EMERGING MARKETS PRESENTATIONS TO INVESTORS

31 AUGUST 2011

OLD MUTUAL

INSURANCE • INVESTMENT • SAVINGS • BANKING

INDEX 31 AUGUST 2011

- Presentation: Nedbank Group, Mike Brown, Nedbank
- Presentation: Nedbank Retail & Business Banking, Ingrid Johnson, Nedbank
- Presentation: Nedbank Finance, Raisibe Morathi, Nedbank
- Presentation: Mutual & Federal, Peter Todd, M&F
- Presentation: iWyse, Willem Smith, iWyse Valuable Insurance

These presentations 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, 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.

PRESENTATION TO INVESTORS

OLD MUTUAL'S SOUTH AFRICAN BUSINESSES

MIKE BROWN
CHIEF EXECUTIVE
NEDBANK GROUP

NEDBANK GROUP

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Nedbank Group vision

Building Africa's most admired bank… by our

- staff
- clients
- shareholders
- regulators
- communities

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Nedbank overview

- SA based financial services group
- One of the ‘Big Four’ South African Banks
- Headquarters in Johannesburg
- 18th largest company on JSE, Market Cap R70bn (US$ 9,8bn)
- 53% owned by Old Mutual - LSE listed
- 123 year history in South Africa
- Top 2 wholesale bank
- 4th largest retail bank
- With Ecobank - alliance largest footprint in Africa: 35 countries

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Nedbank overview

Nedbank Capital	Nedbank Corporate	Nedbank Business Banking	Nedbank Retail	Nedbank Wealth
Investment banking, Global markets & Treasury solutions. Leverage sector expertise & strong wholesale relations. Offices in SA & London Rep office: Angola	Lending, deposit, transactional banking, property finance to SA corporate's t/over >R400m p.a. Retail & wholesale offering: Lesotho, Malawi, Namibia, Swaziland & Zimbabwe. Rep office: Kenya	Commercial banking solutions to small- to medium-sized businesses with turnover of R7,5m - R400m p.a.	Financial needs of individuals & small businesses >R7,5m turnover p.a. Card, transactional, loans & investment products / services. Also corporates i.r.o. card-acquiring services	Insurance, asset management & wealth management, with offices in SA, London, Isle of Man, Jersey, Guernsey & Dubai
▪ Clients amongst Top 200 SA corporates & Parastatals	▪ 562 SA clients ▪ ~5k property finance clients ▪ ~220k in Africa	▪ >15k clients	▪ 5m clients (1,8m primary clients) ▪ >1k staffed outlets ▪ 2,5k ATMs	▪ >10k HNW clients ▪ R106bn AUM ▪ R1,1bn life EV

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Nedbank overview

Nedbank Capital	Nedbank Corporate	Nedbank Business Banking	Nedbank Retail	Nedbank Wealth
% of group headline earnings				
19%	27%	16%	29%	10%
% of group assets				
20%	28%	14%	31%	6%

* At 30 June 2011
**HE: similar to Adjusted operating profits after tax & minorities.
Please refer to Raisibe's slide.

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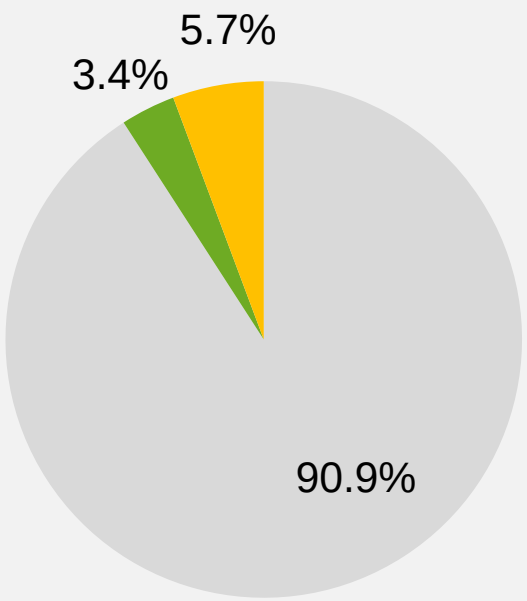
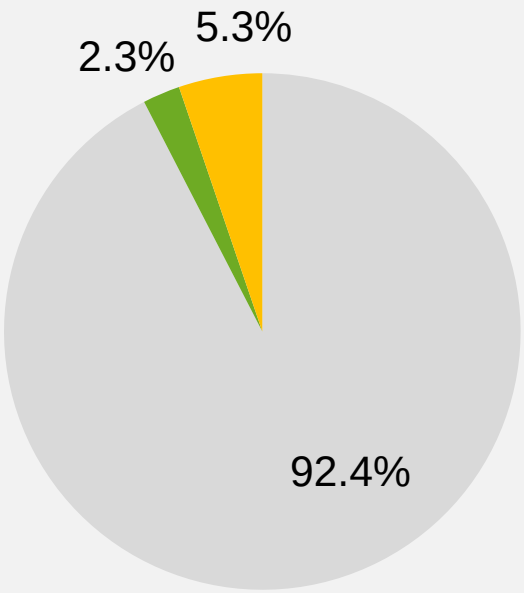
Nedbank overview *continued*

South Africa vs. Rest of Africa & Rest of World

% of group headline earnings



% of group assets



South Africa | Rest of Africa | Rest of World

* At 30 June 2011
**HE: similar to Adjusted operating profits after tax & minorities.
Please refer to Raisibe's slide.

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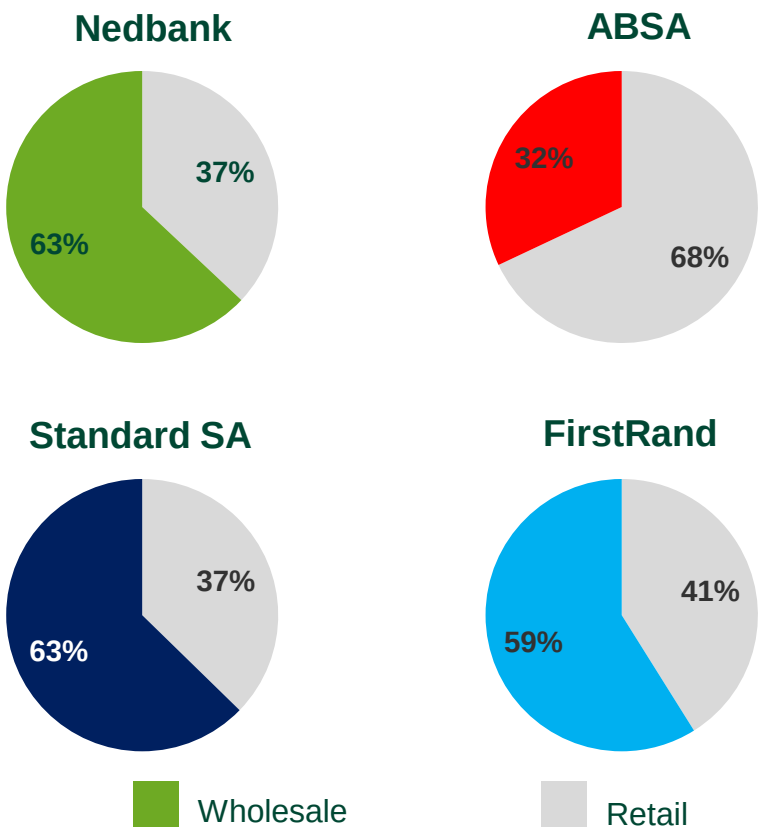
Key features

- Strength in wholesale businesses
- Growth opportunities in Retail / Wealth
- Highly geared for cyclical upturn
- NIR growth opportunity and good traction on initiatives
- Excellent cost discipline over time
- Culture as key differentiator
- Leadership in transformation and sustainability

SA banking industry overview

Retail / Wholesale asset split



Total bank assets at June 2011

- Standard Bank: R1 142bn
- Standard Bank SA: R838bn
- ABSA: R716bn
- FirstRand: R696bn
- Nedbank: R610bn

Source: Results to June 2011, except FR at Dec 2010

1. *Wholesale = BB + Corporate + Capital*
2. *Standard Bank BB assumed 20% of PBB*

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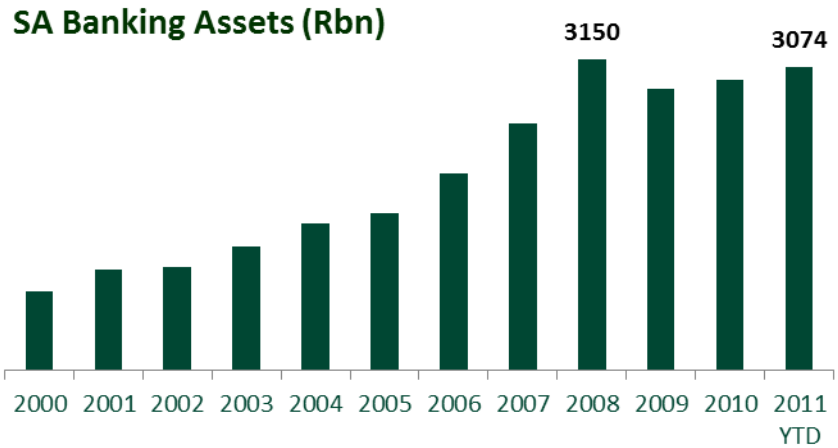
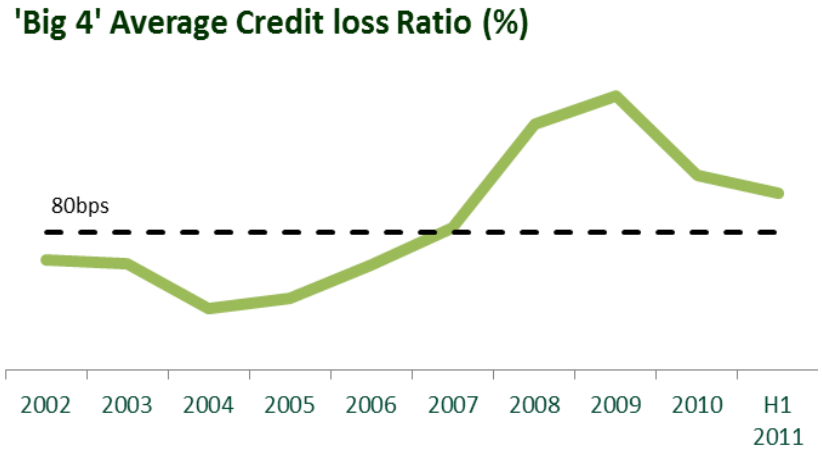
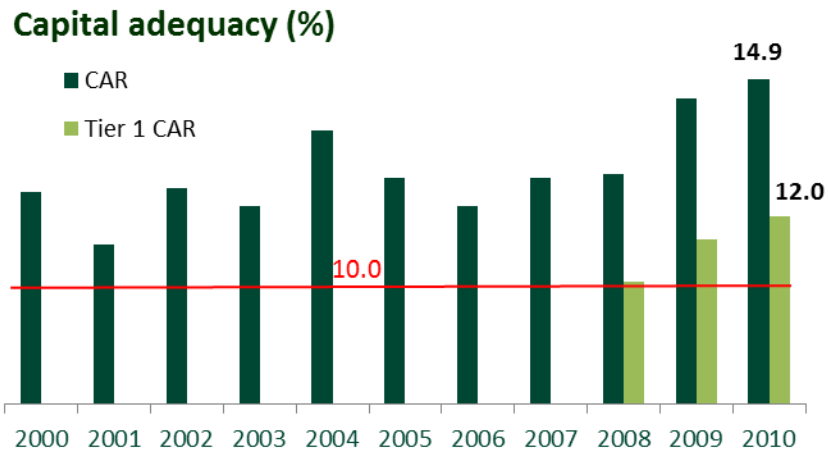
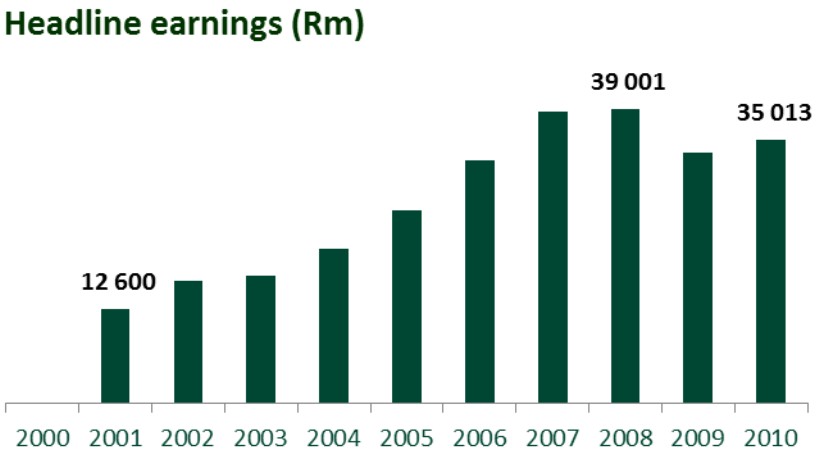
SA banking industry overview









Source: SARB, UBS database

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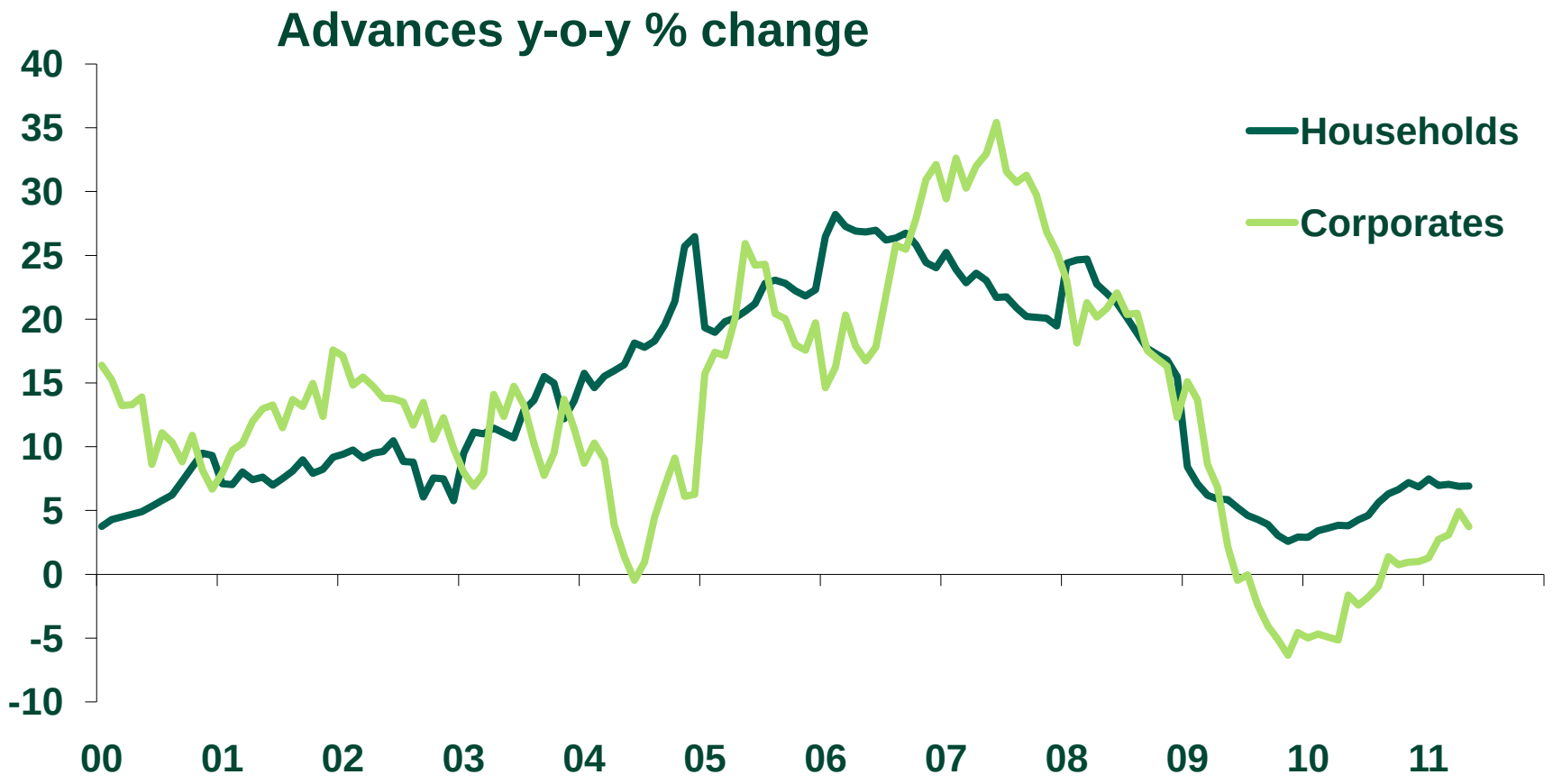
Macro-economic drivers

- Uncertain global economic environment
- SA - strong Q1 growth of 4,8% followed by slowdown in Q2
  - 3,3% GDP growth estimate for 2011 (2010: 2,8% growth)
- Credit demand remains subdued
- Interest rates unchanged in H1 2011
  (average rates down by 123 bps, H1'10 on H1'11)
- Household debt-to-disposable income to 76,8% (2011 Q1) from 77,6% (Dec. 2010)
- Uncertainty remains around regulatory change

Macro-economic drivers



Source: Nedbank Group Economics unit

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Nedbank Group Performance review

- Headline earnings up 28,8%
- Strong core NIR growth of 15,9%
- NIR-to-expenses ratio improved to 80,8%
- Excellent progress in Nedbank Retail repositioning
- Strengthened portfolio impairments, whilst specific impairments reducing
- Improved margins
- Capital ratios continue to strengthen

- Negative endowment impact continues
- Low wholesale advances growth

… 25,0% increase in H1 dividend

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Strategic drivers

Reposition Nedbank Retail

Client-centred focus
underpinned by strong risk management

Grow primary clients & cross-sell
for sustainable ROE

Grow NIR

Provides high returns,
low capital and
liquidity consumption
and reduces earnings at risk profile

Portfolio tilt and maximise EP

Active portfolio management: optimise
resources – capital, liquidity and costs

Focus on EP growth
Deposits a key priority

**Building Africa's
most admired bank**

Long-term growth opportunity
4 tier strategy to selectively
expand into Africa

Client-centred approach

Sustainability embedded in group strategy

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Grow NIR
Innovative solutions & cross-sell

Strong NIR growth of 15,9% since June 2010, driven by…

- Commission & fees up 14,1%
- New client offerings
  - Retail Savings Bond R2bn inflow
  - Ke Yona campaign launch (Entry Level Banking)
- Invested in distribution channels
  - Branches & other outlets: +116 (6 months: +72)
  - ATMs: +420 (6 months: +184)
- Netbank Business & CPS volume growth of 32,9%
- Net primary client gains
  - Retail: 94 000
  - Business Banking: 625
  - Corporate Banking: 24
- Wealth: >1 500 new HNW clients
- Retail transactional price increases in line with inflation
- Capital maintained high NIR : expense ratio
- Trading income up 3,3%
- Insurance income up 30,2%

Note: All June 2010 to June 2011 unless stated otherwise

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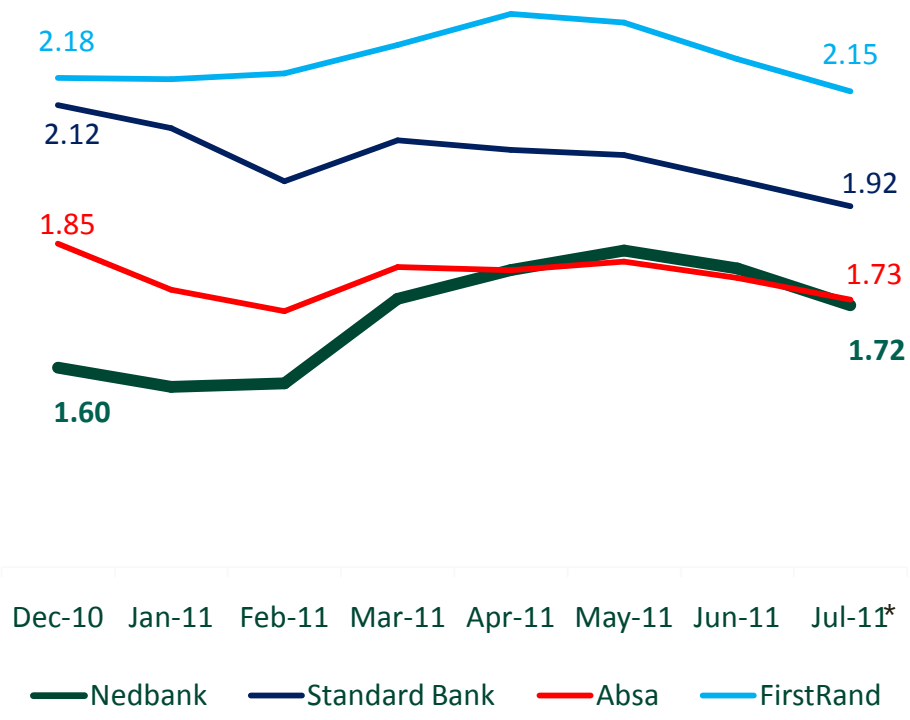
Grow NIR
Closing the gap to peers

Price to tangible book (tNAV)



NIR key driver in price to book ratio

Strategy to increase NIR:

- Client focussed opportunities
- NIR : Expense targets
- NIR focus in scorecards

Higher price / tNAV ratio

More than R8bn value created since December 2010

*July 2011 SP/Nav & SP/tNAV calculated against Dec 2010 Nav and tNav

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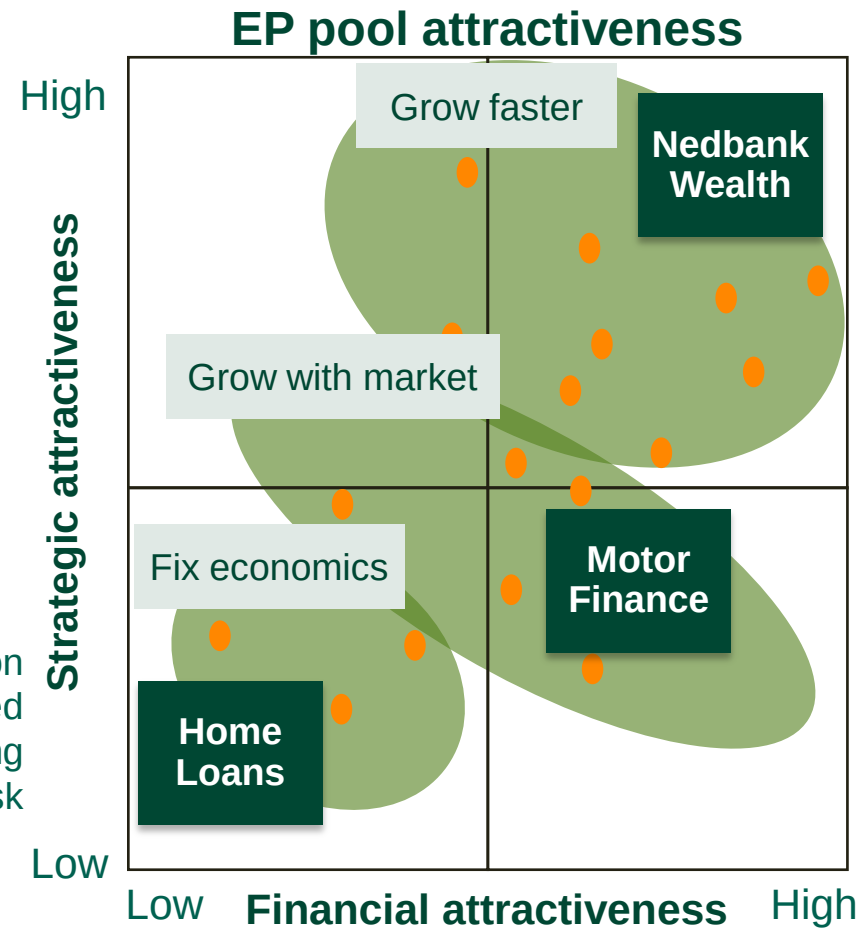
Portfolio tilt & maximise EP
Examples



Acquired JVs & launched various new products including life, insurance & asset management

Selective origination guided by client centred strategy & understanding economics / risk

Acquisition of MFC provided scale & expertise to improve Nedbank's VAF capabilities & economics

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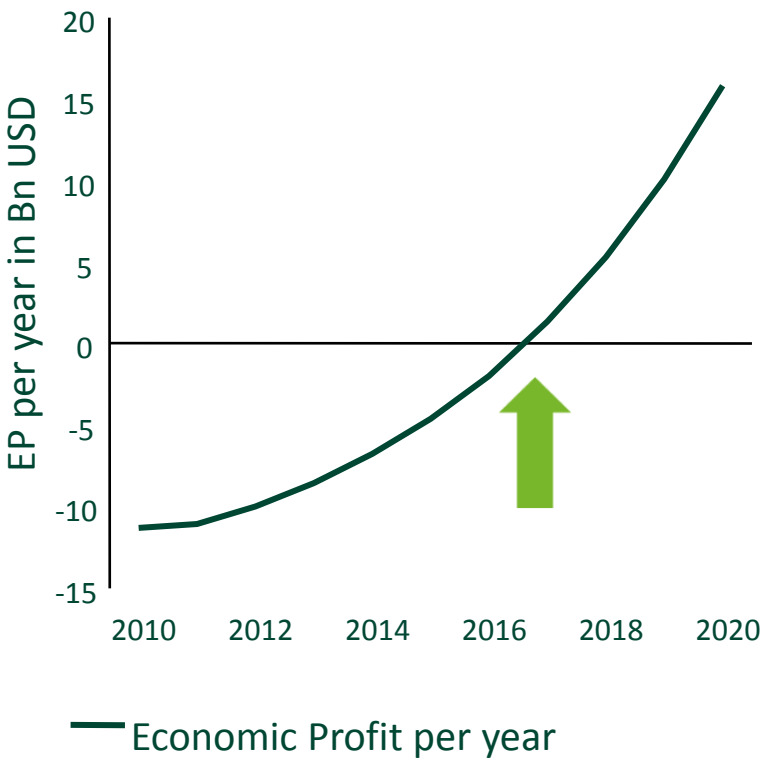
Building Africa's most admired bank

Sub-Saharan Africa (excl SA) EP development 2010 - 2020



- To date - **focussed on building stronger position in Southern Africa, where:**
  - ~75% of financial services economic profit pool is; &
  - Nedbank, locally, has greater opportunity to capture a larger share of EP
- **Basel 3 uncertainty** & requirement to **increase capital levels** impacting actions
- **Rest of Africa only likely to turn EP positive by 2016/7**

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Building Africa's most admired bank

South Africa	Rest of Africa			
First & foremost need to improve competitive positioning	Support wholesale client expansion into Africa	ROEs remain low & challenging in short to medium-term	Regulation & political issues remain challenging in some jurisdictions	Longer-term growth opportunity

Expand & grow in SADC	Advisory boutiques	Pan-African / Ecobank network	Selected investment opportunities

Provides		
Options	**Low cost / risk of entry**	**Presence**

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Sustainability embedded in strategy

- **Economic sustainability**

  Balancing risk & growth for sustainable, quality returns to shareholders

- **Cultural sustainability**

  Created & maintaining a unique culture

  A basis for distinctiveness within a competitive market

- **Environmental sustainability**

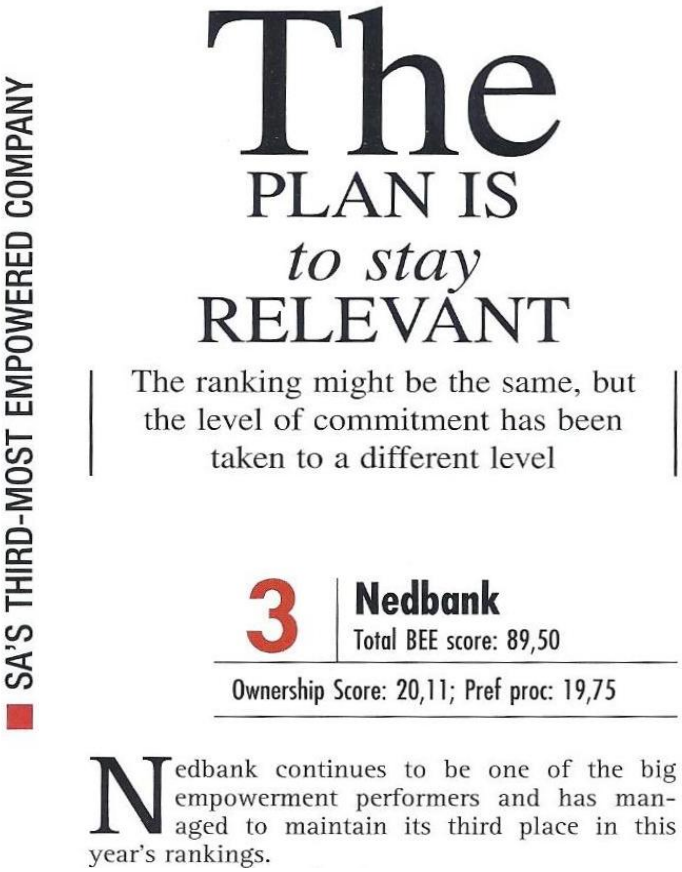
  Maintained position as the “Green Bank”

  One of the first corporates in SA to commit to & go carbon neutral

- **Social sustainability**

  Maintain strong social commitment

FM Top Empowerment Companies 2011


SA’S THIRD-MOST EMPOWERED COMPANY

The
PLAN IS
to stay
RELEVANT

The ranking might be the same, but the level of commitment has been taken to a different level

3 **Nedbank**
Total BEE score: 89,50

Ownership Score: 20,11; Pref proc: 19,75

Nedbank continues to be one of the big empowerment performers and has managed to maintain its third place in this year’s rankings.

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Group targets

Metric	H1 2011		Medium- to long-term target	2011 outlook vs 2010
ROE (excl goodwill)	13,7%	✗	5% above monthly weighted COE	Improving, remaining below target
Diluted HEPS growth	26,3%	✓	≥ CPIX + GDP growth + 5%	Improving, forecast to exceed target
Credit loss ratio	1,21%	✗	0,60% - 1,00%	Improving, remaining above target
NIR : expenses	80,8%	✗	>85%	Improving, remaining below target
Efficiency ratio	55,9%	✗	<50%	Worsening, remaining above target
Core Tier 1 CAR Tier 1 CAR Total CAR	10,7% 12,4% 15,2%	✓	7,5% - 9,0% 8,5% - 10,0% 11,5% - 13,0%	Improving, remaining above top end of target ranges
Economic capital	✓	✓	99,93% confidence - A debt rating (including 10% buffer)	
Dividend cover	2,3 x	✓	2,25 to 2,75 times	

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Delivery of NIR & CLR targets – illustrative scenario

			NIR : expenses		
			Current	Mid way	Target
			80,8%	82,9%	85,0%
Impairments CLR	Current	1,21%	13,7%	14,8%	15,6%
	Top of target range	1,00%	15,9%	17,1%	17,8%
	Mid-target range	0,80%	18,0%	19,2%	20,0%

ROE (excl. goodwill)

- *Based on annualised June 2011 results*
- *Assuming no change in leverage & incremental capital*
- *Assuming efficiency ratio remains the same*

… further uplift from interest rate sensitivity of R592m pre-tax for every 1% increase in interest rates = approximately 1,1% addition to ROE

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Nedbank Group continues growth focus

Grow the franchise

- Reposition Nedbank Retail onto a sustainable growth path
- Grow NIR & primary banking, leveraging strong wholesale franchises
- Optimise costs & actively manage portfolio towards higher EP areas
- Greater focus on African expansion – longer term

- **Short-term** – impairment reduction remains an earnings driver
- **Ongoing** – grow NIR & optimise to invest
- **Medium-term** – positive endowment as rates rise & effects of portfolio tilt

… sustainable quality ROEs

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Q&A

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PRESENTATION TO INVESTORS

OLD MUTUAL'S SOUTH AFRICAN BUSINESSES

INGRID JOHNSON
GROUP MANAGING EXECUTIVE
NEDBANK: RETAIL AND BUSINESS BANKING

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Contents

- **Retail and Business Banking**
- **Business Banking**
- **Retail**
- **Retail and Business Banking focus areas**

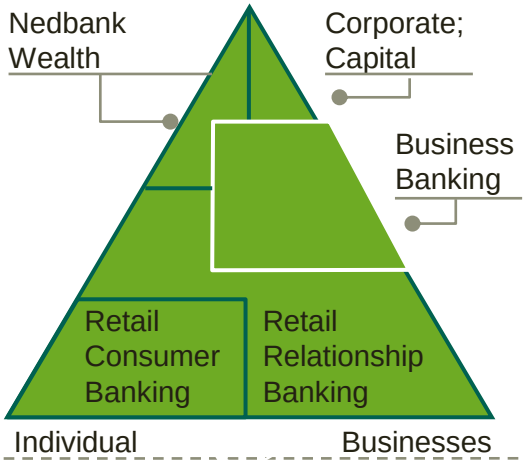
Executive summary

- Clearly defined Retail & Business Banking (BB) strategy in place to contribute to Group delivering its medium term targets, specifically:
  - Sustaining the consistent strong financial performance and **accelerating the momentum in BB** to become the leader in business banking for South Africa;
  - **Implementing the client-centred Retail strategy** to chart a new path to sustainable profitable growth;
  - **Integrating Imperial Bank seamlessly** while maintaining a >30% retail motor market share with improved returns; and
  - Through collaboration, **unlocking opportunities across BB & Retail** to address duplication and to benefit our client and employee experiences, while capturing new avenues of growth.
- Excellent progress evidenced at half year 2011, with Retail and BB **delivering a good financial performance, more than doubling headline earnings to R1.3bn**. **NIR grew strongly at 18%** to R4.1bn, and **impairments improved, reducing by 22,2% even** after **further** strengthening portfolio impairments by **R233m.** BB continued to produce quality earnings & high ROEs for 7 successive years.
- **While the strategy to re-build the client franchise in Nedbank Retail will take time**, **the results are testimony to the effectiveness of strategic choices and speed of execution.** Business Banking is working closely with Retail to leverage the strong market position and banking relationships we have with businesses to provide enhanced banking solutions for the benefit of clients of both clusters. Our **positioning** in markets with **attractive economics** has been enhanced **by adopting discerning strategies** which **harness** Nedbank's unique strengths for the **trends shaping** the industry and **society we serve**.
- **By collaborating across the clusters**, growth prospects are enhanced through **leveraging existing client relationships**, better aligning the client offering to **create a seamless Nedbank experience** and **optimising distribution to grow at area level** across South Africa.
- We will continue to **invest in our 20,000 people** and provide them with **meaningful careers** as we drive cohesively towards **transforming Retail for the benefit** of **our clients** and the **communities** we serve, while also **delivering on our aspiration** to be the **leader in business** banking **for** SA.

Target market & coverage model

PRELIMINARY

Business Banking



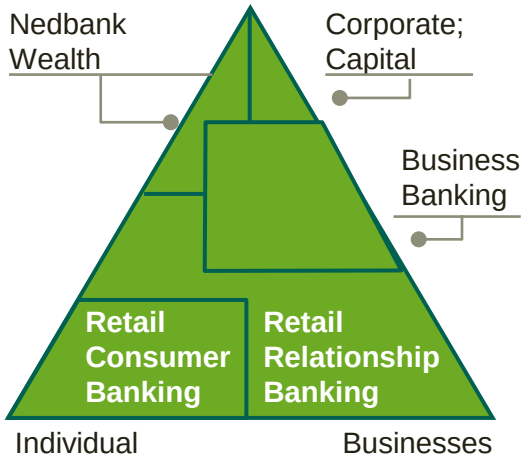
Target clients

- Companies with turnover R7.5-400 million
- Typically established businesses across > 70 locations in SA; often family-owned
- Individual and business activities intertwined

Service model

- Client service teams (CST's) (incorporating sales, credit & service) supported by product specialists in business offices across SA, operating within clear frameworks
- Dedicated relationship banker orchestrating CSTs and specialists to holistically service all client needs
- Servicing owner and household and their business and employees on a holistic basis

Retail



- Retail Consumer Banking targets households requiring an "**I know about you**" client experience
- Retail Relationship Banking targets households requiring an "**I know you**" client experience, and small/micro businesses with turnover <R 7.5 million

- Served across 1000 staffed outlets, contact centre and digital channels (ATM's, POS, Online, Mobile)
- Client insight led offerings, strong product lines and systems enable front-line sales and servicing
- Relationship-based with a form of RM[1](lower to higher touch) supported by centralised functional team or regionalised product specialists (shared with BB)
- RRB clients served through "relationship centres" within branch or co-location of personal bankers with BB

1. Relationship Manager

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Competitive positioning

Dimension	Business Banking	Retail
Clients & market	• **20% urban market share** (18% overall) closely behind ABSA & FNB, with **Standard Bank** being the **clear market leader**	• **Smallest retail** market share of 4 big banks (1.8m primary banked customers ~9% share; 5m total clients) • No. of **physical outlets** (ATM, Branch, In-Retailer) in total **behind competitors**, although **urban** presence **comparable**; **early adopter** of **alternate outlets**
Products offering	• **Specialisations** in agriculture, franchising, professional, public sector • **Market leader** in funds administration, **strong deposit franchise** • **Transactional Banking** capabilities **on par with competition**, following significant investments into cash functionality, Electronic Banking platform (Netbank Business) and Global Trade (TradeXchange)	• Strong **retail motor finance market share (>30%)** following Motor Finance Corporation (MFC) acquisition [1] • Consistent presence in **Personal Loans** (**2nd highest bank market share**) • **Distinctive, client** insight led **offerings** - Nedbank Savvy and Nedbank Ke Yona • **Vodacom m-pesa** person to person mobile phone offering continues to build momentum • Traditionally **strong deposit franchise** with innovative offerings like the Nedbank Retail Savings Bond • **Competitive card acquiring** capability
Operating model	• Decentralised, client-centred, empowered regional structure to ensure frontline and regional accountability. This **is a differentiator** • Enabled for **fast decision making**, **local understanding** and **community involvement**	• **Business evolving** to a **more integrated** and **client centred organisation**, while maintaining profitable **product growth momentum** and **harnessing** Nedbank's **distinctive strengths**

1. Acquisition of remaining 50% shareholding with transaction date of 1 July 2009; final effective date was however only on 1 February 2010 when s54 regulatory approval was received

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Key highlights – June 2011 interims

- Headline earnings doubled to R1,3bn
  - Good NIR growth of 18,1% to R4,1bn
  - 22,2% lower impairments - portfolio assumptions strengthened
- Reaping rewards from client-centred strategies, focused execution & strategic leadership
- Business Banking - quality earnings & high ROEs for 7 successive years
- Retail turnaround well on track, with significant improvement in ROE to 9,9% & stronger earnings
- Collaboration benefitting client & employee experience & growth prospects
- Enhanced positioning in attractive Economic Profit (EP) pool markets

Source: 2011 Interims Results

Introducing the Retail leadership

Name and position	Experience and qualification
Ingrid Johnson (45) Group Managing Executive: Retail and Business Banking	▪ 18 years service ▪ 18 years banking experience ▪ BCom, BAcc, CA(SA), AMP (Harvard Business School)
Sibongiseni Ngundze (41) Managing Executive: Retail Relationship Banking	▪ 8 years service ▪ 22 years banking experience ▪ BCom, SMDP, Credit Diploma, Global Executive Dev Prog (GIBS)
Keith Hutchinson (53) Managing Executive: Secured Lending	▪ 21 years service ▪ 27 years banking experience ▪ BCom, BCompt (Hons), IEP (Insead), ABS (Harvard)
Sydney Gericke (53) Managing Executive: Nedbank Card	▪ 21 years service ▪ 24 years banking experience ▪ BCom (Acc), BCom (Hons), MCom, CPA, SEP (Insead Business School)
David Crewe-Brown (43) Executive Head: Finance, Projects and Strategy	▪ 16 years service ▪ 16 years banking experience ▪ CAIB (SA), BCom, BAcc, CA (SA)
Gavin Payne (48) Executive Head: Risk	▪ 27 years service ▪ 27 years banking experience ▪ CAIB (SA), Global EDP (GIBS), Strategic Mgmt in Banking (Insead)

Name and position	Experience and qualification
Ciko Thomas (41) Managing Executive: Consumer Banking	▪ 1 years of service ▪ 3 years banking experience ▪ B.Sc (UCT), MBA (University of Witwatersrand)
Brian Duguid (50) Managing Executive: Retail Banking Services	▪ 29 years service ▪ 29 years banking experience ▪ CAIB (SA), FIBSA, AMP (Insead)
Anton de Wet (45) Managing Executive: Personal Banking and Client Value Management	▪ 13 years service ▪ 26 years banking experience ▪ BCom, MBA, AMP (Insead Business School)
Sarel Rudd (55) Managing Executive: Nedbank Personal Loans	▪ 8 years service ▪ 25 years banking experience ▪ BCom (Acc), BCompt (Hons), CA (SA)
Millicent Lechaba (43) Executive Head: Human Resources	▪ 5 years service ▪ 5 years banking experience ▪ BA Hons (U Durban), MDP (U Pretoria), SAP HR Certificate, EDP (GIBS)
Ashley Sutton-Pryce (57) Executive Head: Human Resources & communications, Nedbank Retail & Business Banking	▪ 37 years service ▪ 37 years banking experience ▪ BA, Business Strategy for HR Leaders (Insead Business School)

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Introducing the BB leadership

	Name and position	Experience and qualification
	Ingrid Johnson (45) Group Managing Executive: Retail and Business Banking	▪ 18 years service ▪ 18 years banking experience ▪ BCom, BAcc, CA(SA), AMP (Harvard Business School)
	Douglas Lines (40) Divisional Executive: Gauteng	▪ 16 years service ▪ 16 years banking experience ▪ BAcc, Dip Acc CA(SA)
	Goolam Kader (45) Divisional Executive: Cape	▪ 12 years service ▪ 25 years banking experience ▪ BCom , CAIB (SA) , GEDP (GIBS), Strategic Management in Banking (Insead)
	Craig Evans (45) Divisional Executive: Coastal & Inland	▪ 17 years service ▪ 21 years banking experience ▪ BSc Agriculture Economics, CAIB (SA), AMP (Insead)
	Herman de Kock (38) Divisional Executive: Northern	▪ 9 years service ▪ 9 years banking experience ▪ MA, MBA, IEP (Insead)
	Kandis Swanepoel (45) Divisional Executive: Strategic Business Unit	▪ 15 years service ▪ 15 years banking experience ▪ BCom, BAcc, CA(SA), MBA (Univ of Wales), AMP (Insead)

	Name and position	Experience and qualification
	Sandile Shabalala (44) Managing Executive: Business Banking	▪ 16years service / 21 years banking experience ▪ BAdmin, National Higher Diploma: Management Practise, CAIB (SA), MBL, Strategic Management in Banking (Insead)
	Bedresh Dhanjee (41) Executive Head: Credit & Credit Risk	▪ 21 years service ▪ 22 years banking experience ▪ Bcompt, EDP (GIBS)
	Ayn Brown (45) Executive Head: Human Resources	▪ 19 years service ▪ 23 years banking experience ▪ BA(Soc Sc), MDP (Stellenbosch)
	Jan Bosch (39) Executive Head: Specialist Services	▪ 13 years service ▪ 13 years banking experience ▪ BCom Hons, CA(SA), IEP (Insead)
	Chico Naidu (55) Executive Head: Innovation, Process and Project Integration	▪ 33 years service ▪ 33 years banking experience ▪ Business Management (Univ of Stellenbosch) , CAIB (SA), SMP (Insead)
	Annette Francke (37) Executive Head: R& BB Strategy; Group Innovation; BB Marketing & Communications	▪ 5 years service ▪ 5 years banking experience ▪ BSc Hons, MBA (Insead)

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Vision and strategic intent

BB was identified as a key strategic thrust for Nedbank in 2006:

- Good franchise in **biggest growth sector of the economy**
- Relationship based client offering with **credit extension & cross-sell as key levers**
- **Loyal client base** valuing bank's backing of them - generally do not move banks due to hassle factor & loss of track record
- **Decentralised business model** enables localised understanding, stronger client networks & community involvement
- **Revenue-led expansion** by increasing size & effectiveness of sales force while **leveraging off existing area / regional office infrastructure**
- **Higher barriers to entry for global banks** due to opaque credit risk, depth of client relationships, number of staff & geographic spread of offices and clients

Even in current economic environment, the midsize business market **remains an attractive market segment** with a significant Economic Profit (EP) pool and growth potential

BB has strengthened its foundation over the past 6 years, while generating through to 2010 a **cumulative R5.9bn in Headline Earnings (HE)** and **R2.9bn in EP on ~R3.7bn** of average allocated **capital**

Vision & Strategic Intent	**Measures**
Become the leader in business banking **for** South Africa:	
• Rated highest in attracting, developing, motivating & retaining our **people** & be regarded as the preferred employer	• Staff survey • Barrett survey • Diversity profile
• Acknowledged as the leading business bank for our ability to listen, understand & deliver the products & services to meet our **clients**' needs, through our decentralised, empowered, community based partnering approach to business	• Customer Sat Survey • Loyalty Rating
• In the top 2 in assets & liabilities, top quartile **financial returns** & increased **market share** in primary banked clients	• Startrack & BMI surveys • Peer benchmarks

Strategic Road Map defined as ASCENT

A cquire primary banked clients
S ales force productivity & size
C ross sell & cross-divisional collaboration
E asy to do business with us
N ew markets & products
T alented, skilled & energised people

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Delivery against strategic intent

People

- **High employee satisfaction**; empowered, **high-performance organisational culture** within clearly defined frameworks (including risk)
- **Fundamentally transformed** the **diversity profile** at all levels of management
- Industry first sales & credit accredited talent learnership designed and rolled out to grow talent from within

Client

- **Service metrics** continually improving, with **customer loyalty at an all time high**
- BB's **customer management capabilities** rated **5th highest** out of 900 companies surveyed globally as part of the Customer Management Assessment Tool (CMAT™) research process. It achieved the **best ever score globally** for a full business-to-business company
- Continuing to **attract net new clients** and **market share** shifted from low of 16% to 20% as reported by BMI-T

Financial & market share

- Generated R2.9bn cumulative EP on R3.7bn average economic capital allocation over 6 years
- ROEs maintained between 23% and 32% for 7 successive years
- Successfully navigated the challenging economic cycle, with a **CLR**[1] **below or within** the TTC[2] target range of **60-80bp** (reset for 2011 to 55-75 bps) for 7 successive years

1. Credit Loss Ratio
2. Though The Cycle

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Key differentiators

- Fully empowered regions run by Regional Business Head within clearly defined frameworks; end-to-end accountability with 1 individual in a region
- Decentralised business model & Client Service Team approach with specialist support
- Investment into leadership & high performance culture
- Rigorous credit risk management within decentralised model ensuring early identification of risk & ability to react quickly
- Proven track record in legal process & collections - area strengthened with key resources to maximise recoveries in current climate
- Focused Strategic Business Unit to identify & incubate future revenue streams
- Evolving business model to service owner and household and their business and employees on a holistic basis
- Collaborative culture and Nedbank first mindset

Distinctive client positioning

Our Attributes	Value to our client's business
Access to skilled bankers supported by a team of specialists …	• Single point of contact via dedicated relationship banker (RB) • Back-up & relationship continuity through team based approach (client knowledge with more than one person) • Access to appropriate specialists co-ordinated via RB
… with in-depth local understanding …	• Physical presence of key staff in area where client operates, means staff able to gain in-depth understanding of both client's business & local external environment
… & empowered to make quick decisions	• Clients get to speak to decision makers directly – Quicker turnaround – Decisions based on sound knowledge of clients' circumstances
Partnering approach	• We care about growth of our clients' businesses & want to be there for long term

Nedbank Business Banking

"Partnering with you to grow your Business"

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Geographical presence

Structured around 4 geographical business units, divided into 13 regional & 50 area offices with physical presence in

~65 locations

ASCENT strategy roadmap

Step change emphasis

Acquire primary banked clients

- **Attract new primary banked clients,** collaborating with sales specialists
- **Convert single product clients** to primary banked clients
- Focused acquisition of **black SME clients**

Sales force productivity & size

- Improve **profitability per sales person** - aligning rem. to sales targets
- Productivity **benchmarking** internally / externally
- **Enhanced CST segmentation** to create capacity for growth

Cross Sell

- **Increase existing clients' share of wallet**
- Specialist sales force **expand product usage in non primary-banked market**
- Intra-**Group cross-sell** tracked through single point accountability

Easy to do business with Nedbank

- **Client centric analytics** translated into proactive client leads
- **Improve processing efficiencies**
- Tailored **distinctive service** levels

New markets & products

- **Risk as an enabler** – finance **new ventures** & create **life time clients**
- **CVP's**[1] for existing & new industries / markets / geographies / **smaller businesses**
- **Innovative transactional products and services** based on client needs; **area expansion**

Talented,skilled & energised people

- Deepening **skills and experience** of people & **embracing diversity**
- **Leadership** development & change management processes
- **Empowering** & energising staff environment

1. Client Value Propositions

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Drivers of Business Banking financial performance

Income statement lines	Key drivers of financial performance
NII (Assets)	• Successfully widened asset margin, maintaining prior years' gains in a competitive market • Asset volume growth remaining challenging, with low client appetite for expansion or investment in the current economic environment
NII (Liabilities)	• Overall strong deposit business; leadership position in funds administration; holistic approach to investment management; net provider of surplus deposits to Group • Attractive current account creditor balances from primary banked clients • Product innovation key to attract new funds, eg. working capital optimiser & holistic cash management approach
NIR	• Client activity influenced by challenging economic climate, with over a third of clients transacting less • Highly dependent on primary banked client acquisition & cross-sell of NIR rich products, including card acquiring • Disciplined fee collection embedded through automation • Focus on NIR product innovation (Cash & Electronic Banking) and sales force productivity
Impairments	• Rigorous credit risk management & collection process evidenced in impairments contained within or better than the TTC target range for the 7th successive year; level of balance sheet impairments reflective of inherent credit risk and quality of portfolio • Should perform well in rising rate cycle given effective risk management practices & quality of portfolio
Expenses	• Costs tightly managed for several years in view of rapidly declining interest rate environment (650bp) • Now investing for growth through IT enablement and re-deployment of staff into revenue generating roles • Efficiency gains and close collaboration with Retail will avoid duplication and maximise re-use / sharing of cost base
Capital	• Optimal capital allocation, following completion of initiatives to release total R1.2bn of capital during 2009 & 2010
HE, Economic Profit & ROE	• **Consistently strong Economic Profit (EP) contributor & high returns on capital** • **100bp rise in interest rates translates to ~R110m increase in HE & EP and 2.9 percentage points higher ROE**

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Strategic context and imperatives

External context

- Growing banked population (+4.9m by 2020)
- Changing demographics (large youth and entry level market; growing middle market consumers and seniors)
- Growing small business segment employing ~45% of the workforce
- Increasing consumer preference for choice of channels, self-servicing and low cost banking
- Tightening regulation and pricing pressures
- Technological and process innovation for simplicity and ease of banking
- Increased competition

Retail is an attractive, large, growing but increasingly competitive segment

Three imperatives

Build many deep and enduring client relationships

Invest in attractive segments (youth, entry-level and small business)

Embed a strong risk culture

Internal context (Baseline 2009)

- Strongly product-focused with high and increasing use of capital and liquidity
- Expanded to all clients, emphasising Mzansi
- Behind competitors in client experience and infrastructure
- Weak client propositions (reduced bonding in affluent, lower share of primary clients)
- Inadequate risk management in secured lending
- Cumulative Economic Losses of R1.6bn over four years to December 2009

… Nedbank can build on product, people and wholesale strengths

Source: Updated from Retail Strategy Investor Day presentation January 2011

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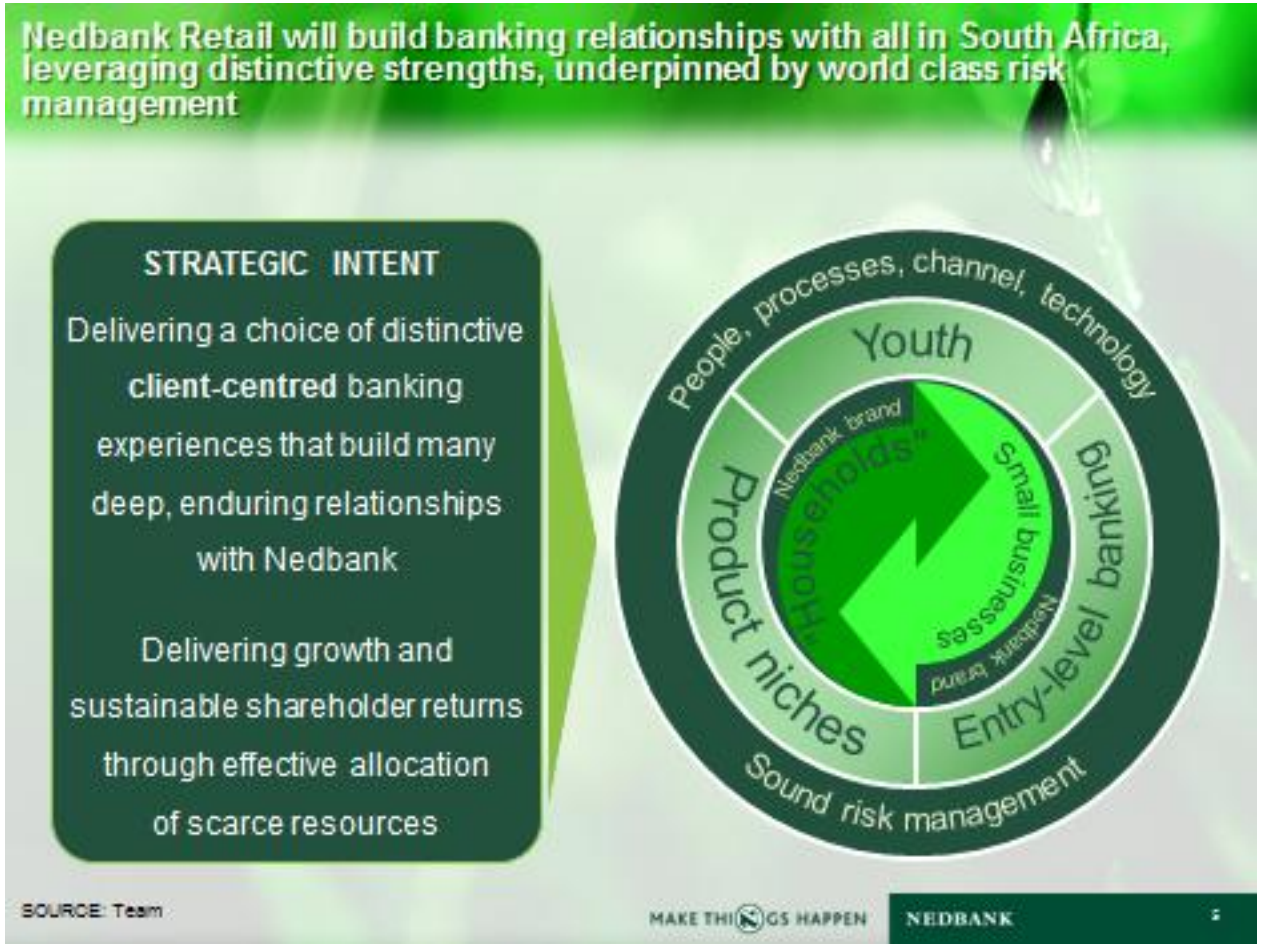
Vision and strategic intent



Source: Retail Strategy Investor Day presentation January 2011

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Strategy to deliver a choice of distinctive client experiences

- **Our mission**/promise to clients: **"By understanding your aspirations and financial goals, we Make Things Happen for you"**
- Our **overall distinctiveness** will come from our aspirational brand, and **how we deliver** on this client promise. In our approach, we will deliver
  - **Positive client centred experiences**
  - Integrative banking experiences for **households and natural groupings,** and only **'ask once'**
  - **Client needs** by **listening, understanding** and **showing that we care about their financial fitness**
  - Great **value** banking
  - **Fast efficient** processes

Our response to the strategic opportunity[1]	Important cornerstones of strategy	Elements of customer value proposition specific to strategic response
▪ Relationship / **'I know you'** experience	▪ RM **knows the customer household** ▪ **Entrepreneur and business** served as one ▪ **Solutions oriented** (e.g., financial fitness, basic business support functionalities)	▪ A **form of RM** (lower to higher touch) supported by access to centralized or regionalised product specialists. **Discretionary client driven credit decision** (no autodecline). Special areas in branches (video links to specialists)
▪ (Mass) tailored / **'I know about you'** experience	▪ Smooth **delivery, in line with expectations, and solutions tailored to segment specific needs**, based on distinctive customer (segment) insights	▪ **No dedicated RM**. Choice of servicing from self-directed to outlet servicing at the right price ▪ Centralised CRM[2] and customer intelligence (including branch systems) directs the sales force
▪ Youth	▪ **Range of offerings dependent on nature of household**, incl. tech-savvy products/services ▪ **Laying foundations for financial** fitness	▪ Specific product and marketing, additional channel emphasising mobile, on-line and schools. **Strong connections to households** ▪ Centralised CRM[2] to capture 'risers'
▪ Entry-level[3]	▪ **Relevant and affordable product bundle**, distributed close to client ▪ Help with improving my **financial literacy**	▪ **Low cost to serve**, affordable simple products, at point and time of need ▪ **Adapted channels**, leveraging alternative distribution ▪ Centralized CRM[2] to indentify 'risers'
▪ Product niches	▪ **Differentiated product** based on what I want, where and when I want it, with fast turnaround	▪ **Specific product and solution niches**, aligned to the client centric experience and client insights ▪ Centralised CRM[2] to cross-sell

1 Based on CVP, affordability and complexity of needs. No forced model – left to the choice of customer
2 Enabled by relevant systems and processes
3 Defined as feeding the rising demographics

Source: Retail strategy Investor day presentation January 2011

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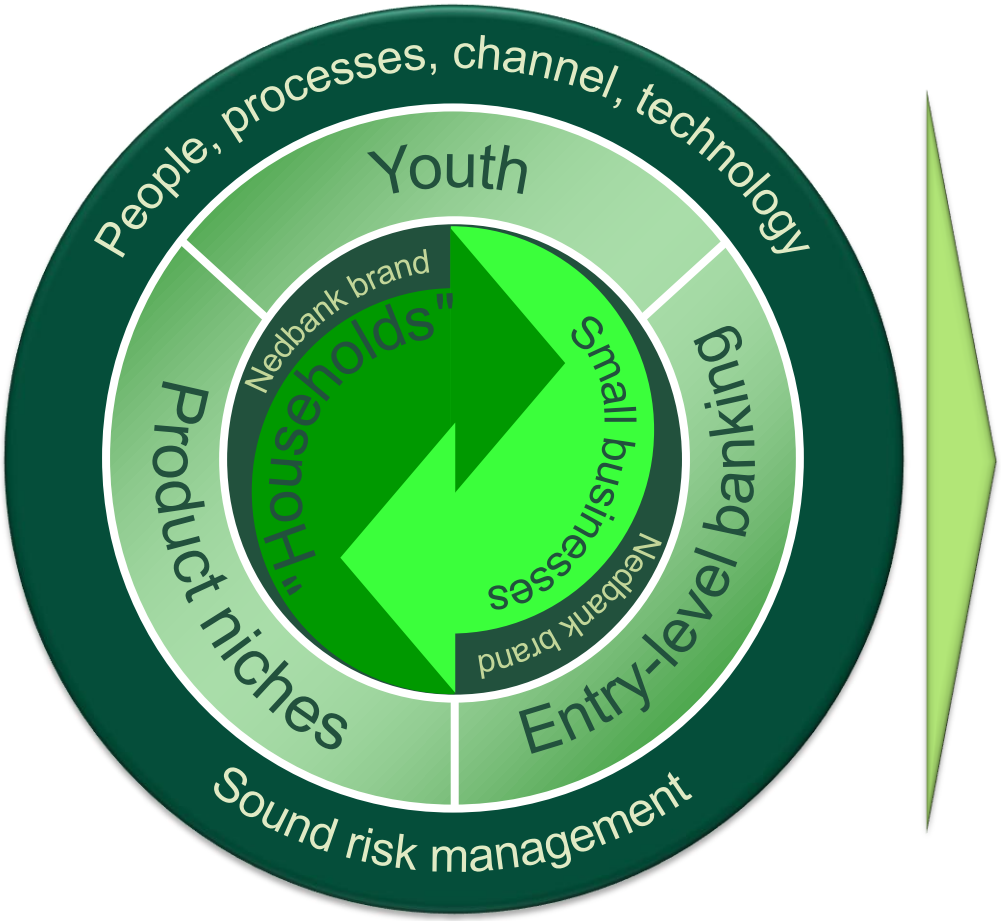
Key deliverables



Key deliverables – medium term

- Unlocking R600m* cost efficiencies
- Re-investing R400m**: 340 new outlets & >1 000 new ATMs
- Extended shopping hours
- Win in mobile
- Unsecured lending enabling primary client growth
- Home Loans integral to total client relationship
- >30% of clients primary banked
- Step change in small business integrated offering with extended branch presence

* run rate in year 4 ** cumulative capex over 4 years

Source: 2010 Annual Results Analyst pack

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12 step change initiatives

Nedbank Retail's strategic journey consists of 12 step change initiatives, fully aligned with Nedbank Retail's strategic wheel[1]

- Choice of distinctive client centred banking experiences offered to all and embracing full household[2]
- Sound risk management
- Efficient cost structure

Strengthen the Heart	Rise	Collaborate	Support / Enable
1 ▪ Build deep enduring banking relationships embracing the full household[2] 2 ▪ Capture SBS and individual synergies / entrepreneur opportunity	3 ▪ Feed the heart from the rising demographics 4 ▪ Reposition Home Loans 5 ▪ Align products to strategic intent; leader in digital	6 ▪ Leverage wholesale client, group efficiencies and brand 7 ▪ Align roles and accountabilities/ decision rights to strategic intent 8 ▪ Capture cost efficiencies 9 ▪ Simplification/ sharing of IT platforms/process	10 ▪ Upgrade risk capabilities and practices 11 ▪ Align channels and distribution to strategic intent 12 ▪ Empower people within frameworks

1 This guides the direction and content of the balance of divisional activities and performance scorecard deliverables
2 Including influencers, dependants and natural groupings
SOURCE: Team

MAKE THINGS HAPPEN

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Source: Retail Strategy Investor Day presentation January 2011

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Implementation roadmap

x Corresponding step change initiative

	Basics of good client banking experience	Drive internal cohesion & quality client growth; Positive EP generator	Enhanced, consistent client banking experiences
Lead the change[1]	▪ **Align Retail leaders, teams & culture** ▪ **Communicate vision widely**	▪ **Empowering broad-based action** ▪ **Celebrate short term wins**	▪ **Consolidate gains and produce more change** ▪ **Embed as cultural norm**
Lay strong foundation	11 **Reinforce/fix the Retail-wide basic processes** (e.g., account opening, complaints management) **aided by Lean, Siyakha**[2] and **increased sales-force effectiveness** 9 Implement **interim IT solutions** (e.g., middle-ware), and start **long-term solutions** (e.g., single data repository) 10 Ensure robust **risk practices**/ implement **overall risk portfolio and credit granting covenants** 5 Align **products** to strategic intent (e.g., mobile, simple product shelf, bundles)	7 Cohesion in **Retail organisation & client centred integrated culture** (e.g., strong segments, client data analytics drives cross-sell, simple client driven processes) 12 **Train** (front-line) for client centric selling and service (e.g., listening skills, implementing skills, increase cross-selling skills); **Siyakha** a strong enabler 11 ▪ Align **distribution** network (e.g., CSC network with entry level needs, increase RM presence in branch network)	9 Step change in **enabling technology**
Sustainable earnings growth	4 Reposition **home loans** (e.g., establish buyer advocacy, improve collections, test specialist sales force, EP the measure of success) 8 Implement **cost-efficiencies** (e.g., reduce duplications, improve procurement) 2 Refine **SBS** value proposition, leveraging Business Banking systems & processes	1, 3, 6 Implement **refined client value proposition** (e.g., youth, seniors, middle income customers) 10 **Risk** as **first line of defense** strongly entrenched – impactful, proactive risk management; functional alignment	3 Strong growth in **youth** (e.g., segment offering, school presence) and **entry-level** (e.g., mobile space, personal loans) CVPs 1 **Effective customer analytics** to build deep, enduring relationships

1. Guided by HBS Professor John Kotter's leading change principles
2. Siyakha: integrated sales and service platform

Source: Retail Strategy Investor Day presentation January 2011

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Drivers of Retail financial performance

Income statement lines	Key drivers of financial performance
NII (Assets)	• Unsecured lending to grow faster than secured lending; selective origination in home loans, with emphasis on unlocking profitable primary banked client relationships, ~ 30% of Nedbank Group home loans relate to poor '07/'08 vintages which cannot be re-priced • Affordability calculations and credit granting taking rising interest rate pattern into consideration
NII (Liabilities)	• Retain or improve 2nd best in market share for retail term deposits • Increased household deposits share, especially in "lazy deposits" aided by increased number of clients • Clients using their surplus cash to deleverage, therefore market growing more slowly
NIR	• Increasing customer numbers, due to changing demographics and effective CVP's • Focus on converting non-primary relationships to primary banked customers over time (challenging to shift market share markedly in short term)
Impairments	• Strong focus on collections and client rehabilitations to reduce non performing loans • Operating at upper end or outside of target range of 1.5% – 2.2%. Sensitive to portfolio mix effect as proportion of home loans within the overall advance portfolio reduces • ~50% of future home loans impairments impacted by poor '07/'08 vintages • Strengthened risk capability and greater alignment of risk granting methodologies across Retail
Expenses	• Opportunities to unlock operating cost efficiencies, particularly IT enabled BPR[1] and channels, while investing in growing physical distribution in area growth nodes (including increased branch presence for Retail Relationship Banking)
Capital	• Opportunity to optimise capital over time
HE, Economic Profit & ROE	• **Charting a new path to sustainable, profitable growth to deliver returns above cost of equity in 3-4 years** • **Initial benefits from rising interest rate pattern become more muted as impairments rise**

1. BPR – Business Process Re-engineering

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Focus areas

Imperatives for Retail Banking

Choice of distinctive client centred banking experiences

Relationship banking (households & small business)

Fix economics of secured lending & leverage MFC

Further inculcate deep risk culture in retail

Common imperatives

- Area growth nodes & optimise distribution
- Holistic business transactional offering including card acquiring
- NIR led innovation – easy to do business; win in virtual & mobile
- Optimise virtuous circle of business, owner & employees
- Talent management & coaching for growth

… enhanced growth prospects through collaboration

Imperatives for Business Banking

- Complete deep cultural transformation
- Growth (ASCENT, smaller businesses, primary clients)
- Sustain quality risk management practices

Source: 2011 Interims Analyst pack

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PRESENTATION TO INVESTORS

OLD MUTUAL'S SOUTH AFRICAN BUSINESSES

RAISIBE MORATHI
CHIEF FINANCIAL OFFICER
NEDBANK GROUP

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Macro-economic drivers

- Uncertain global economic environment
- SA - strong Q1 growth of 4,8% followed by slowdown in Q2
  - 3,3% GDP growth estimate for 2011 (2010: 2,8% growth)
- Credit demand remains subdued
- Interest rates unchanged in H1 2011
  (average rates down by 123 bps, H1’10 on H1’11)
- Household debt-to-disposable income to 76,8% (2011 Q1) from 77,6% (Dec. 2010)
- Uncertainty remains around regulatory change

Key financial highlights

Six months ended	% change	**June 2011**	June 2010
Headline earnings (Rm)	28,8	**2 772**	2 153
Diluted HEPS (cents)	26,3	**600**	475
Diluted basic EPS (cents)	26,2	**598**	474
Pre-provisioning operating profit	10,1	**6 577**	5 974
ROA (%)		**0,92**	0,75
ROE (excluding goodwill) (%)		**13,7**	12,2
ROE (%)		**12,2**	10,7
Headline economic profit/(loss) (Rm)		**146**	(352)
Tangible NAV per share (cents)	9,6	**8 477**	7 732
Dividend per share (cents)	25,0	**265**	212

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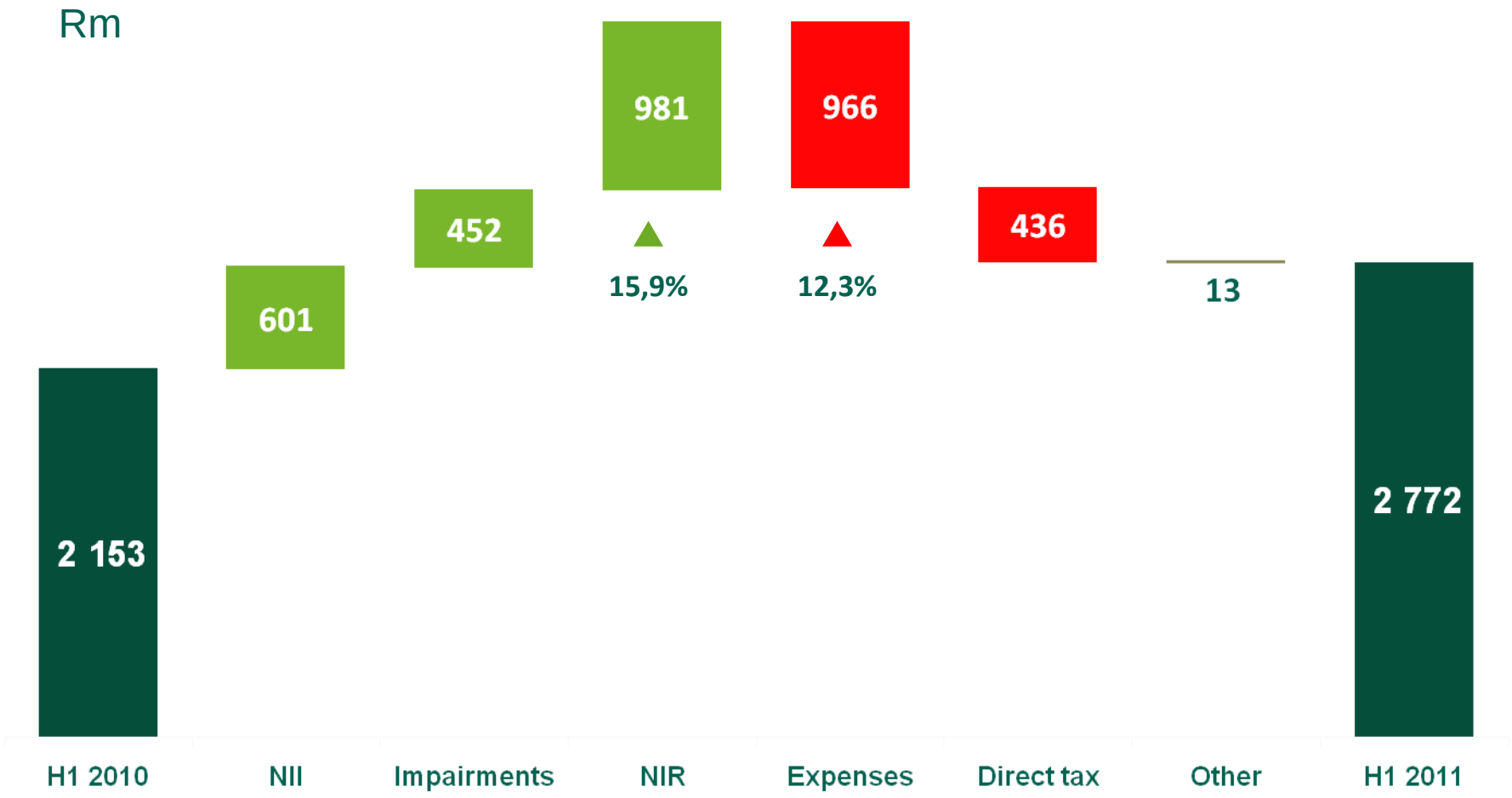
Key earnings drivers



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Consolidated statement of comprehensive income

Six months ended - Rm	% change	**June 2011**	June 2010
Net interest income	7,4	**8 683**	8 082
Impairments	(13,9)	**(2 792)**	(3 244)
Income from lending activities	21,8	**5 891**	4 838
Non-interest revenue	15,9	**7 139**	6 158
Total expenses	12,3	**(8 838)**	(7 872)
Indirect taxation	9,6	**(252)**	(230)
Headline profit before taxation	36,1	**3 940**	2 894
Direct taxation	75,6	**(1 013)**	(577)
Minorities & preference shares	(5,5)	**(155)**	(164)
Headline earnings	28,8	**2 772**	2 153
Basic earnings	28,6	**2 764**	2 150
AOP* at GBP rate**		**359**	266

* Adjusted operating profits after tax & minorities
** Ave. GBP/ZAR rate 11,14 (June 2011) & 11,49 (June 2010)

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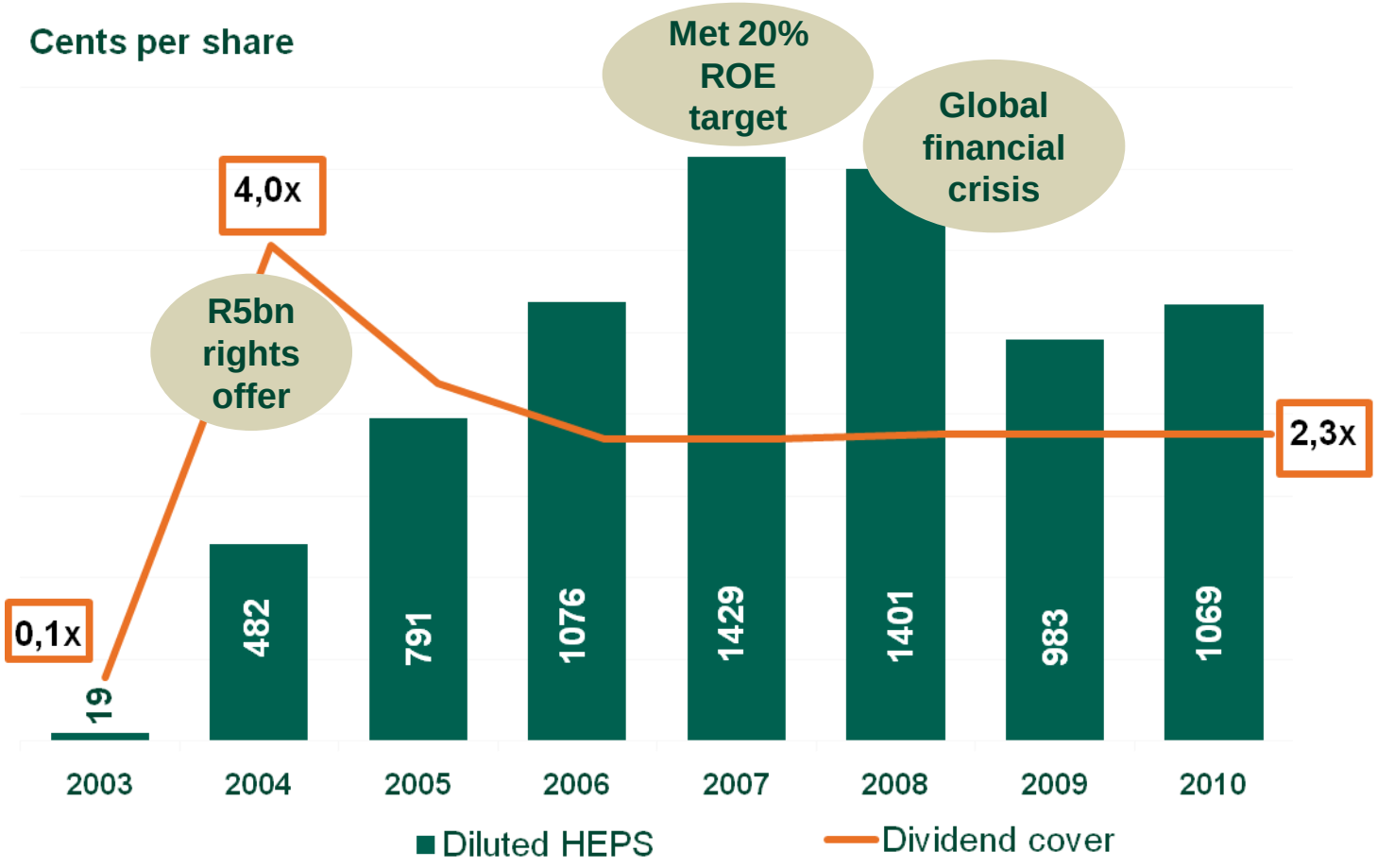
Earnings trend



Diluted HEPS Growth

Medium-term target:

≥ CPIX
+ GDP growth
+ 5%

2011 forecast: to exceed target

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NII - margin analysis

% of daily average interest-earning banking assets	%	Rm
December 2010	**3,35**	**16 608**
Growth in banking assets		485
Net capital endowment	0,01	68
Prime/JIBAR reset risk	0,03	124
Liability pricing & mix movements	0,01	60
Cost of enhancing liquidity risk profile	(0,04)	(201)
Asset pricing & mix improvements	0,07	364
Other	-	2
June 2011 annualised	**3,43**	**17 510**

Note: this is a description of the movement in H1 margin & not a forecast of NII for 2011

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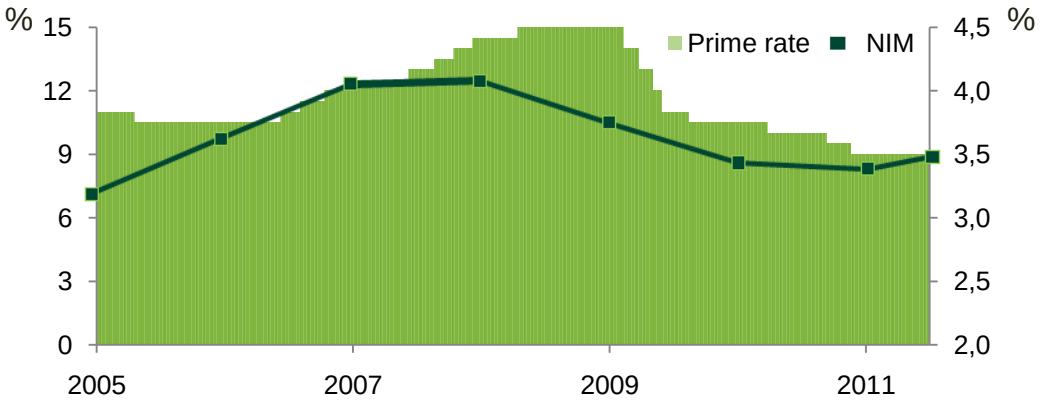
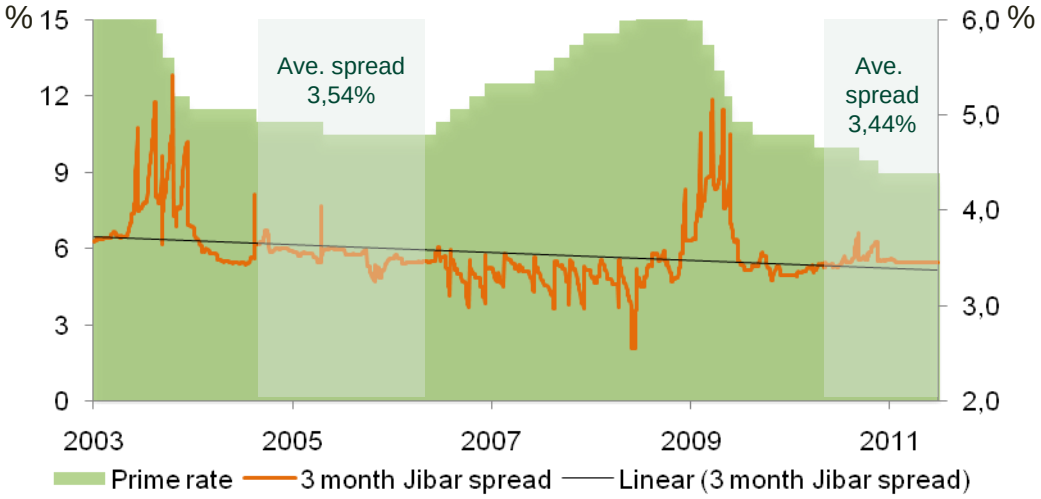
Margin movement

- Interest rates continue to move to structurally lower levels
  - Negative implications for margins in SA
- Basel III will increase the cost of funding & pricing of new advances
  - Banks will carry higher levels of liquidity buffers
- The spread between prime/lending rate & 3 mth Jibar spread/funding costs continues to narrow
- Going forward bank margins are likely to be under pressure & not return to previous highs





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Impairment charge

Six months ended	% of avg banking advances	**June 2011**	H1 2010	Dec 2010	CLR targets
Impairment charge (Rm)		**2 792**	3 244	6 188	
Credit loss ratio (%)					
Group		**1,21**	1,46	1,36	0,60 – 1,00
Nedbank Capital	9,5	**0,86**	0,80	1,27	0,10 – 0,35
Nedbank Corporate	33,7	**0,34**	0,31	0,20	0,20 – 0,35
Nedbank Business Banking	13,0	**0,40**	0,32	0,40	0,55 – 0,75
Nedbank Retail	40,5	**2,24**	2,93	2,67	1,50 – 2,20
Nedbank Wealth	3,8	**0,41**	0,24	0,15	0,20 – 0,40

…specific impairments of 1,1% with strengthened portfolio provisioning

Non-interest revenue

Six months ended - Rm	% change	**June 2011**	June 2010
Commission & fees	14,1	**5 311**	4 656
Insurance income	30,2	**496**	381
	15,3	**5 807**	5 037
Trading income	3,3	**921**	892
Private equity income	93,0	**137**	71
Tando	(3,0)	**97**	100
Other income	(38,6)	**116**	189
	12,5	**7 078**	6 289
Fair value adjustments	>(100)	**61**	(131)
Credit spread on own sub-debt / swaps		**(46)**	(110)
Basis & other net IFRS adjustments		**107**	(21)
	15,9	**7 139**	6 158

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Greatest long-term opportunity, improving NIR

Du Pont analysis (2010)	Nedbank		Big 3 Average	
	% of Interest Earning Assets	% of Equity	% of Interest Earning Assets	% of Equity
NII	3,35	39,9	3,56	37,9
Impairments	1,25	14,9	1,09	11,6
NIR	**2,66**	**31,8**	**3,81**	**40,6**
Expenses	3,35	39,9	4,34	46,3
Headline earnings	0,99	11,8	1,37	14,6

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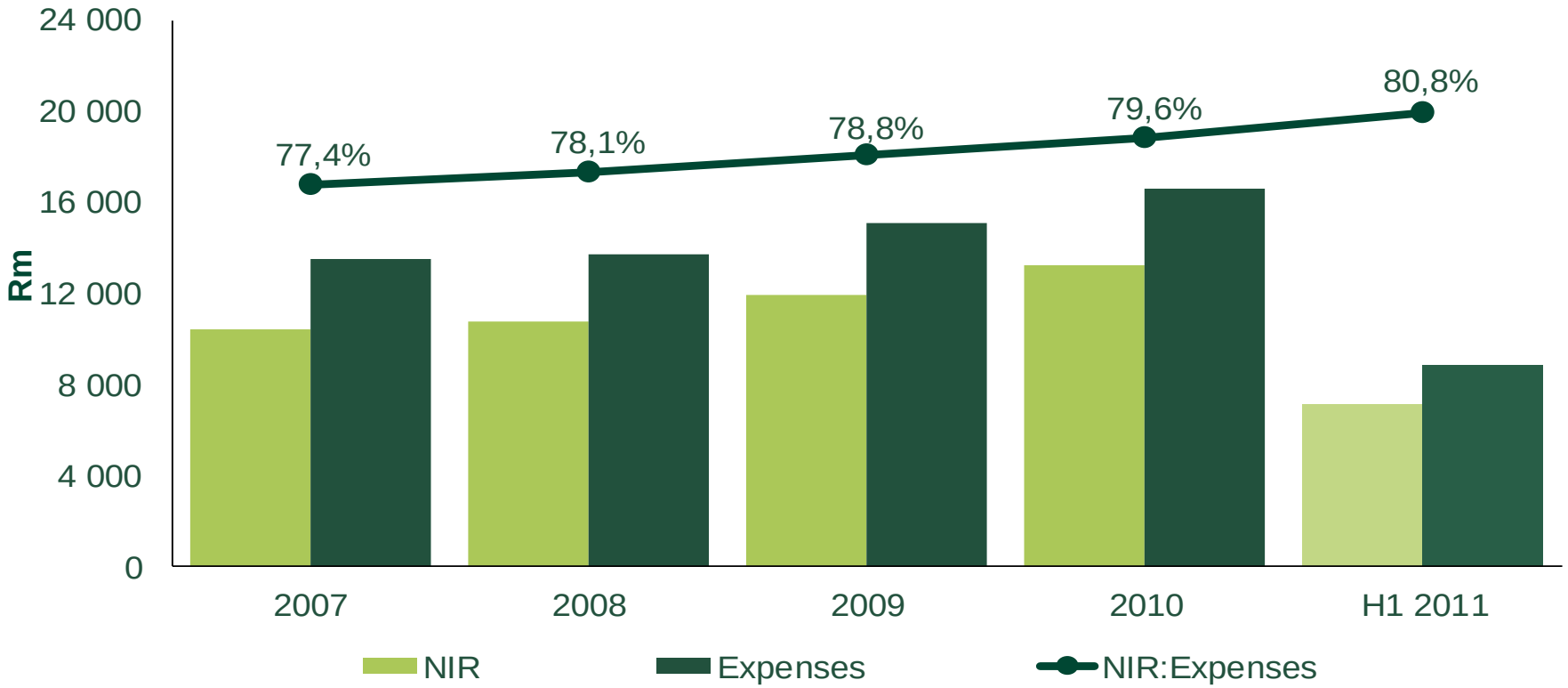
NIR : expenses trend

Targeting NIR : expenses ratio > 85% in medium-to-long-term



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Expenses

Six months ended - Rm	% change	**June 2011**	June 2010
Staff costs (incl. BEE expenses)	13,7	**4 833**	4 251
Remuneration & other staff costs		**4 200**	3 815
STI		**502**	349
LTI		**131**	87
Computer processing	8,0	**1 126**	1 043
Marketing & PR	4,0	**493**	474
Fees & insurance	18,1	**849**	719
Other	11,0	**1 537**	1 385
	12,3	**8 838**	7 872

… efficiency ratio 55,9% (June 2010: 55,3%)

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Segmental performance

Six months ended - Rm	% change	Headline earnings June 2011	Headline earnings June 2010	ROE % June 2011	ROE % June 2010
Nedbank Capital	(5,9)	**546**	580	**21,0**	23,7
Nedbank Corporate	24,0	**779**	628	**24,0**	16,6
Nedbank Business Banking	3,9	**456**	439	**24,2**	29,1
Nedbank Retail	>100	**826**	133	**9,9**	1,7
Nedbank Wealth	16,6	**274**	235	**35,8**	33,0
Operating units	43,0	**2 881**	2 015	**17,1**	12,3
Centre	>(100)	**(109)**	138		
Group	28,8	**2 772**	2 153	**12,2**	10,7

…strong growth from operations

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Consolidated statement of financial position

Rm	Annualised % change	**June 2011**	Dec 2010
Cash & securities	25,6	**88 578**	78 613
Advances	(1,4)	**471 918**	475 273
Other		**49 379**	54 832
Total assets	0,4	**609 875**	608 718
Ordinary shareholders' equity	8,8	**46 022**	44 101
Minorities & preference shareholders		**3 706**	3 713
Deposits	1,5	**493 974**	490 440
Long-term debt instruments		**28 190**	26 104
Other		**37 983**	44 360
Total equity & liabilities	0,4	**609 875**	608 718

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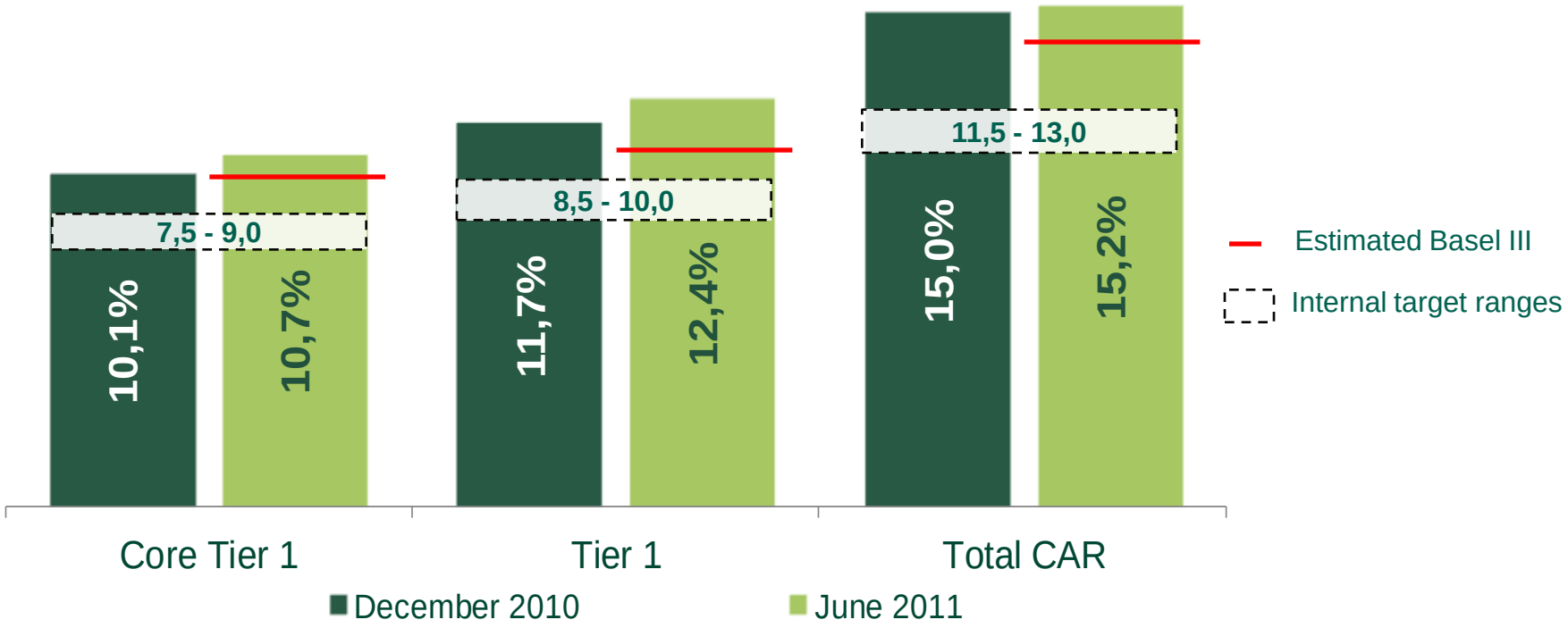
Capital adequacy ratios

Regulatory capital adequacy

Regulatory surplus: Core Tier 1: R17,8bn Tier 1: R17,4bn Total: R17,4bn



… Basel III capital implications - CARs remaining above top end of target ranges

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Low EU impact & exposure to banks in PIIGs

EBA stress tested 90 banks in 20 EU countries

- 8 banks with Core tier 1 ratio below 5%
- Further 16 banks, above 5% but below 6%

EU adverse macro-economic scenario applied to Nedbank's baseline scenario:

- Impact less severe than Nedbank's severe inflationary & deflationary scenarios
- Relative basis: Nedbank 9th strongest core tier 1 ratio out of 90 EU banks'
- Absolute basis: Nedbank 8th strongest core tier 1 ratio out of 90 EU banks'

PIIGs	Exposure (June'11)
Portugal	R2,53 million (R3,1 million, Aug. '11)
Italy	R3,29 billion (R402,2 million, Aug. '11)
Ireland	No exposure
Greece	No exposure
Spain	R282,14 million (R8,5 million, Aug. '11)

Rest of world 3% of total group advances

Source: 2011 European Banking Authority (EBA) Stress Test, Goldman Sachs International, 15 July 2011

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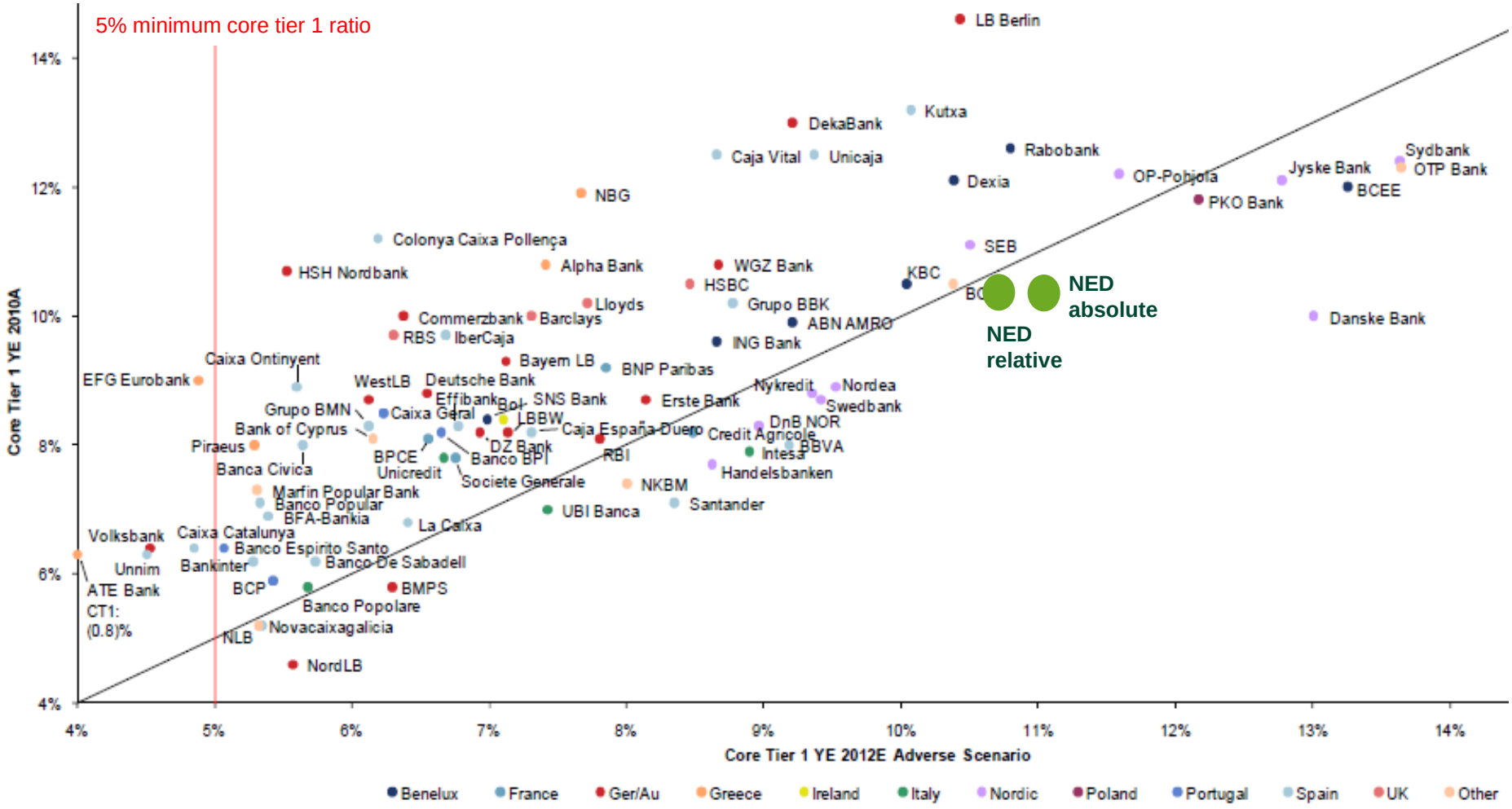
EU stress test on Nedbank



Source: 2011 European Banking Authority (EBA) Stress Test, Goldman Sachs International, 15 July 2011

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Basel III – implications

Basel II.v

Effective 2012

Basel III

Core* - 7,0% | Tier 1* - 8,5% | Total* - 10,5%

** Including capital conservation buffer of 2,5%*

Effective 2013 – 2019 (phased)

✓

Liquidity coverage ratio (LCR)

$$\frac{\text{High quality liquid assets}}{\text{Net cash outflows 30 day period}} \geq 100\%$$

Effective 2015

Net stable funding ratio (NSFR)

$$\frac{\text{Available stable funding}}{\text{Required stable funding}} \geq 100\%$$

Effective 2018

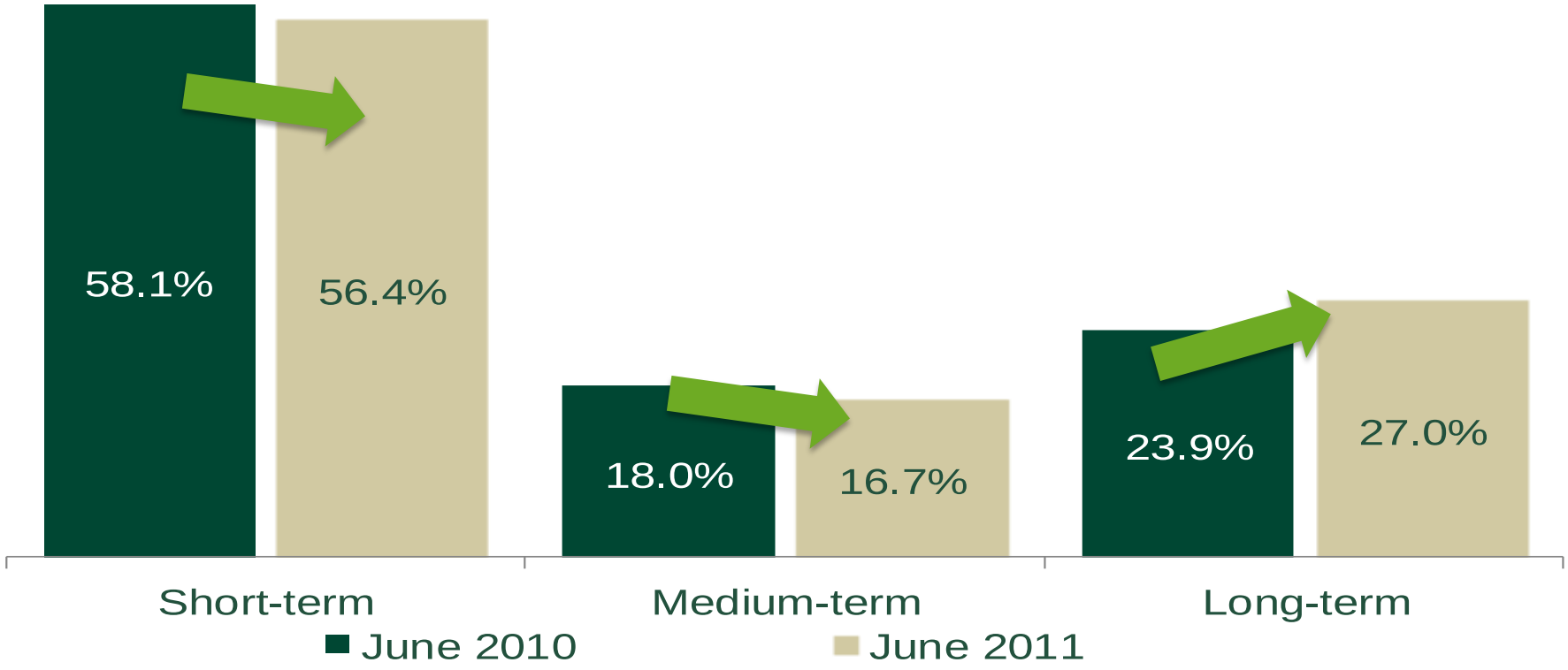
- Additional liquid assets
- Longer funding profiles
- Higher cost of funding
- Restricted long-term lending

- LCR & NSFR under "observation" from 2011/2012
- Much debate internationally over NSFR implications
- If implemented, anticipate pragmatic solution
- Strengthening of banks liquidity profiles inevitable

- **Constraint to economic growth**
- **Increased asset pricing**
- **Reduced ROEs**

Improved funding profile

Average long-term funding ratio continues to increase



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Outlook…

- Global economic conditions uncertain
- 3,3% GDP growth anticipated in 2011 for SA
- Inflation expected to increase to top of band (3% - 6%)
- Interest rates expected to remain flat in 2011
- Consumer indebtedness improving but remaining high
- Regulation - uncertainty remains a challenge for growth

Financial drivers – 2011 Year

NII	▪ Advances growth low to mid single digits ▪ Margin for full year similar to H1 *(no further interest rate changes assumed)*
Impairments	▪ Improving, remaining above target
NIR	▪ Double digit growth (excluding fair-value adjustments)
Expenses	▪ Investing for growth – positive NIR jaws
Capital	▪ Maintaining strong capital ratios

Q&A

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PRESENTATION TO INVESTORS

OLD MUTUAL'S SOUTH AFRICAN BUSINESSES

PETER TODD
MANAGING DIRECTOR
MUTUAL & FEDERAL

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Contents

- About Us
- Organogram
- Geographical Presence
- Products
- Key Achievements
- Sales Analysis
- Key Performance Measures
- Key Focus Areas

About us

- Mutual & Federal ia a wholly- owned subsidiary of the Old Mutual Group and provides short-term insurance solutions in Southern Africa
- Mutual & Federal is the second largest short term insurer in South Africa, with a market share of ~11.5%
- We provide short term insurance solution mainly through network of brokers in the following classes of the business
  - Property, Engineering, Liability, Motor, Transport, Guarantee and Health & Accident
- Our customers are in the Personal lines, Commercial and Corproate segments
- We employ over 2,200 employees including South Africa, Namibia and Botswana

The Executive Team

P. Todd
Managing Director

W. Smith
Direct Distribution

D. Loxton
Financial Director

K. Miller
Chief Underwriting Officer

B. Magano
Human Resources

V. Lee
Brand, Customer and Transformation

C. da Silva
Sales

I Uttley
Change

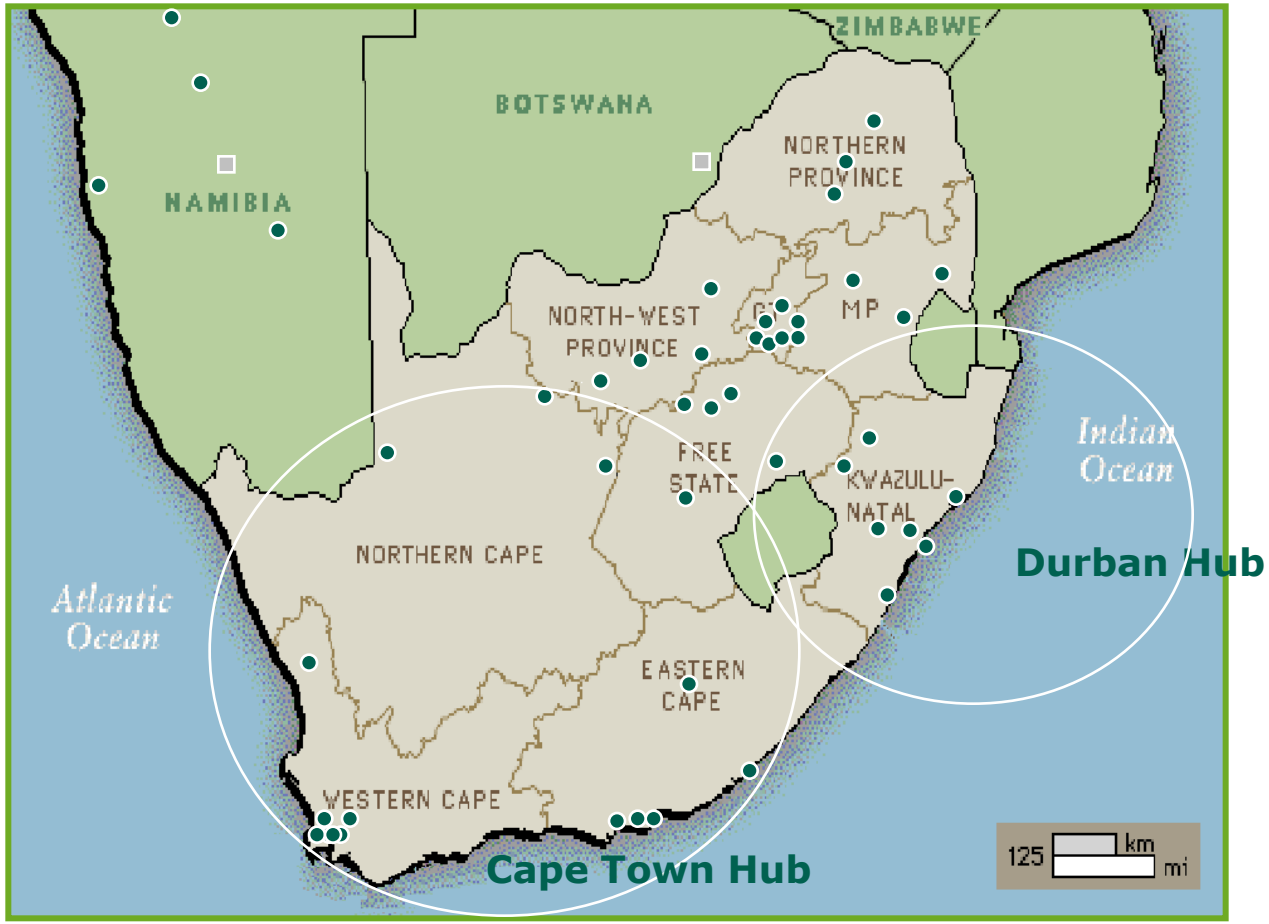
Vacant
Chief Operations Officer

E. Paul
Chief Risk Officer

Vacant
Africa Operations

S. Isaacs
Claims

Geographical Presence



Number of Branches

South Africa
54 Branches

Namibia
5 Branches

Botswana
1 Branch

Zimbabwe
Associate Company

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Our Products

1 Personal

- Allsure
- Insurance 4 All
- Group Schemes
- Surewise

2 Commercial

- Multisure Business Policy
- Commercial Affinity Schemes
-

3 Corporate

- Corporate Products
- Engineering
- Marine

4 Direct

- i-Wyze
- Direct Market Products
- Personal Accident Plan
- Hospital Cash Plan
- Accidental Death and Disablement Plan

5 Agricultural

- AgriPlus
- Crop Insurance

6 Other

- Risk Finance
- Credit insurance
- Performance Guarantee
- Heavy Haulage
- Liability

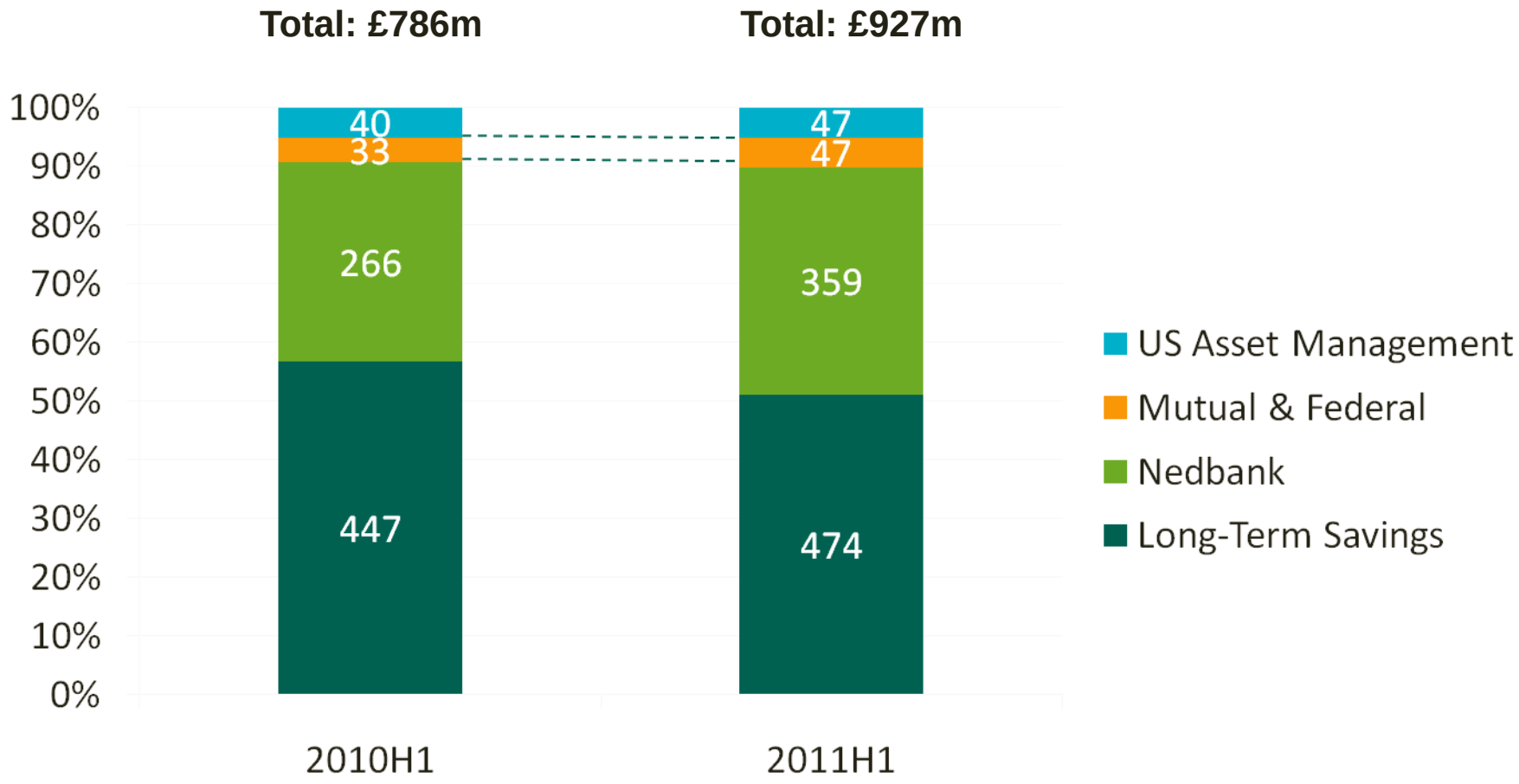
We offer our clients flexible insurance solutions..

Key achievements in 2010/11

Financial Performance	Solid underwriting results and a strong balance sheet with solvency exceeding statutory requirements
Executive Team	New Exco structure in place to strengthen focus on market-facing business
Direct Insurance	Launched iWYZE in collaboration with Old Mutual which is growing steadily and meeting policy count targets
Niche Business	Underwriting Management Agencies writing niche business in specialist liability and Heavy Haulage
Process Efficiency	Centralised processing hubs fully operational in Durban and Cape Town, and 30% of business now self-administered online
Customer Value Proposition	Our service was ranked 2nd in the short-term category in the Ask Afrika Orange Service Index by consumers. Our Corporate and Commercial offerings were ranked in the Top 3 by intermediaries in their annual survey
Claims Innovation	Innovations in claims include sms notification; mobile claims unit and multi-purpose claims centers. Significant claims cost savings achieved
Risk Management	Improved focus on risk management and governance (iCRaFT)
Brand	Our brand remains strong and we have successfully undertaken a refresh of our positioning and corporate identity

Key Performance Measures

*Mutual & Federal's contribution to the Group AOP is 5.1%, up from 4.2% in 2010**



*AOP is pre-tax and MI and excludes net corporate costs

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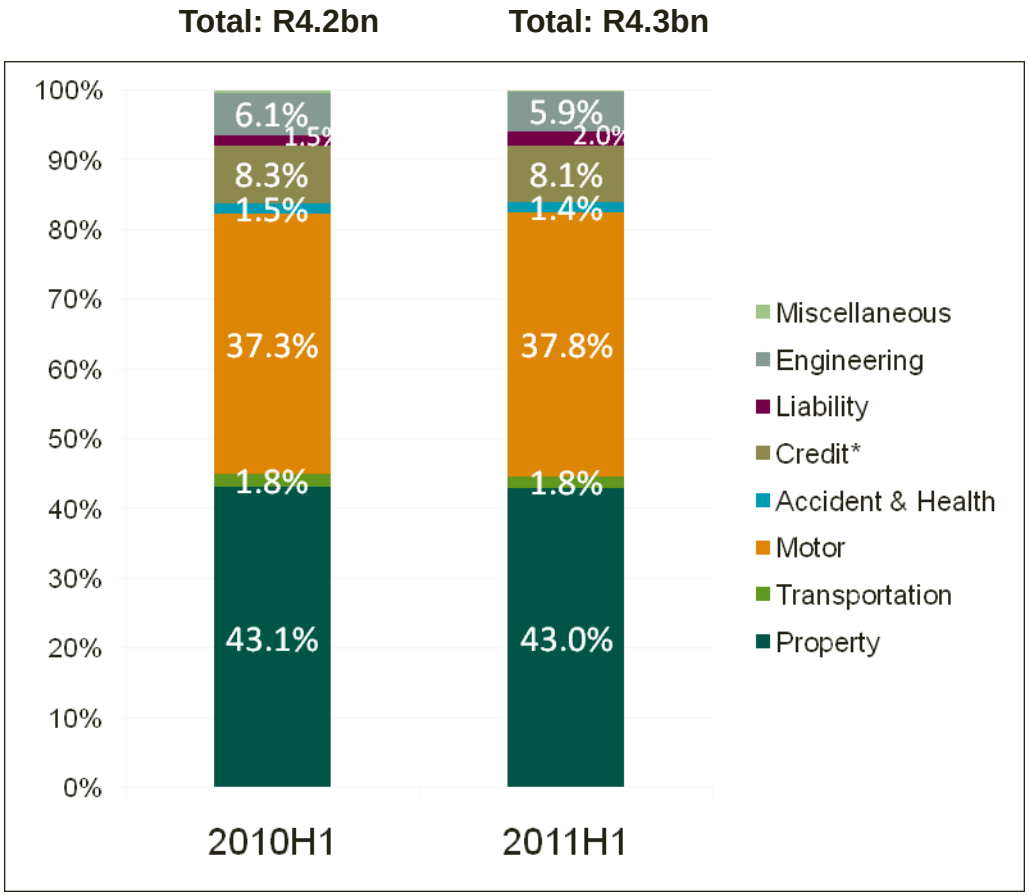
Key Performance Measures

Sales Distribution – Gross Premiums (in Rands)



Source: M&F Group Results

* Revenue generated through our joint shareholding with Santam on a Credit Guarantee business

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Key Performance Measures
Drivers of Profit

	2010H1	2011H1
Gross Premium- R'Mil	4,205	4,361
Claims Ratio	68.5%	64.6%
Underwriting Ratio	2.6%	5.3%
Solvency Ratio	62%	63.5%
Return on Equity	14.5%	15.8%
AOP (Pre Tax and MI)	384	503
AOP (Post Tax and MI)	281	353

Key Focus Areas

Our Vision

To be the short-term insurer of choice

Building Blocks

1. Passionate about customers
2. Exceptional at delivery
3. Responsible to stakeholders

Strategy

To deliver strong underwriting profit and revenue growth by building a multi-channel business focused on delivering value for the customer and fostering close relationships with our strategic business partners

- Embed profitable and sound underwriting processes
- Develop compelling and innovative offerings for targeted customer & broker segments
- Grow our customer base by servicing them through their channel of choice
- Deliver value through efficient and customer-centric processes
- Transform our business to benefit our people and other stakeholders

Our values

- Integrity
- Respect
- Accountability
- Pushing beyond boundaries
- Passion

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PRESENTATION TO INVESTORS

OLD MUTUAL'S SOUTH AFRICAN BUSINESSES

WILLEM SMITH
CHIEF EXECUTIVE OFFICER
IWYZE VALUABLE INSURANCE

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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 including 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.

Why did we launch iWYZE ?

- Response to growing needs of consumers
  - Holistic financial offering to our Old Mutual clients providing both long-term savings and short term insurance
  - Growing demand by our customers to be serviced directly via phone and internet (enhancing our multi-channel distribution capability offering)
- Direct market for personal lines in South Africa
  - Estimated total personal lines short-term market size R25bn
  - Estimated direct short-term insurers market size (25% and 35%)
  - International experience is of 50%+ penetration
- Old Mutual Group synergies and strategy
  - Expertise of Old Mutual and Mutual & Federal
  - Old Mutual existing distribution footprint
  - Acquisition Cost and infrastructure cost advantages
  - Emerging market opportunities
  - Offensive and defensive strategy for both Old Mutual and Mutual & Federal

The iWYZE customer proposition

- “i” - stands for me or I and for “insurance”
- “WYZE” – for making the wise choice
  - Old Mutual has been around for 166 years and has a strong brand presence in South Africa
  - Mutual and Federal has been around for 180 years
  - Informed clients wish to make the wise choice given economic and other circumstances
  - We have the knowledge and expertise
- Valuables insurance
  - Average client wants peace of mind that their valuables are protected
  - Transparent and reliable
  - Family heirloom and home
  - Buying insurance is not a five minute decision

The iWYZE distribution differentiator

- Sufficient above the line advertising in line with all our competitors
- Digital strategy, web advertising, mobile sites and quick quotes – in line with most competitors
- Sms call me campaigns in line with most competitors
- Leads referral strategy utilising the Old Mutual distribution footprint
- It is **in the way** that we handle the leads that makes us special
- Lower cost of acquisition as a result of group synergies
- The Old Mutual Brand in our target segment

The iWYZE customer

- Economic emancipation since 1994 have become a reality for many South Africans
- The emerging market has more than doubled over the last 10 years and will continue to grow
- This market is amassing assets and are looking to insure their valuables
- 20% of the iWYZE existing policy base are customers that have never been insured before irrespective of age
- We have grown our policyholder base steadily and within 15 months have built up a sizable base
- We have become the 3rd largest single brand new business writer in the South African market

The iWYZE high level priorities

- Growth – Capture the emerging market and become the dominant player in this segment
- Activate the full potential of Old Mutual‘s distribution capability
- Activate all digital distribution channels i.e. (Web straight through processing)
- Ensure the business reaches its financial objectives and breakeven within agreed time lines
- Transcend the iWYZE brand into a wider financial offering

iWYZE key drivers of performance

- Customer – the iWYZE **sunset clause** “the sun will not set on a customer query”
- Service is one of our key differentiators
- To become the direct short-term offering of choice within the Old Mutual Group
- Unlock the synergies that exist within the group
- Penetrate the Old Mutual existing customer base (current client overlap 60%)
- Expose new clients to our long term savings products