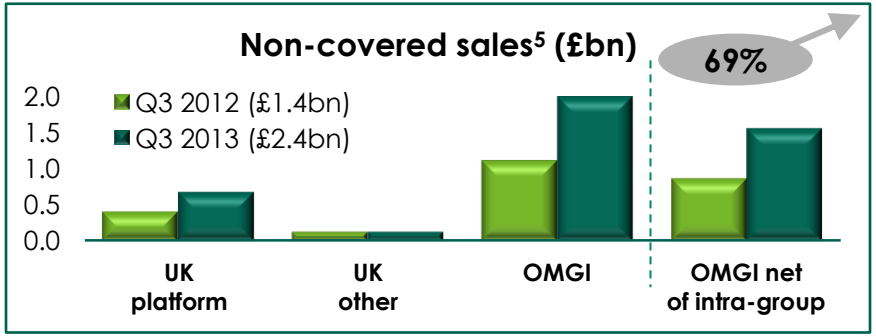
OLD MUTUAL WEALTH: Q3 SALES







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2. Includes UK Heritage and OMW Europe closed book (Germany, Austria and Switzerland)
3. Includes business written in France, Italy and Poland
4. Includes Protection, Series 6 pensions and UK Institutional business
5. Includes £1m Heritage (Q3 2012: £3m) and £10m OMW Europe – open book (Q3 2012: £8m)

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STRONG OPERATING PROFIT (£m)

	H1 2013	Change in const.curr[1]
Emerging Markets	**290**	13%
Nedbank	**387**	8%
Property & Casualty	**10**	(63%)
Old Mutual Wealth	**108**	14%
US Asset Management	**54**	26%
Business unit AOP[2]	**849**	**9%**
Finance costs	**(46)**	39%
Other[3]	**(2)**	33%
AOP pre-tax and NCI	**801**	**14%**
Taxation	**(207)**	(11%)
Non-controlling interests	**(146)**	1%
IFRS AOP post-tax and NCI	**448**	**22%**

1. Comparatives have been restated to reflect accounting policy changes required by IAS 19 and IFRS 10, as well as the allocation of 100% of iWyze to Property & Casualty (previously 50% to OMEM)
2. Business unit AOP is pre-tax and NCI
3. Includes LTIR on excess assets, interest payable to non-core operations, corporate costs & other expenses

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GENERATION OF FAVOURABLE RETURNS

	H1 2012	H1 2013
Return on Equity		
Emerging Markets[1,2]	23%	**24%**
Nedbank (exc. goodwill) – as published	15.8%	**16.1%**
Property & Casualty[1,3]	12%	**4%**
Old Mutual Wealth[4]	14%	**15%**
USAM[3]	12%	**15%**
Group ROE[5]	13.0%	**13.7%**

USAM operating margin - continuing operations, post-NCI[6]	29%	**29%**

1. Comparatives re-stated to reflect allocation of 100% of iWyze to Property & Casualty (previously 50% to OMEM)
2. OMSA, ROA and Asia calculated as return on allocated capital; Latin America calculated as return on average equity
3. IFRS AOP (post-tax and NCI) divided by average shareholders' equity
4. IFRS AOP (post-tax) divided by average shareholders' equity, excl. goodwill, PVIF & other acquired intangibles
5. Core business IFRS AOP (post-tax) divided by average ordinary shareholders' equity
6. Comparative restated to reflect the adoption of equity accounting for Heitman, as now required by IFRS 10

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PROFITS EQUALS CASH (£m)

H1 2013	AOP (post-tax & NCI)	Net free surplus generated	BU remittance[1]	% of AOP converted into BU remittance
Emerging Markets	205	193	40[2]	**20%**
Nedbank	153	75[3]	75	**49%**
Property & Casualty	5	10	16	**320%**
Old Mutual Wealth	88	115	1	**1%**
USAM	41	67	69	**168%**
H1 2013 before GHO & finance costs	**492**	**460**	**201**	**41%**
H1 2012 before GHO & finance costs	508	457[4]	315[4]	62%

93% conversion of AOP into free surplus (90% in 2012)

1. Excludes cash flows from disposals and funding of businesses
2. Required OMEM contribution to Group dividend in excess of amounts received from Nedbank and Property & Casualty
3. Nedbank free surplus represents OM share of Nedbank dividend
4. 2012 restated on a like-for-like basis with 2013, where appropriate

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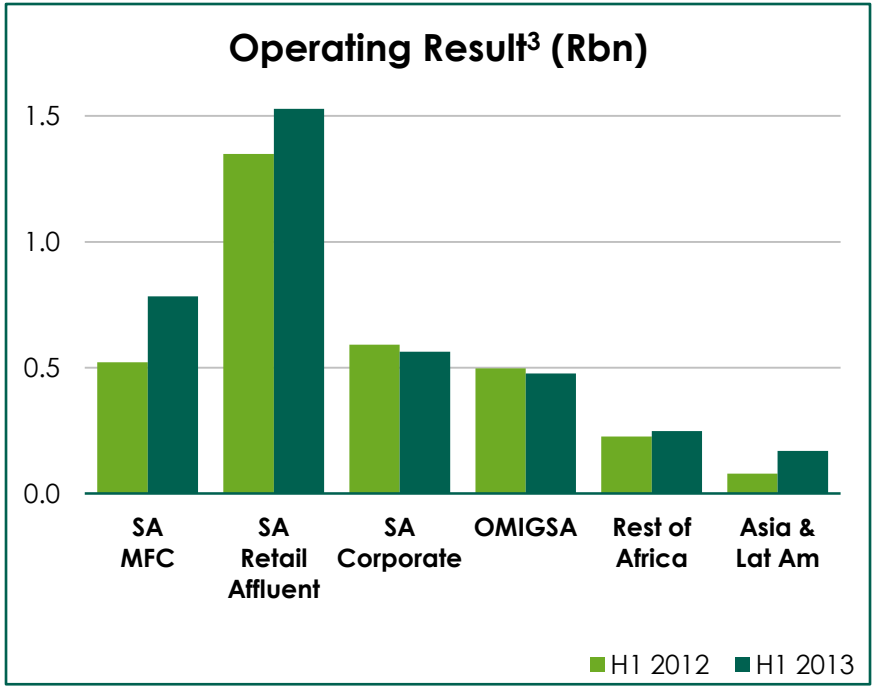
OLD MUTUAL EMERGING MARKETS

AOP (Rm)	H1 2012[1]	H1 2013
South Africa		
Life & Savings	2,462	**2,874**
OMIGSA	498	**477**
LTIR	643	**599**
South Africa	3,603	**3,950**
Rest of Africa		
Operating profit	226	**248**
LTIR	141	**184**
Rest of Africa[2]	367	**432**
Asia & Latin America	79	**170**
Central costs	(388)	**(437)**
Total AOP (pre-tax)	3,661	**4,115**



1. Comparatives restated to reflect the move of iWyze to Property & Casualty (previously 50% was reported in OMEM) and the move of SYMMETRY from OMIGSA to Retail Affluent
2. Rest of Africa P&C is included in Rest of Africa target (15% by 2015) but is not shown in these figures: H1 2013 is R35m
3. Pre-tax, excluding LTIR and central costs

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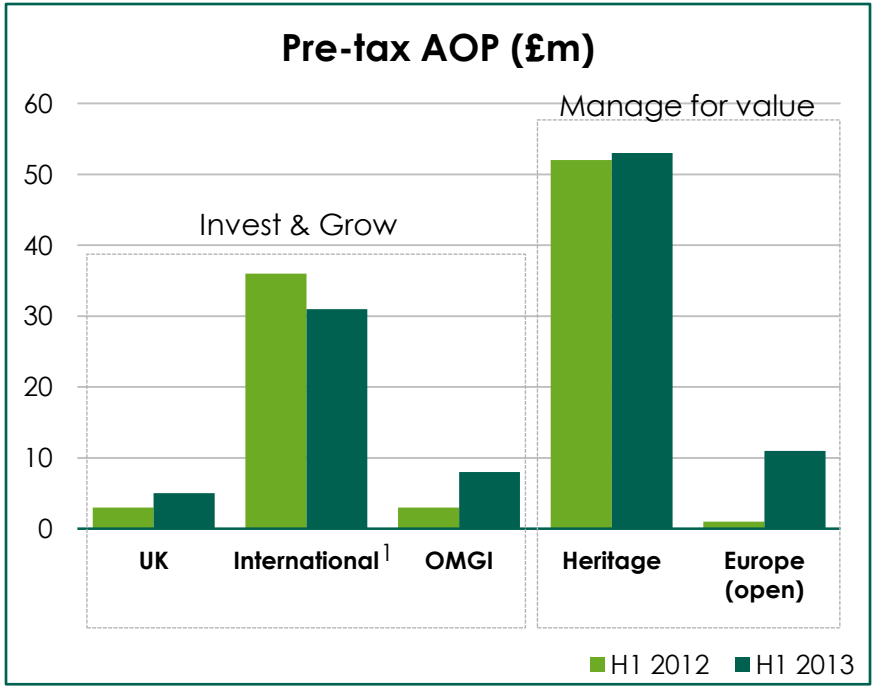
OLD MUTUAL WEALTH

£m	H1 2012[1]	H1 2013
FuM based revenue	386	**438**
Commission & acquisition expenses[2]	(159)	**(202)**
Other fees[3]	50	**50**
Risk profits	11	**10**
Investment return	10	**8**
Total net revenue	298	**304**
Admin. expenses	(208)	**(203)**
Policyholder tax contribution	14	**16**
Adviser fees	(9)	**(9)**
AOP pre-tax	95	**108**



1. H1 2012 includes £10m profit from Finland, sold during H2 2012
2. Includes DAC net of deferred fee income
3. Includes fixed fees, surrender fees and other net income/expenses

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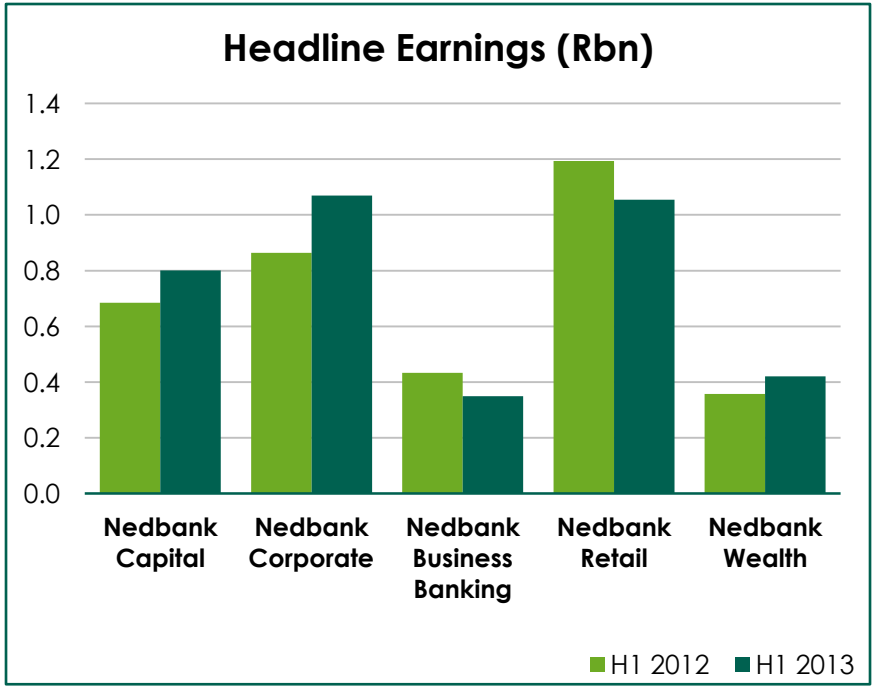
NEDBANK

Rm	H1 2012[1]	H1 2013
Net interest income	9,642	**10,309**
Non-interest revenue	8,265	**9,535**
Impairments	(2,702)	**(3,325)**
Operating income	15,205	**16,519**
Expenses	(9,957)	**(10,750)**
Indirect taxation	(242)	**(305)**
Non-trading & capital items	34	**(4)**
Profit before direct taxation[2]	5,040	**5,460**



1. Comparatives restated to reflect requirements of IAS 19
2. On a Headline Earnings basis: on an AOP basis profit is R29m higher (H1 2012: R33m higher)

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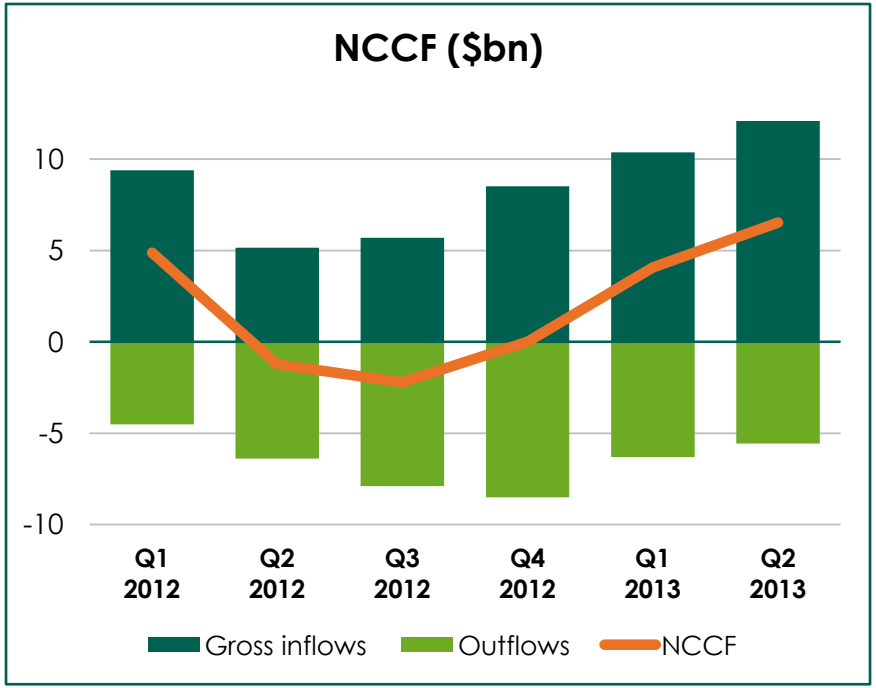
US ASSET MANAGEMENT[1]

$m	H1 2012[2]	H1 2013
Management fees	243	**278**
Performance & transaction fees	3	**8**
Other revenue	13	**8**
Total revenue	259	**294**
Operating expenses	(111)	**(118)**
Variable comp.	(64)	**(80)**
Total expenses	(175)	**(198)**
AOP pre-minorities	84	**96**
Minority interests	(8)	**(12)**
AOP post-minorities	76	**84**



1. Continuing operations only, excluding disposed/transferred affiliates
2. HI 2013 reflects equity accounting for Heitman, comparatives have been restated accordingly

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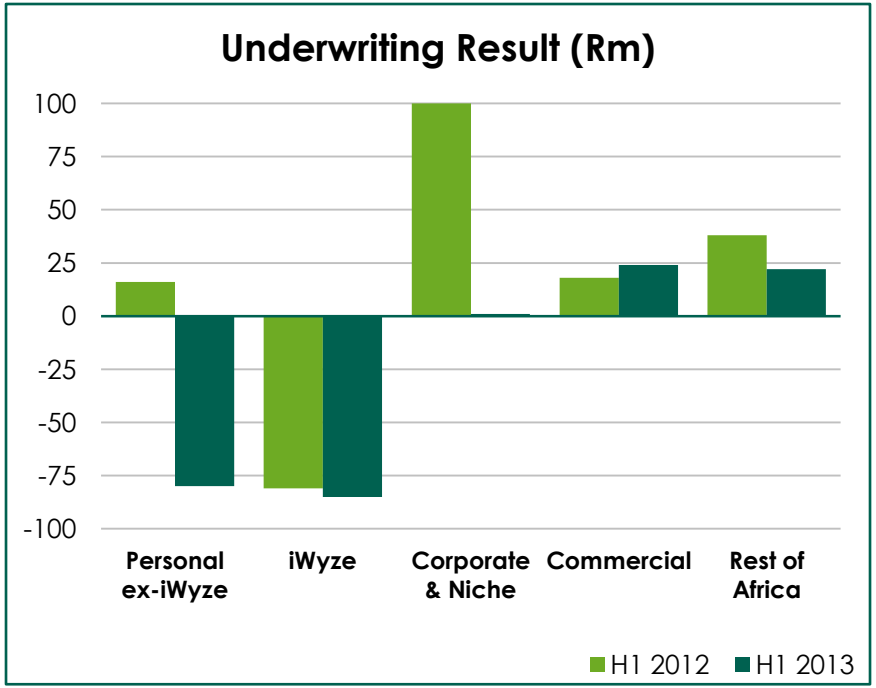
PROPERTY & CASUALTY

Rm	H1 2012[1]	H1 2013
Gross written premiums	4,607	**5,442**
Net earned premiums	3,710	**4,359**
Claims	2,492	**3,222**
Acquisition expenses	576	**710**
Operating expenses	551	**545**
Underwriting result	91	**(118)**
LTIR	300	**238**
Other	(5)	**15**
AOP pre-tax & NCI	386	**135**



1. Comparative restated to include 100% of iWyze (previously 50% in P&C, 50% in OMEM)

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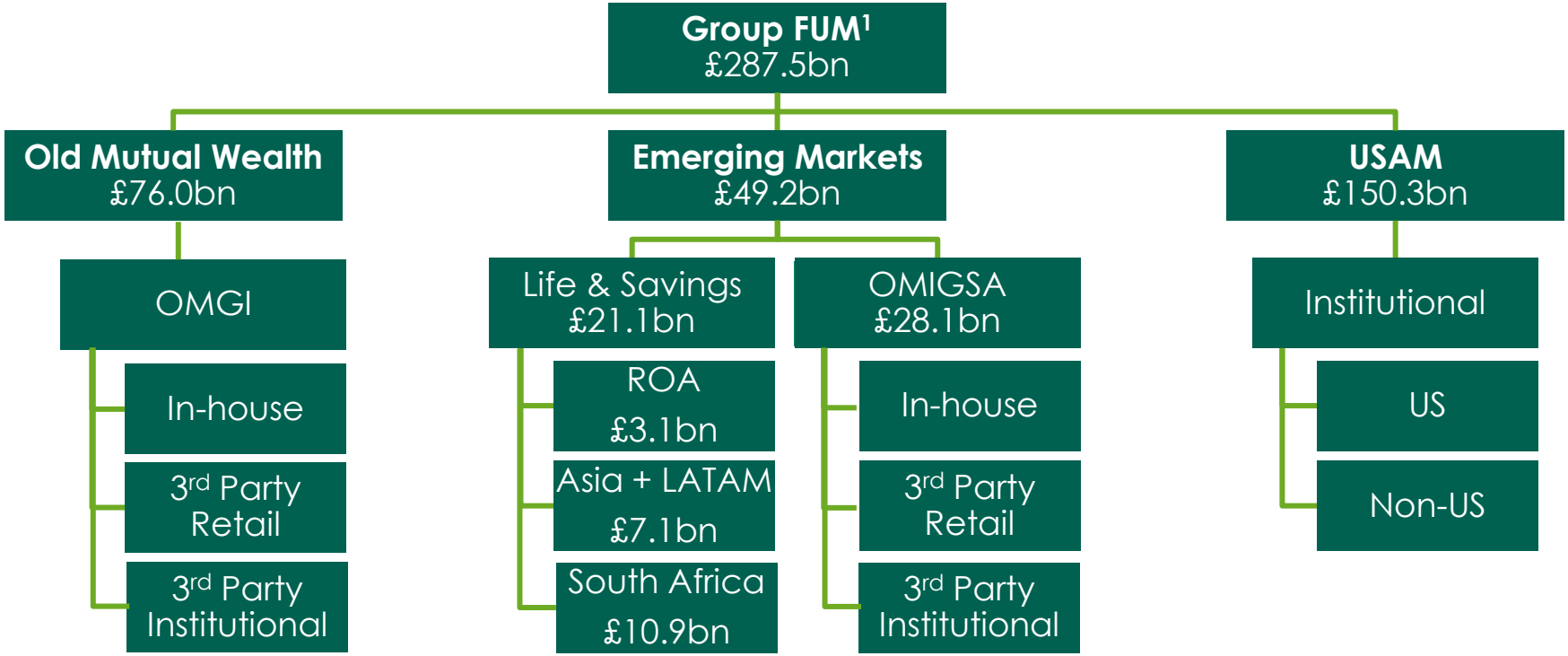
ASSET MANAGEMENT CAPABILITY



1. Group FUM from core operations includes Nedbank and P&C (£12.0bn at Q3 2013)

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2013 LONG-TERM INCENTIVES

		Threshold	Target	Maximum	Weight
Financial	EPS (p) (IFRS AOP based CAGR[1]) (post tax)	5.0%	7.5%	10.0%	15.0%
	EPS (c) (IFRS AOP based CAGR[1]) (post tax)	5.0%	7.5%	10.0%	15.0%
	RoE – (IFRS AOP based – averaged over 3 years)	12.0%	13.5%	15.0%	30.0%
Strategic Objectives	1. Emerging Markets – Africa expansion (excluding banking)				
	Customer growth in Africa (excluding SA) (CAGR[1])	10.0%	15.0%	20.0%	10.0%
	Profit (AOP) growth in Africa (excluding SA) (CAGR[1]) (pre tax inc. LTIR)	10.0%	15.0%	20.0%	5.0%
	2. Old Mutual Wealth				
	Profit (AOP) growth UK and International (CAGR[1]) (pre tax)	10.0%	15.0%	20.0%	7.5%
	3. Simplify/de-risk the Group				
	Group structural changes/key initiatives	Targets disclosed at the end of the three-year performance period			12.5%
	4. Risk, governance, culture and reputation				
	Measures of Risk, governance, culture and reputation	Assessed against targets and qualitatively			5.0%
Total					**100%**

1. Compound annual growth over the three-year performance period.

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