OLD MUTUAL PLC
Investor Update

November 2012

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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. These include, amongst other things, UK domestic 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.

Old Mutual is committed to creating shareholder value

Turning round **US Asset Management**

Growing **Wealth Management**

14 affiliate firms

>$200 billion AuM

$107m AOP (2011)

UK Platform market c. £190bn (Q2 2012)

Potential market size >£300bn (2016)

Expanding our footprint in **Africa**

Building on South African strength:

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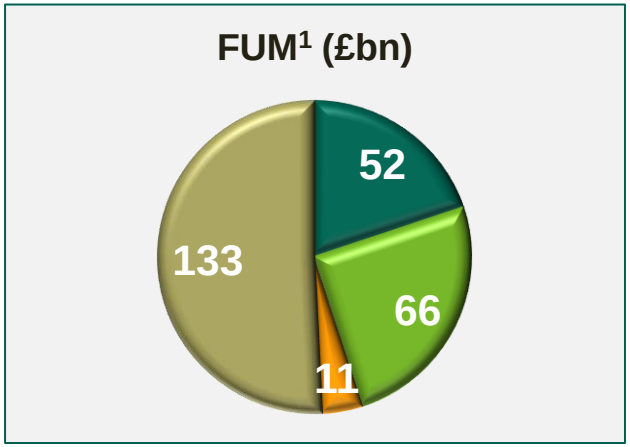
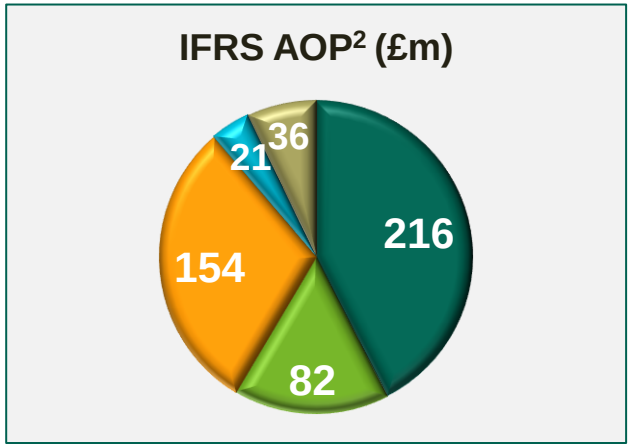
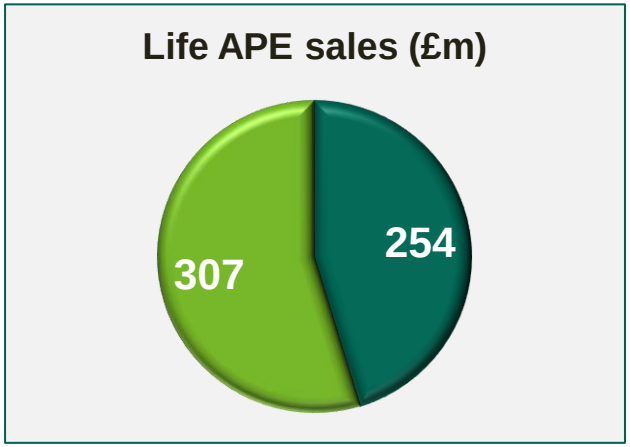
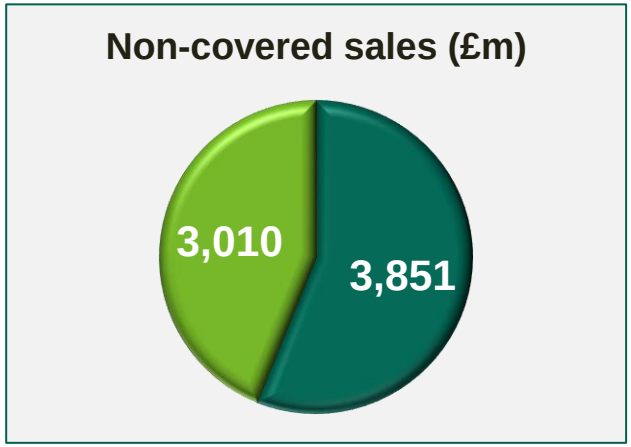
Business unit contribution to group results: H1 2012









- Emerging Markets
- Wealth Management
- Nedbank
- M&F
- US Asset Management

1. FuM is at 30th June 2012 and is on an end-manager basis
2. IFRS AOP is shown after tax and non-controlling interests

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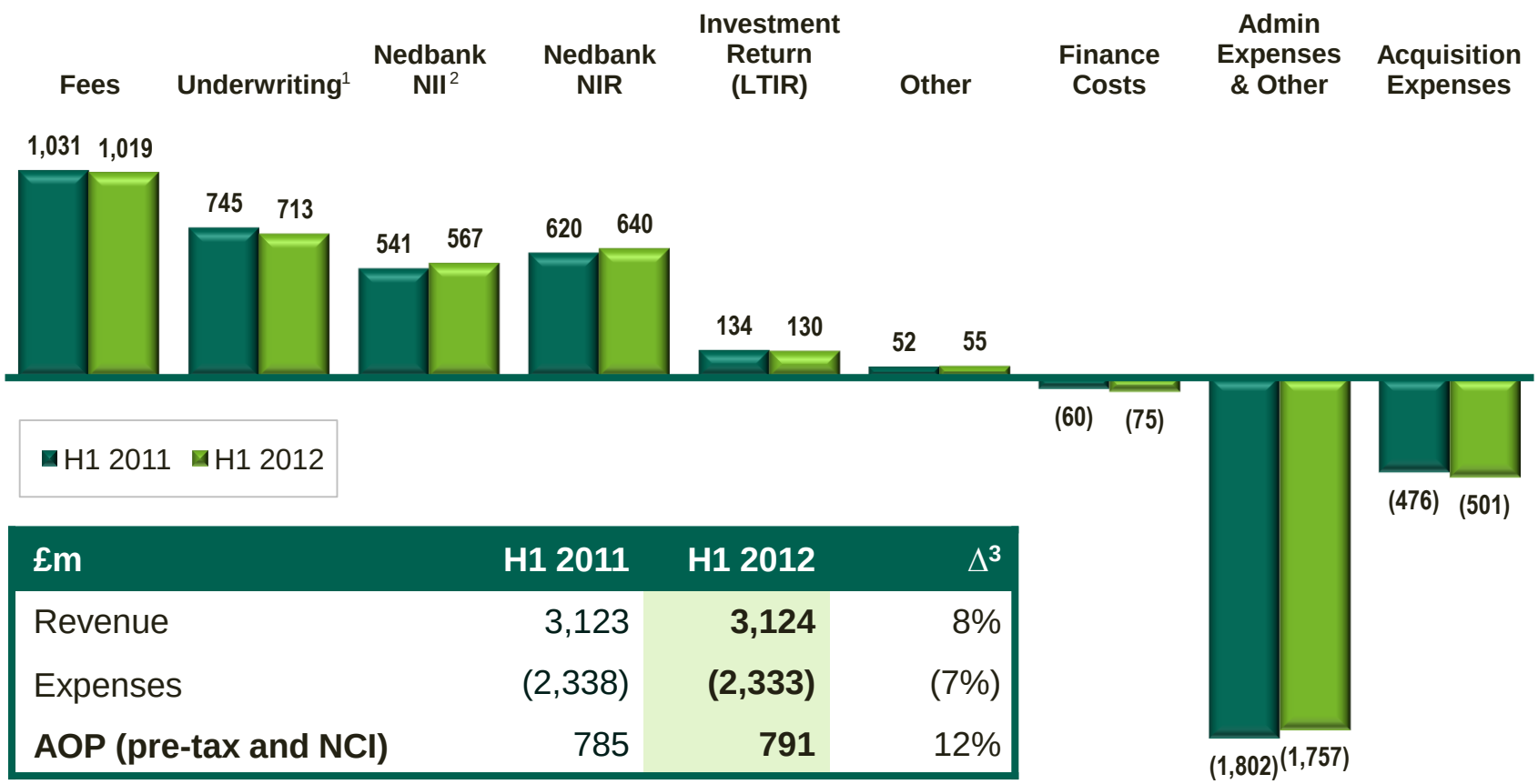
Sources of earnings (£m): H1 2012



£m	H1 2011	H1 2012	Δ[3]
Revenue	3,123	**3,124**	8%
Expenses	(2,338)	**(2,333)**	(7%)
AOP (pre-tax and NCI)	785	**791**	12%

1. Underwriting includes net income and investment returns from writing insurance products (Protection, Annuity, General Insurance)
2. Net of impairments
3. Constant currency

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Africa

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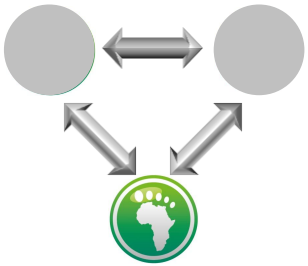
Expanding in Africa



Economic outlook

- SA interest rates fallen 50 bps to a 38 year low
- SA 2012 growth forecasts 2.5%-3%
- African GDP robust

Market opportunity

- Growing population
- Rising household incomes
- Low welfare provision
- Underpenetrated financial services

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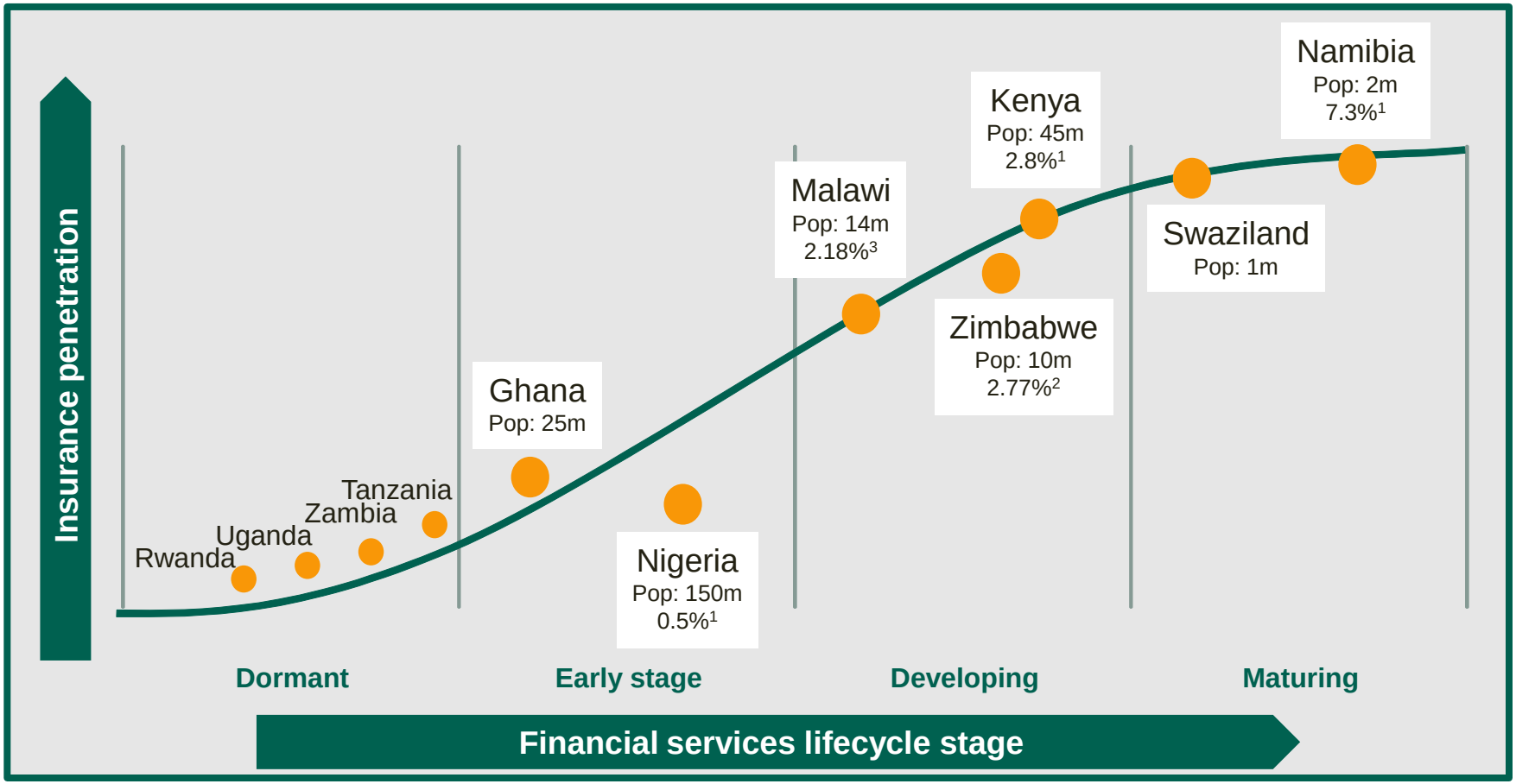
- Strength of OMSA, Nedbank, M&F
- Market understanding
  - Customer needs
  - Appropriate business models to serve mass & middle income customers
- Distribution skills
  - Tied agency forces
  - New world distribution
- Cost leverage
  - Scale advantage
  - Operational efficiency

Why Africa: large populations, growing GDP and low insurance penetration



1. Insurance penetration 2010 (Swiss Re Sigma report) – includes Life and Non-Life business
2. Source: AXCO Insurance Market Report, Mar 2011, 2007 data presented
3. Source: AXCO Insurance Market Report, Mar 2011, 2008 data presented

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Old Mutual Africa: current operations

Old Mutual in Africa		
	Namibia Pop: 2m	238,250 customers, 624 employees Mkt position: Life #1, AM #1 Mutual & Federal
	Zimbabwe Pop: 10m	782,150 customers, 987 employees Mkt position: Life #1, AM #1 Mutual & Federal
	Kenya Pop: 45m	27,005 customers, 445 employees Mkt position: Life #8, AM #1
	Swaziland Pop: 1.2m	18,000 customers, 26 employees Mkt position: Life #1 Mutual & Federal
	Malawi Pop: 14m	113,538 customers, 109 employees Mkt position: Life #1, AM #1
	Botswana Pop: 2m	Mkt position: Mutual & Federal #3
	Nigeria Pop: 150m	Awaiting regulatory approval

Building on 3 strong **South African** businesses

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Two-fold approach to expansion

- "Business in a box"
- Strategic alliances

Old Mutual has unique skills & positioning in Africa

Brand strength	❑ Local heritage: high level of trust ❑ International brand: gives confidence ❑ Attractive partner for strategic alliances
Market understanding	❑ Understand economic, demographic & market trends ❑ Understand circumstances, needs & business models needed to serve mass and middle income customers
Distribution expertise	❑ Skilled at building & managing tied agency forces ❑ Using new world distribution (eg. mobile telephony to complement conventional models
Cost leverage	❑ Scale advantage facilitates low unit-cost service ❑ Industrial approach to operational efficiency
Financial position	❑ Growth can be funded by existing local cash & profit generation

Our growth plans in Africa: Growth options in Southern Africa

- We have leading positions in **Zimbabwe** and **Namibia**.
- These two markets currently drive the bulk of the Rest of Africa operations
- Market position
  - Life: #1 (market share 65% in Namibia, 70% in Zimbabwe)
  - Asset management: #1 (market share 35% in Namibia, 70% in Zimbabwe)
- Relatively strong cash generators
- Managing these businesses for value
- Hub for potential future expansion into attractive countries in close proximity

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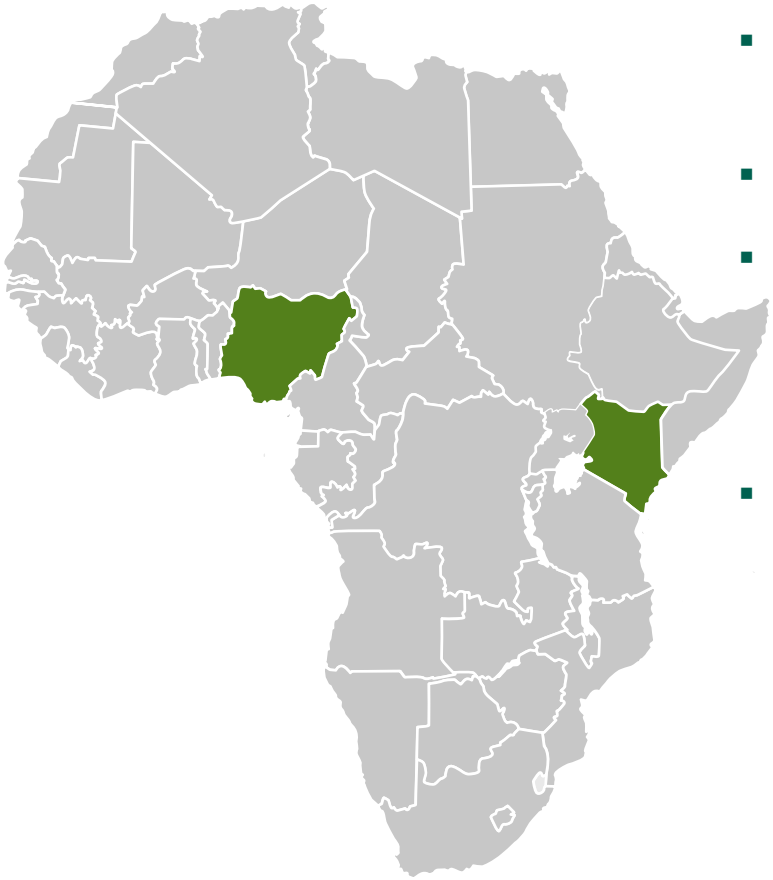
Our growth plans in Africa: Growth options in East and West Africa

- **Nigeria** is the 2nd largest economy in sub-Saharan Africa - forecast to become the largest by 2025
- Nigerian business is ready to commence with a full staff complement
- Integration with Oceanic Life is on track
- Nigeria is a hub for potential expansion into the rest of West Africa (Nigeria and Ghana together account for over 75% of the GDP of West Africa)



- We currently have a presence in **Kenya**
- The operation is small in size
- Market position
  - Life: #8 (4% market share)
  - Asset management: #1 (30% market share)
- Kenya is a hub for potential expansion into the rest of East Africa (Uganda and Tanzania)

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US Asset Management

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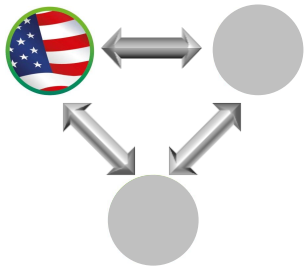
Turning round US Asset Management



Economic outlook

- Volatile equity markets
- Recovering economy
- GDP growth increasing

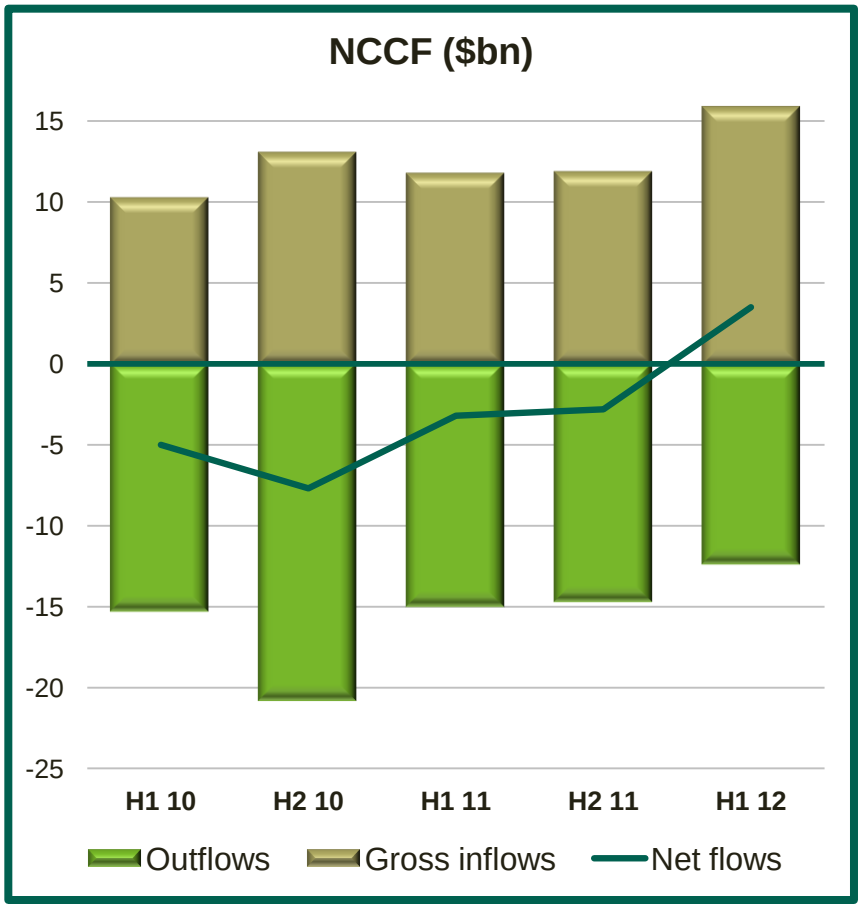
Market opportunity

- Large asset pool
- Demographics drive demand for savings solutions

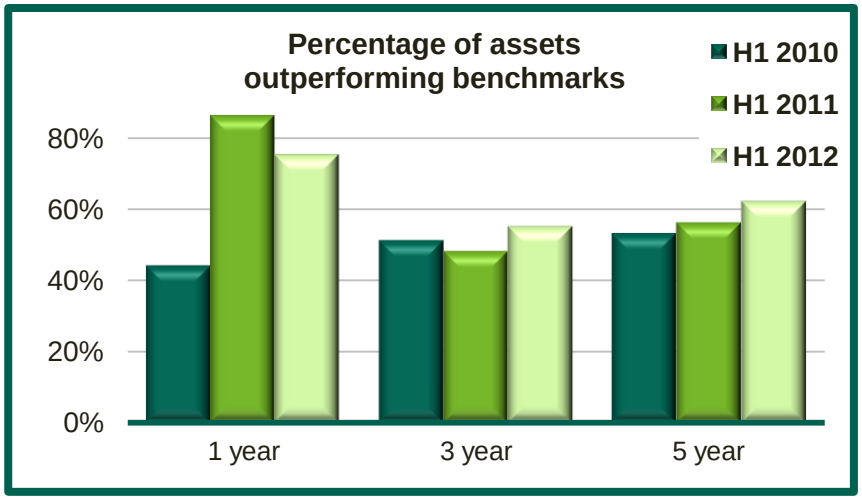
Old Mutual

- Active investment management
- Building global distribution
- Improving investment performance
- Positive flows
- Increasing margins

USAM[1]



	H1 2011	H1 2012
FuM ($bn)	194.1[2]	**208.1**
Pre-tax IFRS AOP ($m)	71	**70**
Operating margin pre-NCI	25%	**26%**
Operating margin post-NCI	22%	**22%**



1. Continuing business; excludes affiliates disposed of and OMAM (UK) which has been transferred to SIG in Wealth Management
2. 2011 FuM is at 31st December 2011

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Wealth Management

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Growing Wealth Management

Economic outlook

- Continued market volatility
- Uncertain timing of recovery in Europe

Market opportunity

- Growing wealth management market
- Platform growth
- Demand for packaged investment solutions

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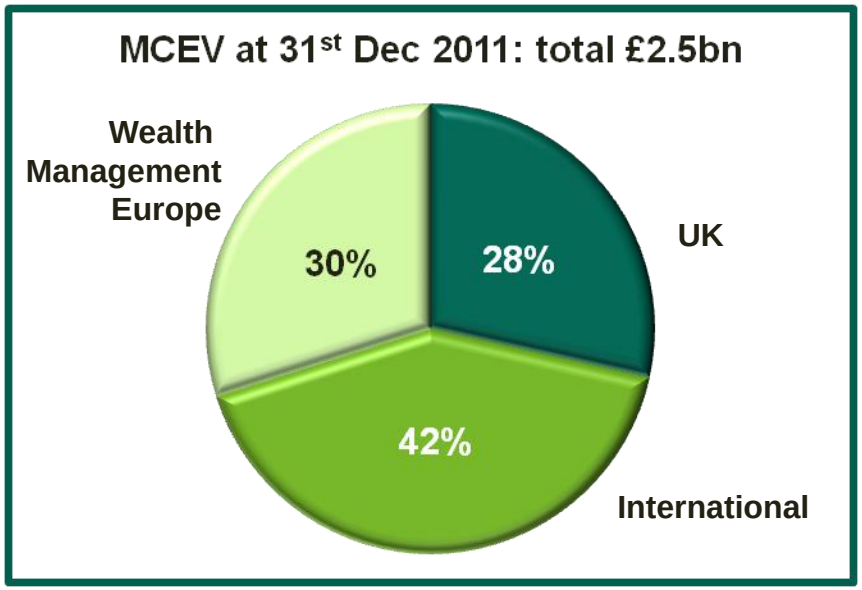
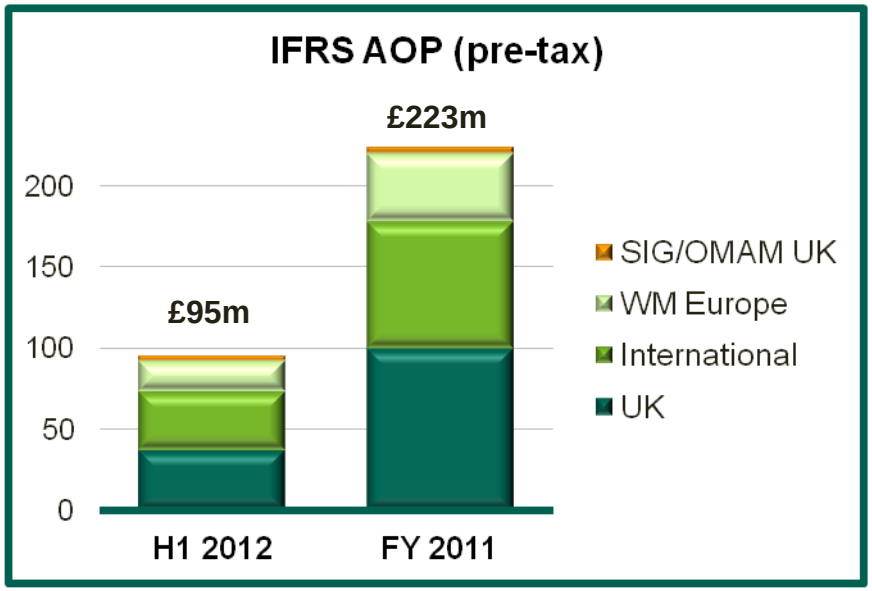
- Wealth Management focus:
  - Widening the product set
  - Deepening the penetration of our own products
  - Increasing efficiency/reducing cost
- Restructuring to enhance asset management capability
- Best in class asset management complemented by risk & insurance
- Announcing new unbundled platform pricing model in the UK
- New wealth management system for International: “Wealth Interactive”

Profile of Old Mutual Wealth Management





Wealth Management operating against a 12-15% RoE target

FY 2010	FY 2011	H1 2012	Target
15%	16%	14%	12-15%

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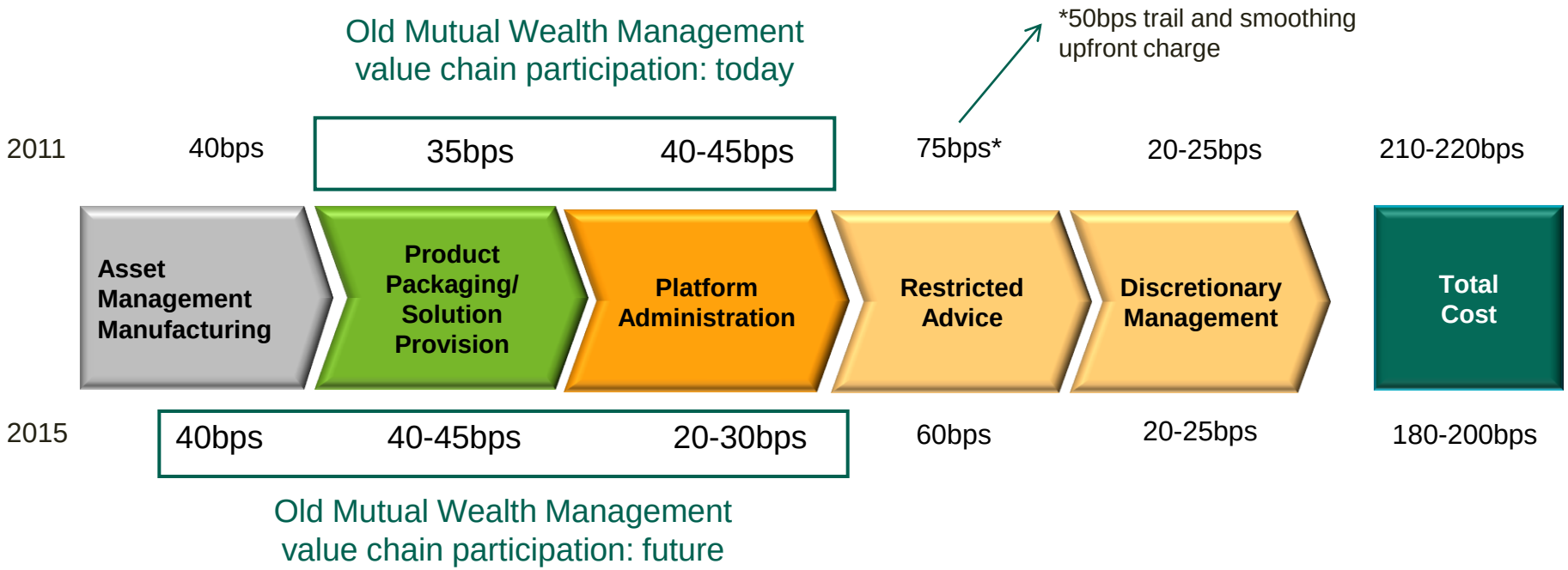
Strong asset management capability enables additional margin capture

Illustrative industry margins across the value chain[1]: Active management



Our future: A wealth management business powered by asset management

1. Internal estimates

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Wealth Management: long-term outlook

- Tough economic conditions affecting current sales momentum
- Short-term market challenges, but also new opportunities playing out over medium to long term
  - Baby boomers
  - Investors more involved
  - Increased global mobility
  - Structural shifts in value chain
  - Wealth management products converging across markets
- Product development and asset management capability key
- Cost efficiency remains important
- 15% ROE target

SIMPLIFY **UNIFY** **GROW**

Nedbank
Mutual & Federal

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Nedbank

Rm	H1 2011	H1 2012	Δ
IFRS AOP	4,002	**5,090**	27%
Net interest income	8,683	**9,642**	11%
Net interest margin	3.43%	**3.53%**	10 bps
Non-interest revenue	7,139	**8,265**	16%
Impairments	2,792	**2,702**	3%
Credit loss ratio	1.21%	**1.11%**	10 bps
Core Tier 1 ratio[1]	10.7%	**10.6%**	(10 bps)
RoE (exc. goodwill)	13.7%	**15.7%**	200 bps

1. Based on Basel II.5 capital criteria implemented 1 Jan 2012: H1 2011 on Basel ll basis, as reported

Mutual & Federal

Rm	H1 2011	H1 2012	Δ
Gross premiums	4,361	**4,607**	6%
Claims ratio	64.6%	**67.2%**	(260 bps)
Combined ratio	94.7%	**97.5%**	(280 bps)
Solvency ratio	63.5%	**65.3%**	180 bps
Underwriting result	184	**91**	(51%)
LTIR	316	**300**	(5%)
IFRS pre-tax AOP[1]	527	**426**	(19%)
RoE	15.8%	**12.0%**	(380 bps)

1. H1 2012 includes 50% of the losses incurred by iWyze, the remaining 50% was recognised in Emerging Markets. H1 2011 included 100% of the losses incurred by iWyze.

Financials & Summary

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Dividend

Pence per share paid	2010	2011	2012
Ordinary dividend			
Interim	1.1	1.5	**1.75**
Final	2.9	3.5	**-**
Total	4.0	5.0	**-**
Special dividend	-	-	**18.0**

Pence per share rebased for share consolidation	2010	2011	2012
Interim	1.26	1.71	1.75
Final	3.31	4.00	**-**
Total	4.57	5.71	**-**

- Dividend policy unchanged
- Progressive dividend policy
- Targeting 2.5 times cover over time
- Interim dividend now set routinely at c. 30% of prior year total dividend

Progress against 2012 ROE and cost reduction targets

	Return on Equity		Cost reductions	
	H1 2012	2012 Target	H1 2012[1]	2012 Target
Long-Term Savings				
- Emerging Markets[2]	22%	20%-25%	£20m	£5m
- Wealth Management[3]	14%	12%-15%	£64m	£60m
LTS Total	19%	16%-18%	£84m	£65m
USAM				
- Operating Margin[4]	20%	25%-30%	-	-
- Cost reductions	-	-	£15m	£10m
Group-wide corporate costs	-	-	£14m	£15m
Total Group[5]	13%	-	£113m	£90m

1. Run-rate savings delivered to date (2009, 2010. 2011, H1 2012)
2. Within Emerging Markets, OMSA, RoA and Asia calculated as return on allocated capital
3. IFRS AOP (post-tax) divided by average shareholders' equity, exc. Goodwill, PVIF & other acquired intangibles
4. Post-NCI, excluding seed capital gains/losses
5. Core business IFRS AOP (post-tax) divided by average shareholders' equity)

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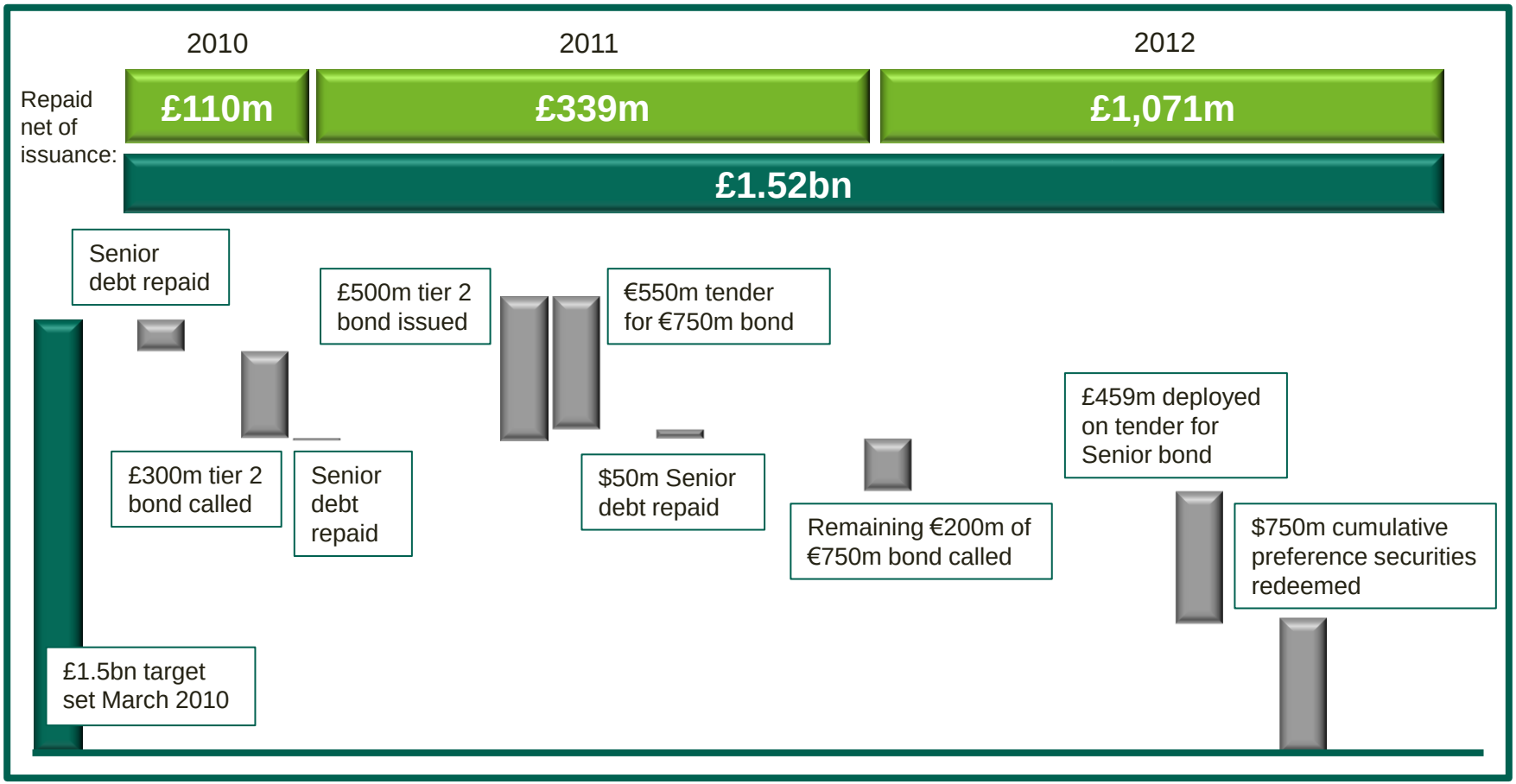
Progress against £1.5bn debt repayment target



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Old Mutual Group company ratings[1]

	Moody's	Fitch
Old Mutual plc		
▪ Senior debt rating	Baa2 (neg)	BBB+ (neg)
▪ LT2 debt rating	Baa3 (neg)	BBB (neg)
▪ UT2 debt rating	Baa3 (neg)	BBB- (neg)
▪ T1 debt rating	Ba1 (neg)	BBB- (neg)
▪ Short-term debt rating	P2	F2
OMLACSA		
▪ National insurance financial strength	Not rated	AAA
▪ National long-term senior debt rating	Not rated	AAA
▪ National long-term subordinated debt rating	Not rated	AA
▪ Global insurance financial strength	A3 (neg)	
Skandia Life Assurance Company		
▪ Insurance financial strength	A2	A+
Nedbank		
▪ Foreign long term rating	Baa1 (neg)	BBB (neg)

1. Ratings outlook stable unless stated otherwise; Neg = Negative outlook

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Summary: Old Mutual investment case

- Strong operational & financial performance
- Continued strategic progress
- Resilient & sustainable business
- Exposure to both emerging and developed markets

Continuing to deliver value for shareholders & customers

Appendix:
Q3 update

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Q3 overview

Resilient operational performance

- Funds under management up 4%[1] to £263 billion
- NCCF improved to £0.5bn outflow (from £5.4bn outflow): good retail flows
- Strong performance by Nedbank: year to date NIR up 14%, reduced impairments, capital & liquidity remain strong

Continued business improvement & strategic delivery

- £1.5bn debt repayment target met
- Further repositioning of USAM affiliate portfolio
- Reorganisation of Old Mutual Wealth
- Sale of Finnish business completed
- Austrian & German operations closing to new business
- Terms agreed for Nigerian Property & Casualty acquisition

1. Core operations on a constant currency basis

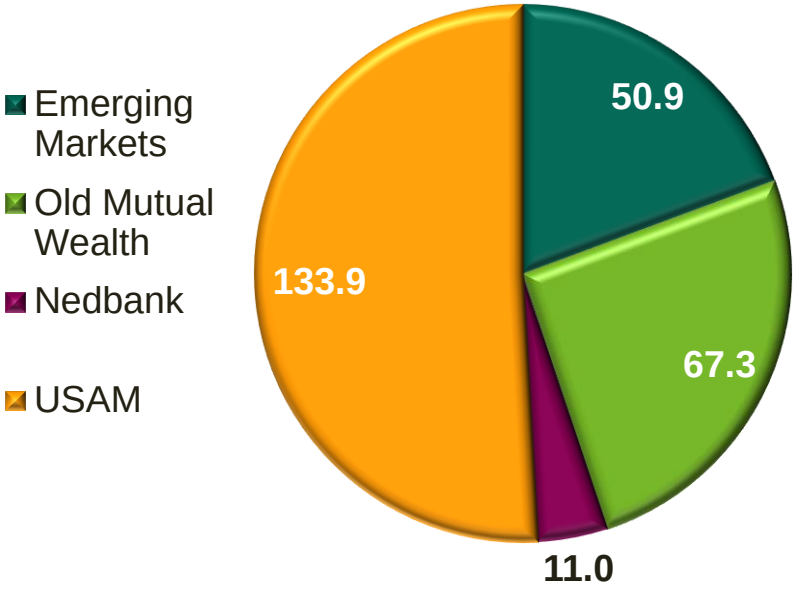
Group overview[1]

Net Client Cash Flow (£bn)		
	Q3 2011	Q3 2012
Emerging Markets	0.5	(0.2)
Old Mutual Wealth	0.8	0.5
Nedbank	0.2	0.5
US Asset Management	(6.9)	(1.3)
Total core operations	(5.4)	(0.5)

Restated[2]

Emerging Markets	0.5	0.8
Total core operations	(5.4)	0.5

Funds under Management at 30 Sep 2012 (£263.3bn)[3]



1. Core operations, as reported
2. Net of withdrawal of low margin assets by the Public Investment Corporation of South Africa
3. Includes £0.2bn FuM for Mutual & Federal

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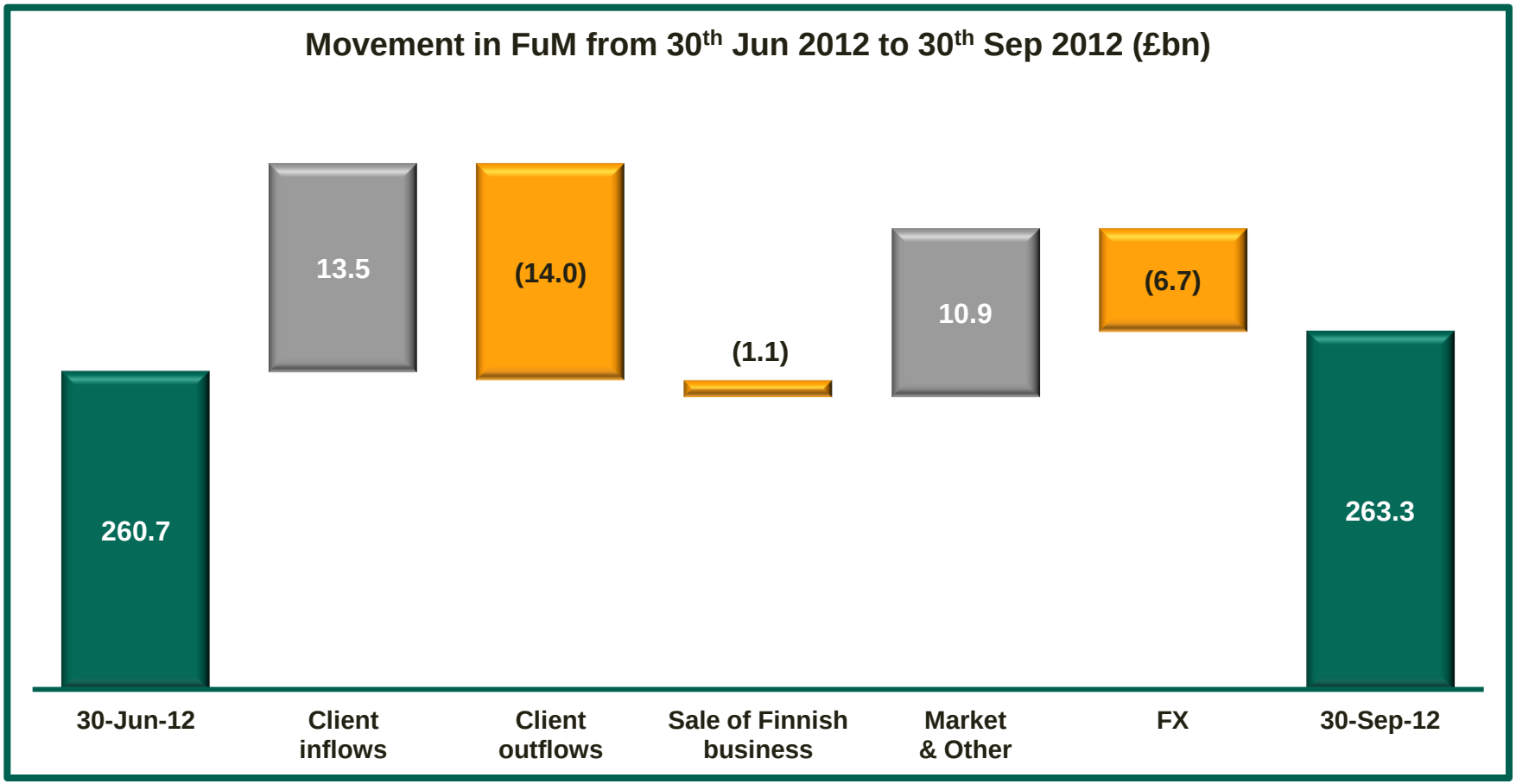
Movement in funds under management[1]



1. Core operations, as reported

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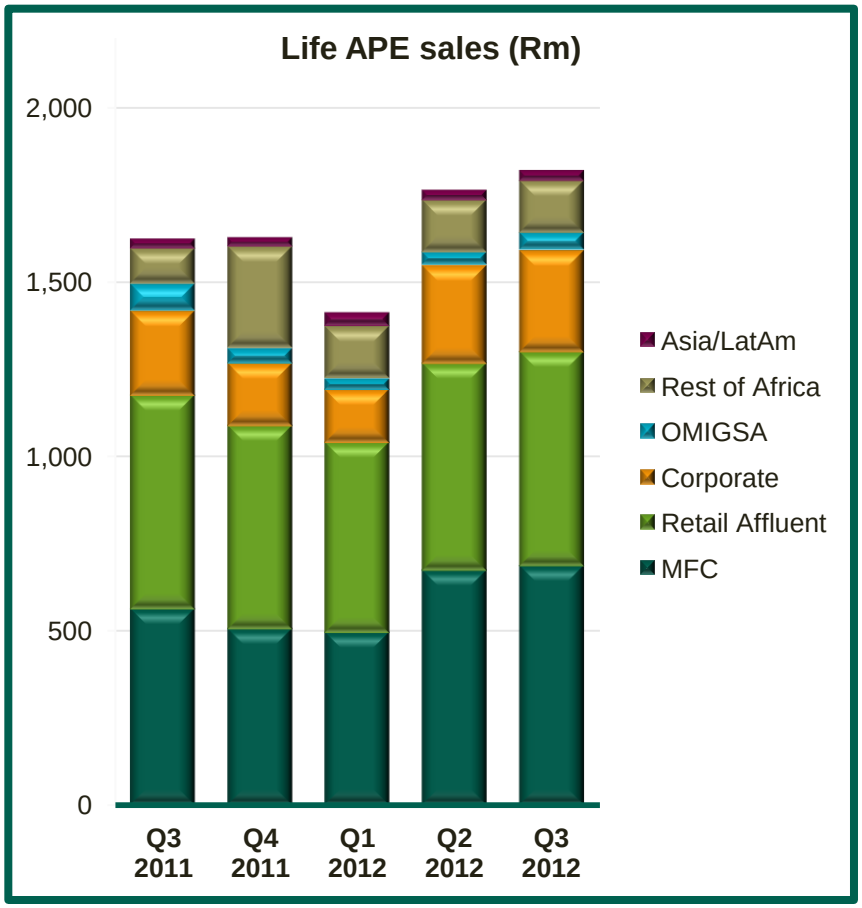
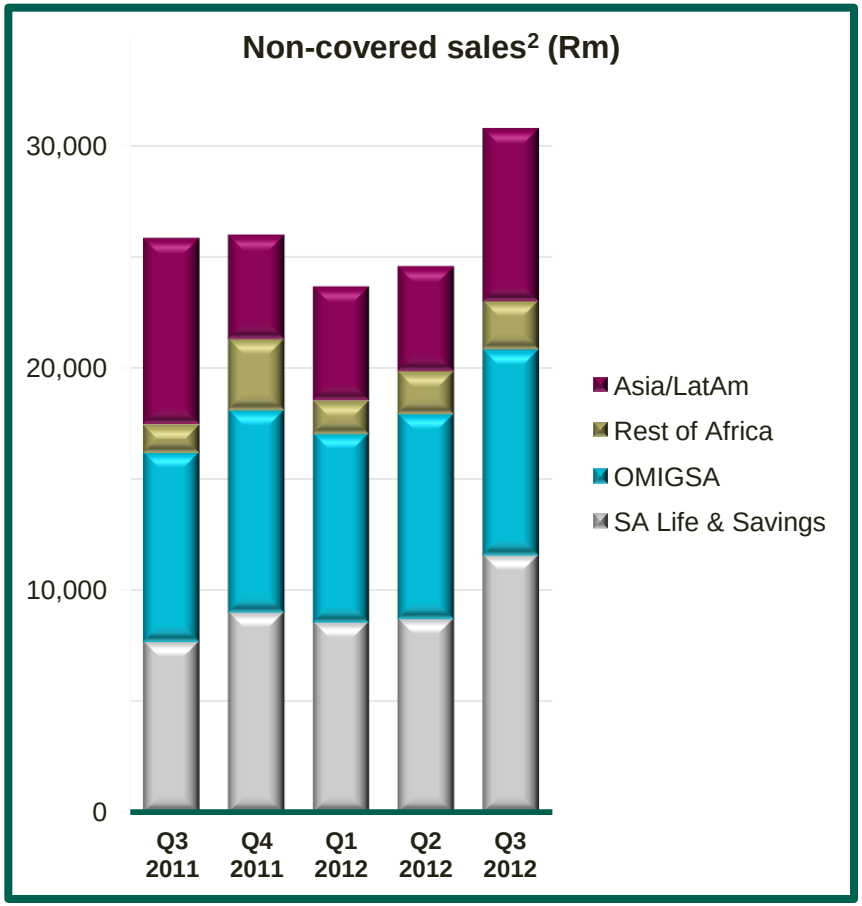
Emerging Markets[1]





1. Rest of Africa: Q3 2011 figures are Namibia only, from Q4 2011 figures include Namibia, Zimbabwe, Kenya, Malawi and Swaziland
2. From Q2 2012 OMUT is reported within SA Life & Savings rather than within OMIGSA: comparatives have not been restated

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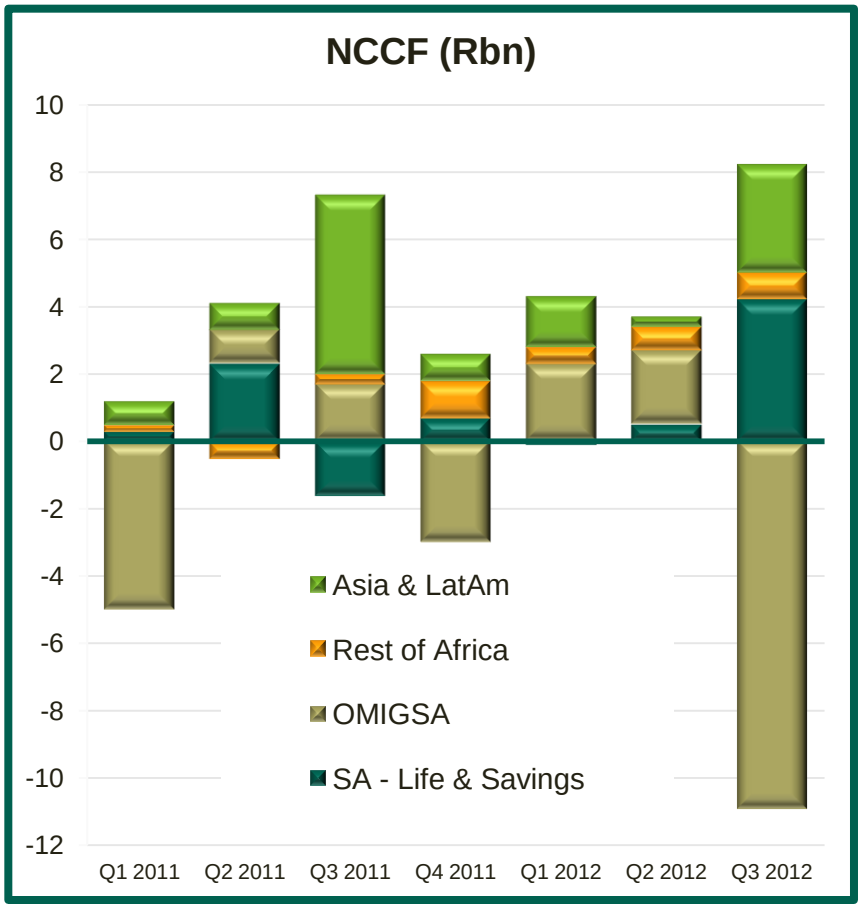
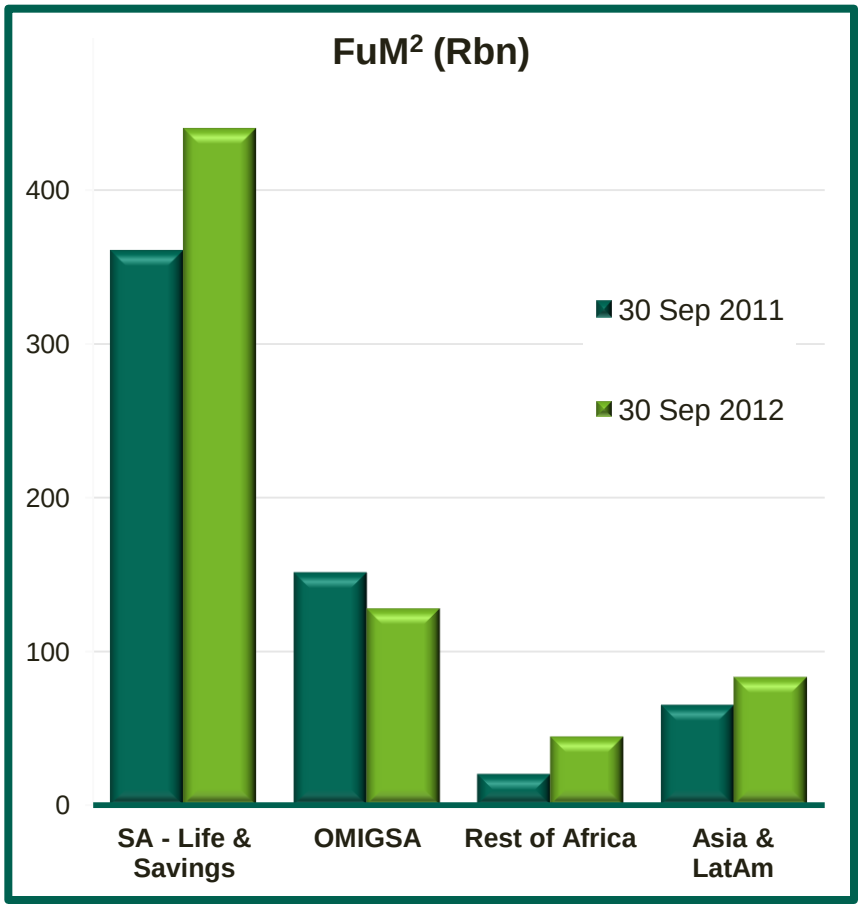
Emerging Markets[1]





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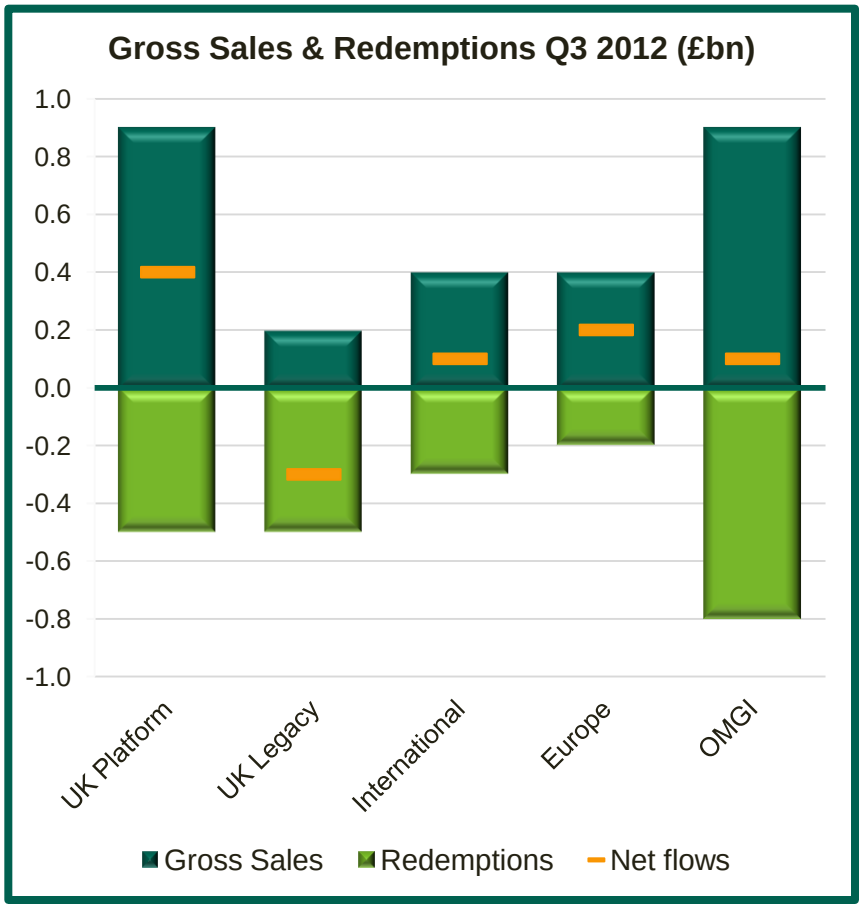
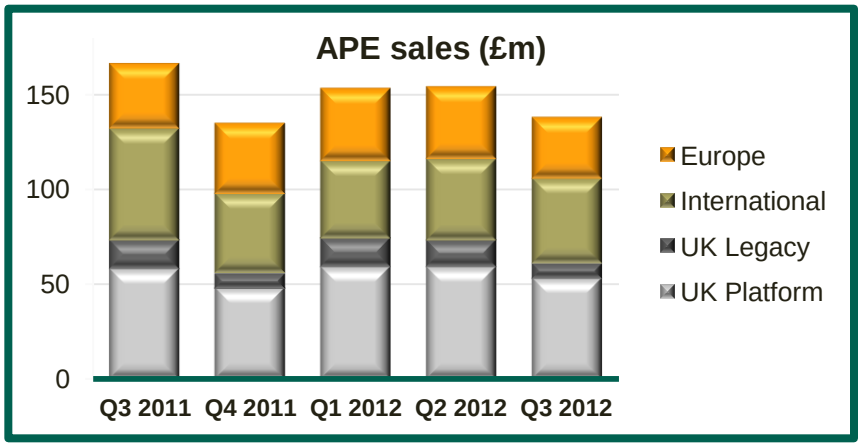
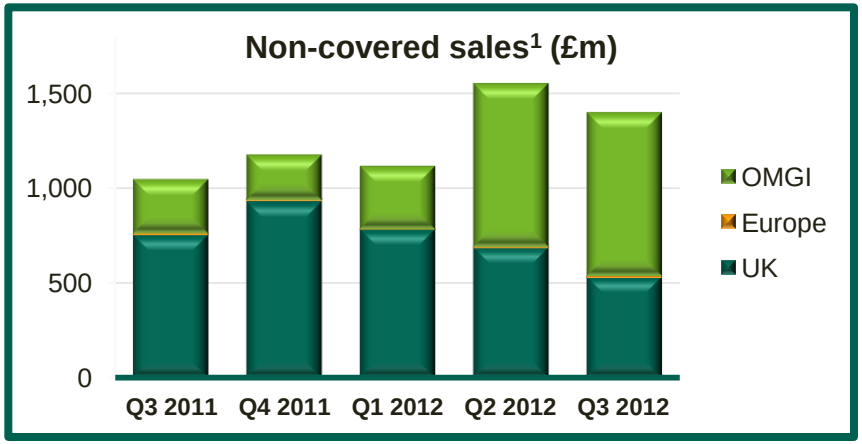
Old Mutual Wealth







1. From Q2 2012 OMAM UK has been reported within OMGI rather than USAM; comparatives have not been restated

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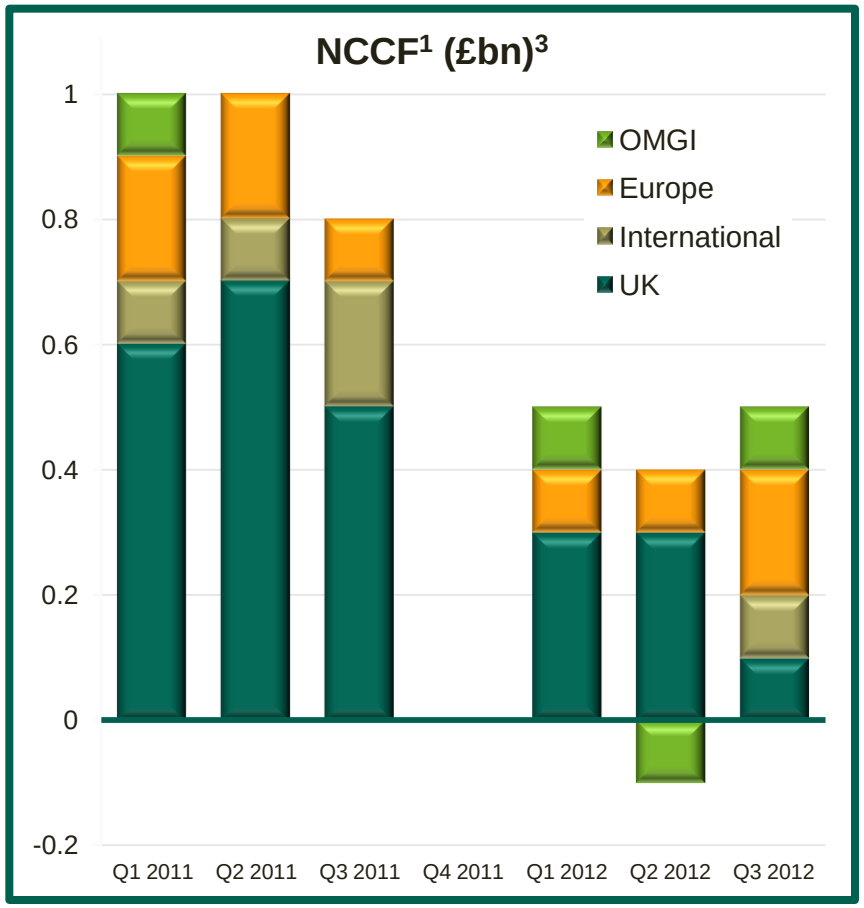
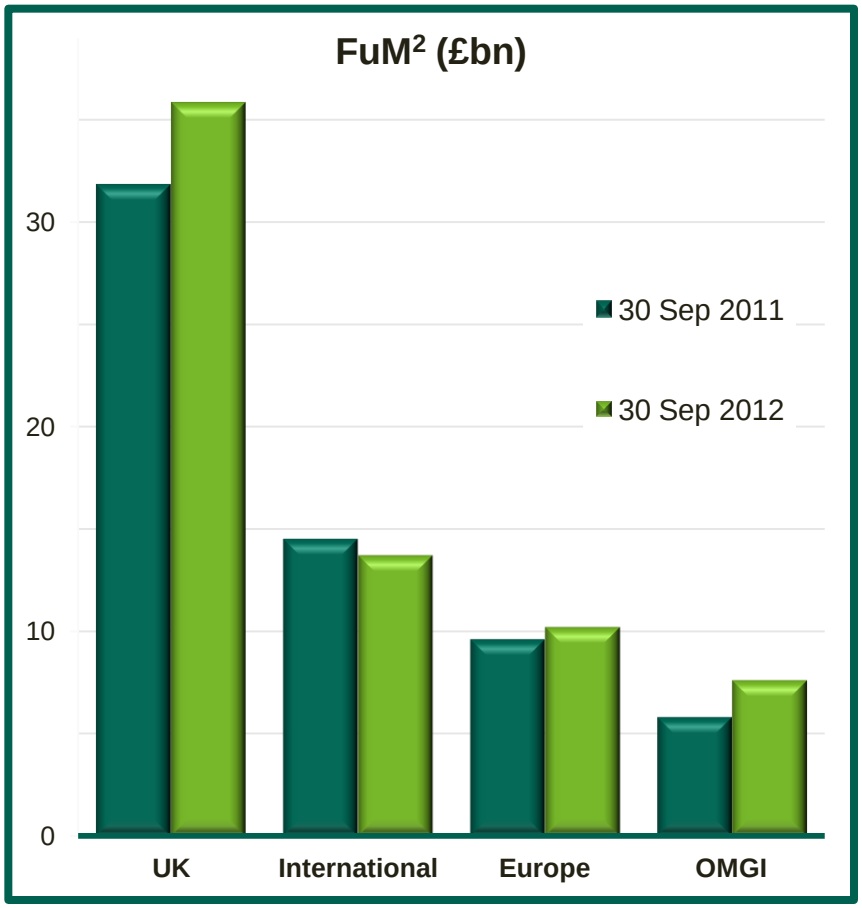
Old Mutual Wealth





1. From Q2 2012 OMAM UK has been reported within OMGI rather than USAM; comparatives have not been restated
2. OMGI for 30 Sep 2011 restated to include OMAM UK
3. NCCF (rounded) for Q4 2011 were nil

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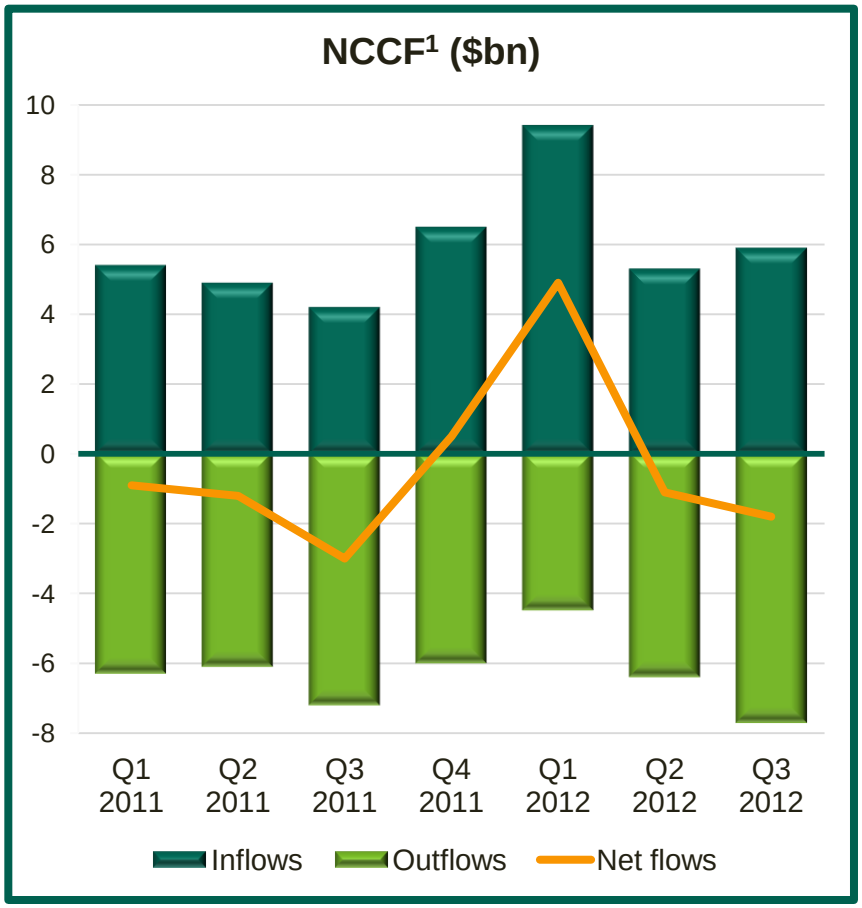
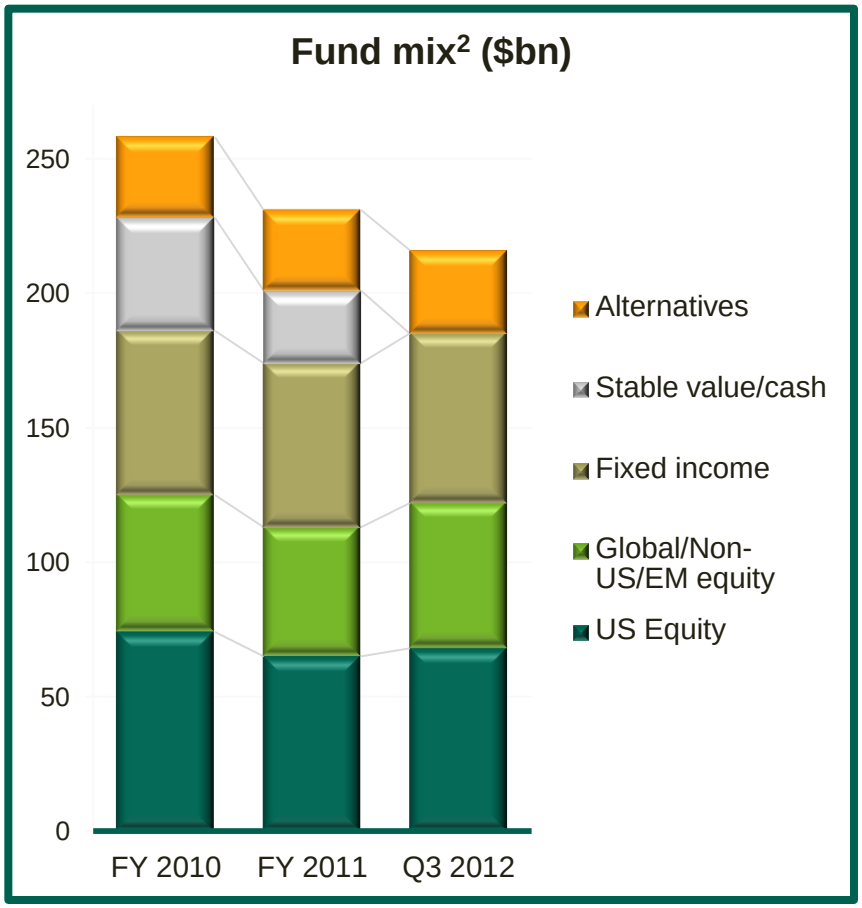
US Asset Management





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

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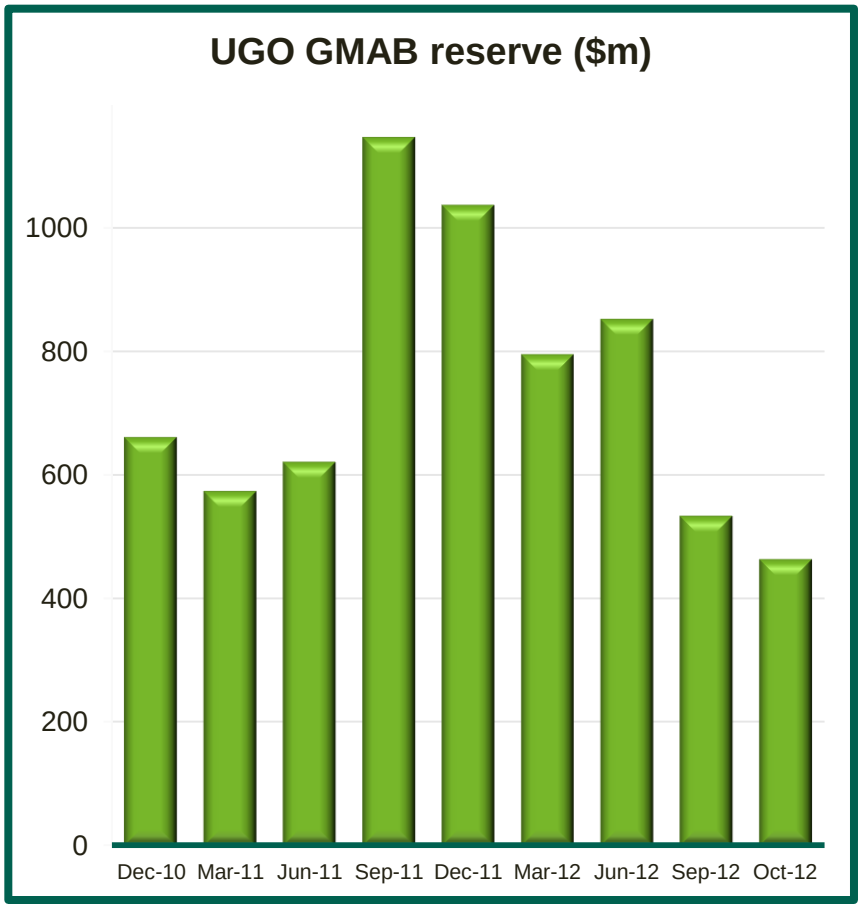
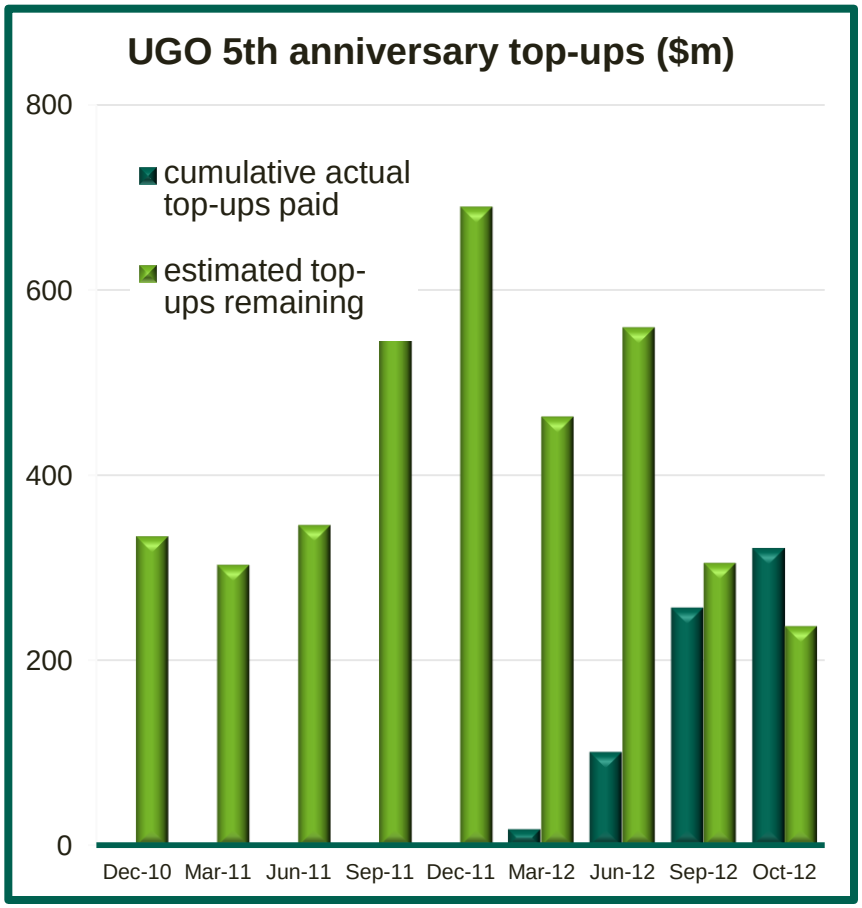
Bermuda run-off





Contacts

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