APPENDICES

11 August 2016

INVESTMENT | SAVINGS | INSURANCE | BANKING

OLDMUTUAL

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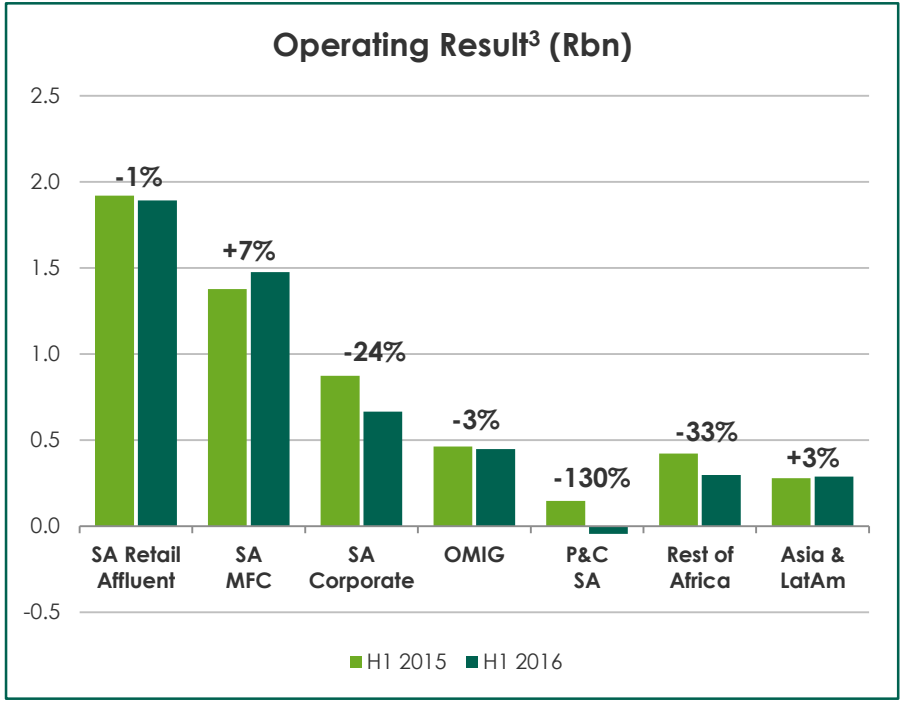
APPENDIX 1
BUSINESSES

OLD MUTUAL EMERGING MARKETS

AOP (Rm)	H1 2015	H1 2016
South Africa		
Life & Savings	3,715	**3,527**
Asset Management[1]	410	**410**
Banking and Lending[2]	508	**546**
Property & Casualty	147	**(44)**
LTIR	879	**888**
South Africa	5,659	**5,327**
Rest of Africa		
Operating profit	421	**282**
LTIR	284	**405**
Rest of Africa	705	**687**
Asia & Latin America	278	**287**
Central costs[4]	(598)	**(566)**
Total AOP (pre-tax)	6,044	**5,735**



1. Includes the results of asset management businesses in OMIG and Retail Affluent.
2. Includes the results of OMSFIN and OMF.
3. Pre-tax, excluding LTIR and central costs.
4. Central costs include debt costs of R259m (H1 2015: R101m).

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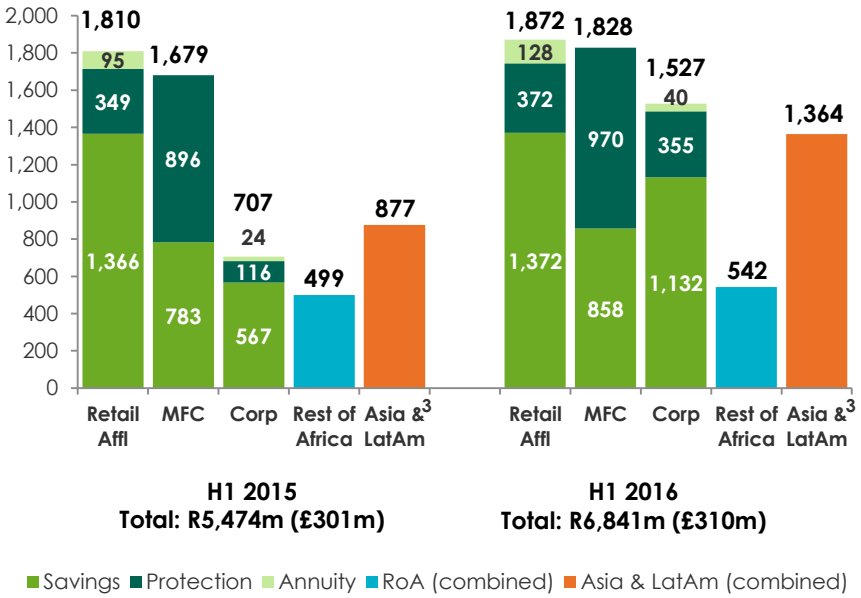
OLD MUTUAL EMERGING MARKETS: LIFE APE SALES BY SEGMENT AND PRODUCT (Rm)[1,2]



South Africa sales:

- 17% growth in regular premium sales driven by strong Corporate sales (risk business and Superfund), higher Greenlight sales in Retail Affluent, and MFC (2-IN-ONE sales).
- Single premium growth of 27% driven by Retail Affluent living annuity sales, and strong retail platform sales in Corporate (up 96%).

Rest of Africa, Asia & Latin America sales:

- Rest of Africa up 9%, driven by strong retail savings sales in Namibia and the inclusion of UAP sales from H2 2015.
- Asia up 52%, driven by significant growth across all channels in India (including full contribution from the ING Vysya merger) and higher sales in China following marketing campaign during the first quarter.
- Significant growth of 69% in Latin America as a result of higher Old Mutual Crea sales, as well as the inclusion of life sales in Colombia since H2 2015[3].

1. Segments in **South Africa** are Retail Affluent, Mass Foundation, Corporate. **Latin America & Asia** includes Colombia, Uruguay, Mexico, India and China and **Rest of Africa** comprises Namibia, Zimbabwe, Botswana, Swaziland, Ghana, Malawi, Kenya, Nigeria, Uganda, DRC, South Sudan, Rwanda and Tanzania.
2. Total APE takes into account elimination of South Africa intra-Group sales of R292m (H1 2015: R98m).
3. Latin America includes R53m of Colombia life APE sales. Comparatives have not been restated.

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OLD MUTUAL EMERGING MARKETS: SPLIT OF SA LIFE RESERVES[1]

H1 2016 (Rm)	Retail[2]	Corporate	Total
Smoothed	78,719	164,794	**243,513**
Non-profit annuities[3]	23,441	10,878	**34,319**
Non-profit - other	10,565	6,157	**16,722**
Market-related	173,651	59,373	**233,024**
Total	**286,376**	**241,202**	**527,578**

FY 2015 (Rm)	Retail[2]	Corporate	Total
Smoothed	80,403	157,187	**237,590**
Non-profit annuities[3]	21,248	10,391	**31,639**
Non-profit - other	10,947	5,886	**16,833**
Market-related	176,179	55,843	**232,022**
Total	**288,777**	**229,307**	**518,084**

1. Total reserves disclosed in OMLAC(SA)'s stand-alone financials.
2. Includes the Retail Affluent and Mass Foundation segments.
3. Non-profit annuities includes inflation-linked annuities.

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OLD MUTUAL EMERGING MARKETS: SA ASSET MANAGEMENT FUND MIX (H1 2016)

	NCCF (Rbn)			FuM[1]: (Rbn)	Revenue drivers (Rm)						Pre-tax profit (Rm)		
Asset Class	**Gross inflows**	**Gross outflows**	**NCCF**	**30 Jun 2016**	**Base fees**	**Perf. fees & Transact-ional fees**	**Invest return and Mark to Market**	**Portfolio returns (Net interest margin)**	**Other**	**H1 2016**	**Banking**	**Asset Manage-ment**	**Life**
Listed Asset Management	22.0	(18.3)	3.7	455.6	493	26	-	-	61	133	-	133	-
Alternatives	0.3	(0.3)	-	47.3	199	24	10	-	35	77	-	77	-
OMSFIN	-	-	-	63.4	25	61	(32)	240	18	214	214	-	-
Properties	-	-	-	-	36	56	-	-	23	24	-	24	-
OMIG	22.3	(18.6)	3.7	566.3	753	167	(22)	240	137	448	214	234	-
Other Asset Management [2]	7.9	(7.7)	0.2	48.2	857	14	33	-	-	350	3	274	73
Central expense allocation [3]	-	-	-	-	-	-	-	-	-	(89)	-	(98)	9
Intra-group eliminations [4]	(0.1)	-	(0.1)	-	-	-	-	-	-	-	-	-	-
Total	**30.1**	**(26.3)**	**3.8**	**614.5**	**1,610**	**181**	**11**	**240**	**137**	**709**	**217**	**410**	**82**
Margins (bps) [5]					**53.8**					**11.9**			

1. FUM shown on an end manager basis.
2. Other Asset Management includes primarily Old Mutual Unit Trust (OMUT), Acsis and Private Client Securities (PCS).
3. With effect from FY 2015 central expenses have been re-allocated from Life & Savings to Asset Management. Comparatives have been restated.
4. South African intra-group flows eliminations are made up of institutional unit trust flows of R44m (HY 2015: R1m), and Superfund flows of R(1)m (HY 2015: R2m).
5. Margin equals the annualised base fees/profit divided by average FUM.

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OLD MUTUAL EMERGING MARKETS: SA ASSET MANAGEMENT FUND MIX (H1 2015)

	NCCF (Rbn)			FuM[1]: (Rbn)	Revenue drivers (Rm)						Pre-tax profit (Rm)		
Asset Class	**Gross inflows**	**Gross outflows**	**NCCF**	**30 Jun 2015**	**Base fees**	**Perf. fees & Transact-ional fees**	**Invest return and Mark to Market**	**Portfolio returns (Net interest margin)**	**Other**	**H1 2015**	**Banking**	**Asset Manage-ment**	**Life**
Listed Asset Management	17.9	(16.3)	1.6	418.8	439	35	-	-	16	96	-	96	-
Alternatives	0.6	(0.2)	0.4	42.9	100	34	13	-	39	61	-	61	-
OMSFIN	-	-	-	59.4	24	29	112	220	5	286	286	-	-
Properties	-	-	-	20.7	34	71	-	-	18	20	-	20	-
OMIG	18.5	(16.5)	2.0	541.8	597	169	125	220	78	463	286	177	-
Other Asset Management [2]	9.0	(6.7)	2.3	39.4	819	9	20	-	-	319	10	309	-
Central expense allocation [3]	-	-	-	-	-	-	-	-	-	13	-	(76)	89
Intra-group eliminations [4]	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**27.5**	**(23.2)**	**4.3**	**581.2**	**1,416**	**178**	**145**	**220**	**78**	**795**	**296**	**410**	**89**
Margins (bps) [5]					**52.5**					**27.0**			

1. FUM shown on an end manager basis.
2. Other Asset Management includes primarily Old Mutual Unit Trust (OMUT), Acsis and Private Client Securities (PCS).
3. With effect from FY 2015 central expenses have been re-allocated from Life & Savings to Asset Management.
4. South African intra-group flows eliminations are made up of institutional unit trust flows of R1m, and Superfund flows of R2m.
5. Margin equals the annualised base fees/profit divided by average FUM.

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OLD MUTUAL EMERGING MARKETS: ADJUSTED NAV

AOP & valuation multiples (Rm)	AOP (after tax and NCI) H1 2016	Adjusted NAV 30 June 2016	Implied Multiple (annualised)
Life & Savings	2,830 [1]	57,766	10x
Asset Management	395	6,344	8x
Property & Casualty	205	6,877	17x
Banking & Lending	537	4,876	5x
OM Emerging Markets	**3,967**	**75,863**	**10x**

Life & Savings restated on a MCEV basis (Rm)	30 June 2016
MCEV operating earnings[1]	4,182
AOP after tax and MI for non-covered business	126
Life & Savings earnings	**4,308**
Implied multiple (annualised)	**7x**

1. The main reconciling difference is the increase in VIF of R1,488m.

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OLD MUTUAL EMERGING MARKETS: ADJUSTED NAV

Rm	H1 2016			FY 2015		
	Adjusted NAV	AOP after tax & NCI	Implied Multiple (Annualised)	Adjusted NAV	AOP after tax & NCI	Implied Multiple
South Africa (including M&F)	**58,244**	**3,352**	**9x**	**56,247**	**6,821**	**8x**
Life & Savings	49,479	2,633	9x	47,957	5,184 [2]	9x
Asset Management	2,733	298	5x	2,350	571 [2]	4x
Property & Casualty	3,229	123	13x	3,140	435	7x
Banking & Lending	2,803	298	5x	2,800	631	4x
Rest of Africa	**13,764**	**411**	**17x**	**14,400**	**955**	**15x**
Life & Savings	7,419	119	31x	7,913	550	14x
Asset Management	624	(29)	n/a	614	63	10x
Property & Casualty[1]	3,648	82	22x	3,695	59	63x
Banking & Lending	2,073	239	4x	2,178	283	8x
Asia & Latin America	**3,855**	**204**	**9x**	**3,696**	**377**	**10x**
Life & Savings	868	78	6x	441	208	2x
Asset Management	2,987	126	12x	3,255	169	19x
Emerging Markets	**75,863**	**3,967**	**10x**	**74,343**	**8,153**	**9x**

1. FY 2015 Adjusted NAV includes holding in UAP, although profits are only included from the date that ownership was acquired.
2. Included in Life & Savings AOP (after tax and NCI) for FY 2015 is R111m of profit relating to life-wrapped business invested in OMUT unit trusts. These profits have been accounted for as Asset Management in AOP reporting for FY 2015. There was consistent treatment of these profits in Life & Savings in H1 2016.

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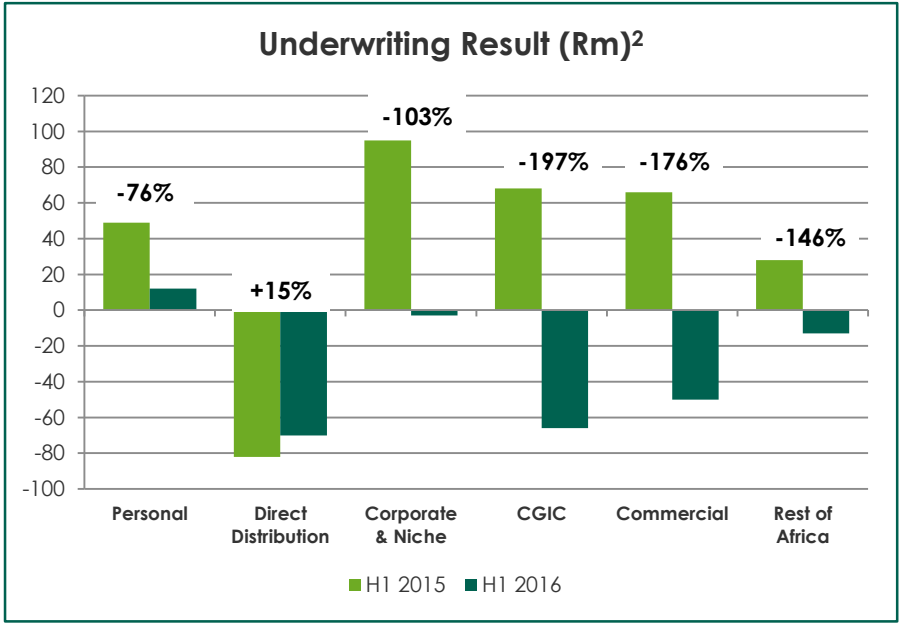
OLD MUTUAL EMERGING MARKETS: PROPERTY & CASUALTY

Rm	H1 2015	H1 2016
Gross written premiums	6,308	**8,218**
Net earned premiums	5,013	**5,866**
Claims[1]	(2,921)	**(3,726)**
Acquisition expenses	(805)	**(963)**
Operating expenses	(1,112)	**(1,234)**
Underwriting result	175	**(57)**
LTIR	249	**345**
AOP pre-tax & NCI	424	**288**



1. Claims exclude the reallocation of operating expenses. Comparatives have been restated.
2. Pre-tax, excluding LTIR and central costs.

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OLD MUTUAL EMERGING MARKETS: PROPERTY & CASUALTY – CLAIMS ANALYSIS[1]

Channel (Rm)	H1 2015	H1 2016
Personal	144	**182**
Direct Distribution	776	**862**
Commercial	1,198	**1,284**
Corporate & Niche	384	**144**
CGIC	180	**367**
Rest of Africa	239	**887**
Total Property & Casualty Claims	2,921	**3,726**

1. Claims exclude the reallocation of operating expenses. Comparatives have been restated.

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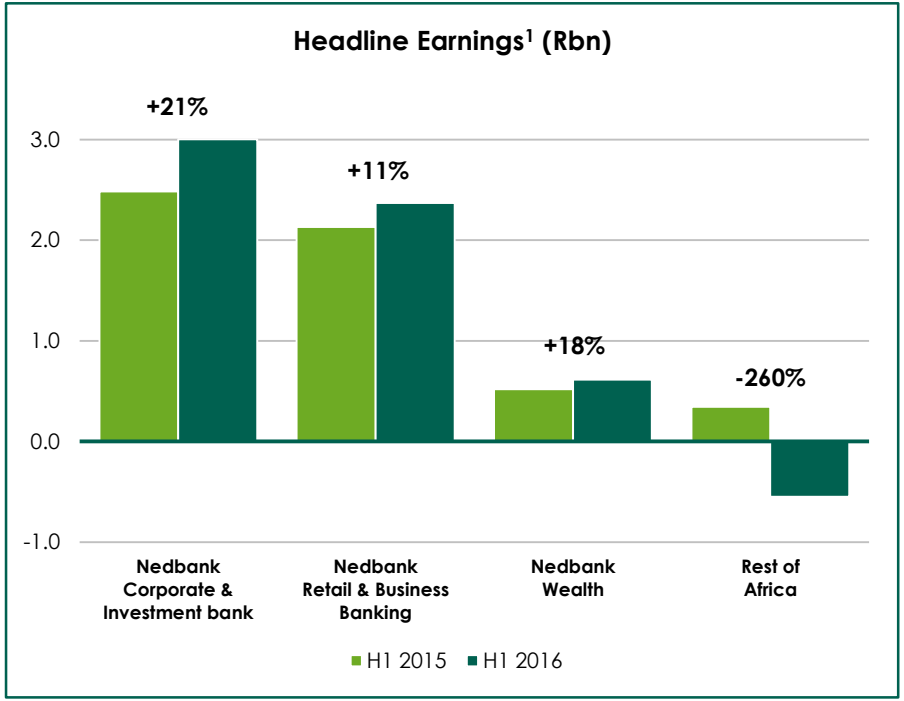
Rm	H1 2015	H1 2016
Net interest income	11,675	**13,028**
Non-interest revenue	10,450	**11,357**
Impairments	(2,307)	**(2,211)**
Operating income	19,818	**22,174**
Operating expenses	(12,578)	**(13,686)**
Indirect taxation	(328)	**(466)**
Associate income	436	**(431)**
Headline profit before direct taxation[1]	7,348	**7,591**



1. Headline earnings before direct taxation basis. On an AOP basis profit is R37m higher (H1 2015: R9m lower).

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NEDBANK TARGETS

Metric	H1 2015 Performance	H1 2016 Performance	2016 full-year outlook[1]	Medium to long-term target
ROE (excl goodwill)	17.3%	15.7%	Below target	5% above cost of ordinary shareholders' equity[2]
Growth in diluted headline earnings per share (DHEPS)	14.1%	1.6%	Positive but below 2015 growth and target	≥ consumer price Index + GDP growth + 5%
Credit loss ratio	0.77%	0.67%	Below mid point of target range	Between 0.60% and 1.00% of average banking advances
NIR : Expenses ratio	83.1%	83.0%	Below target	> 85%
Efficiency ratio (including associate income)	55.8%	57.1%	Above target	50.0% - 53.0%
Common-equity tier 1 capital adequacy ratio (Basel III)	11.4%	11.6%	Within target range	10.5% - 12.5%
Economic capital	Internal Capital Adequacy Assessment Process (ICAAP) : A debt rating (including 10% capital buffer)			
Dividend cover policy	2.10 times	1.99 times	Within target range	1.75 to 2.25 times

1. 2016 outlook based on organic earnings and our latest macro economic outlook and have not been reviewed by the Nedbank auditors.
2. The cost of equity is 14.4% calculated on a monthly average for the period.

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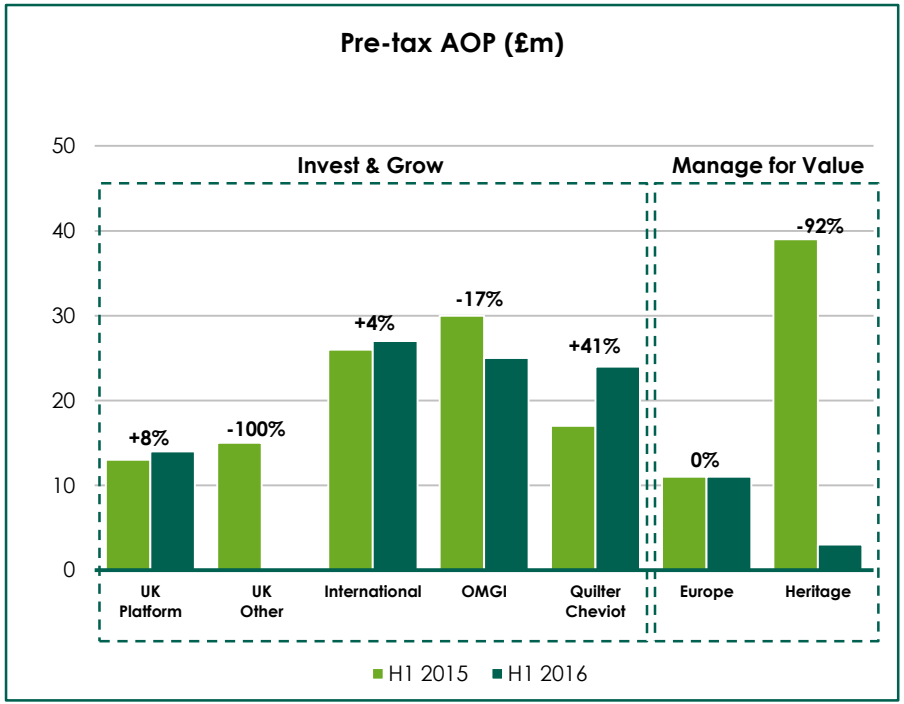
OLD MUTUAL WEALTH

£m	H1 2015	H1 2016
FuM based revenue[1]	466	**463**
Trail commission	(154)	**(124)**
Other fees	23	**5**
Risk return	19	**15**
Investment return	7	**7**
Net revenue	361	**366**
Admin. expenses	(220)	**(265)**
Policyholder tax contribution	15	**8**
Advisor fees	(5)	**(5)**
AOP pre-tax	151	**104**



1. Includes fixed fees from UK Platform and International, and excludes OMGI gross performance fees.

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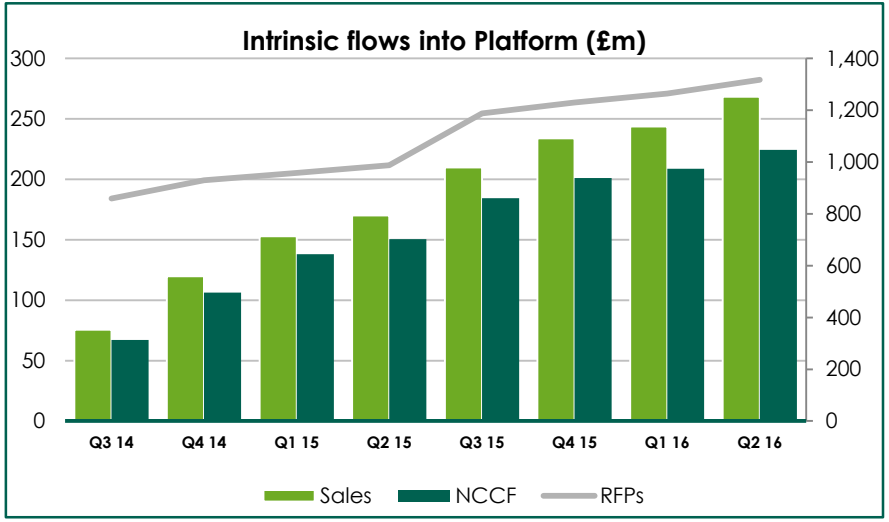
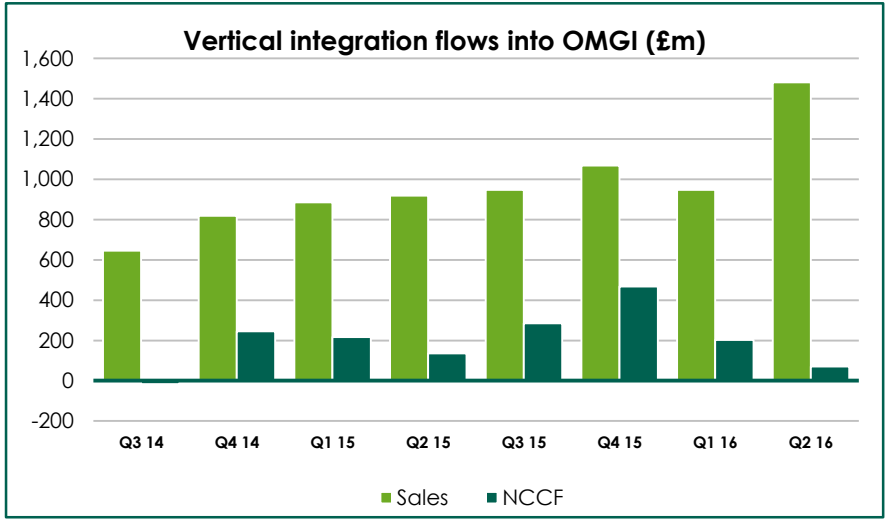
OLD MUTUAL WEALTH: VERTICAL INTEGRATION





- Growth in the number of restricted financial planners[1] in Intrinsic is driving increasing flows into UK Platform.
- For the year to date 33% of Platform net client cash flow is via Intrinsic's restricted channel.

- Vertically integrated gross flows into OMGI are growing consistently owing to the attractiveness of our WealthSelect and Cirilium propositions.
- Net flows are impacted by outflows from our closed Heritage book.
- We have changed the management team of the Spectrum fund range to address outflows.

1. Restricted financial planners include Old Mutual Wealth Private Client Advisers – 23 at 30 June 2016.

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OLD MUTUAL WEALTH: SOURCE OF EARNINGS H1 2016[1]

£m	UK Platform	UK Other	Intl.	OMGI	Quilter Cheviot	Invest & Grow	MFV Open book	Heritage business	Managed for value	Old Mutual Wealth
FuM based revenue [2]	72	8	77	139	72	**368**	58	37	**95**	**463**
Trail commission	(9)	(2)	(13)	(54)	-	**(78)**	(32)	(14)	**(46)**	**(124)**
Other revenues	-	34	3	5	-	**42**	(8)	(7)	**(15)**	**27**
Total net revenue	**63**	**40**	**67**	**90**	**72**	**332**	**18**	**16**	**34**	**366**
Admin expenses	(52)	(40)	(40)	(60)	(48)	**(240)**	(7)	(18)	**(25)**	**(265)**
Policyholder tax contribution	3	-	-	-	-	**3**	-	5	**5**	**8**
Advisor fees	-	-	-	(5)	-	**(5)**	-	-	**-**	**(5)**
AOP (pre-tax)	**14**	**-**	**27**	**25**	**24**	**90**	**11**	**3**	**14**	**104**
Operating margin	22%	-	40%	28%	33%	**27%**	61%	19%	**41%**	**28%**
Revenue bps generated [3]	36	23	79	66	80	**63**	98	58	**74**	**64**
Tangible net asset value [4] (£m)	174	6	(65)	75	59	**249**	92	356	**448**	**698**

1. H1 2015 & FY 2015 comparatives are disclosed in the financial disclosure supplement.
2. Includes fixed fees from UK Platform and International, and excludes the impact of OMGI gross performance fees and Heritage fee restructuring.
3. Revenue margin calculated using FUM based revenue and trail commission.
4. UK Other tangible net asset value excludes inter-company subordinated debt for the acquisition of Quilter Cheviot.

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OLD MUTUAL WEALTH: UK HERITAGE VALUATION

UK Heritage MCEV calculation (£m)	31 Dec 2015	30 Jun 2016
IFRS NAV	355	339
Goodwill & intangibles	(142)	(128)
Tangible NAV	**213**	**211**
Other Adjustments[1]	(86)	45
Value of in-force[2]	411	253
MCEV	**538**	**509**

UK Heritage Key Value Indicators	H1 2015	H1 2016
FuM (£bn)	9.1	8.2
Surrender rate[3]	11.5%	10.5%
Cash remitted (£m)	10	0
Maintenance cost per policy (£)	109	125
Operating Margin	82%	19%

- MCEV information is still appropriate for UK Heritage business as the run-off value is maintained.

1. Adjustments to move to a Solvency I statutory valuation basis for December 2015. Removal of other components of IFRS balance sheet that do not contribute to MCEV position for June 2016.
2. The business has moved into the Solvency II regime at the start of 2016. As a result, prudent reserves of circa £120m (as at December 2015) are no longer required, increasing the value of other adjustments and decreasing the value of in-force.
3. The calculation of surrender rates is now based on average FuM in the year (previously opening FuM) and now excludes internal transfers. Comparatives have been restated.

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OLD MUTUAL WEALTH: ADJUSTED NAV

AOP & valuation multiples (£m)	AOP (after tax and NCI) H1 2016	Adjusted NAV[1] 30 Jun 2016	Implied Multiple (annualised)	Peer Multiples[2]
Open books [3,4]	85	2,177	13x	St James Place / Hargreaves Lansdown/Standard Life: - Earnings multiple - 25x/39x/16x
UK Heritage	3	509	85x	Phoenix: - Earnings multiple - 9x - Price/Book – 0.8x
Old Mutual Wealth	**88**	**2,686**	**15x**	

1. The Open books are included at net asset value. UK Heritage is included at MCEV.
2. Per Bloomberg as at 9 August 2016.
3. Includes IFRS NAV of Quilter Cheviot (represented by assets acquired and goodwill) as well as capital funding from GHO to fund the acquisition.
4. Includes AOP (after tax and NCI) of £8m and adjusted NAV of £136m in respect of the Italy business (after tax and NCI).

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INSTITUTIONAL ASSET MANAGEMENT: OMAM – ADJUSTED OPERATING PROFIT

$m	H1 2015	H1 2016	% Change
Management fees	322	**307**	**(5%)**
Performance fees	52	**(1)**	**(102%)**
Other revenue	5	**7**	**40%**
Total revenue	379	**313**	**(17%)**
Operating expenses	(115)	**(125)**	**(9%)**
Variable compensation	(116)	**(78)**	**33%**
Total expenses	(231)	**(203)**	**12%**
AOP pre-affiliate key employee distributions	148	**110**	**(26%)**
Affiliate key employee distributions	(19)	**(18)**	**5%**
Net interest expense	(1)	**(1)**	**-**
AOP post-affiliate key employee distributions	128	**91**	**(29%)**
Operating margin pre-affiliate key employee distributions[1]	39%	**35%**	

1. Operating margin post-affiliate key employee distributions and before interest expense is 29% (H1 2015: 34%).

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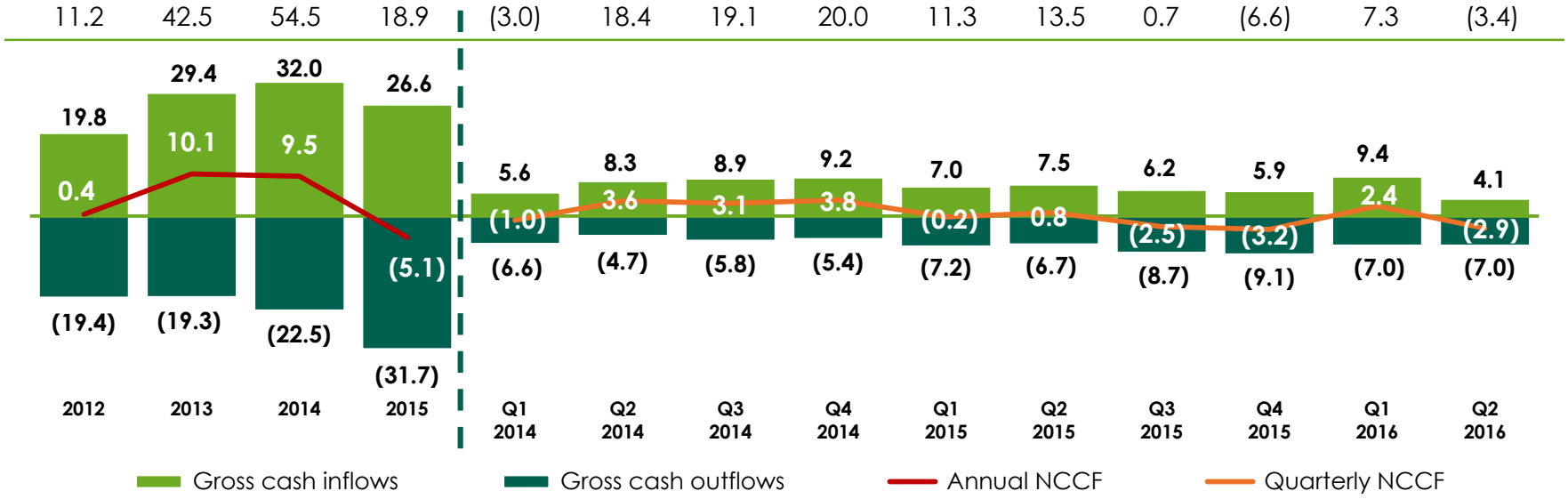
INSTITUTIONAL ASSET MANAGEMENT: OMAM – NCCF ($bn)[1]

Annualised revenues from NCCF ($m)[2]



1. Excludes affiliates disposed of during 2012 and OMAM (UK) which was transferred to Old Mutual Wealth from Q2 2012 onwards. Includes the results of Echo Point which was discontinued in Q4 2013.
2. Annualised revenue is calculated by multiplying the annual gross fee rate for the relevant account by the net assets gained/lost in the account. Excludes Echo Point in 2012 and 2013.

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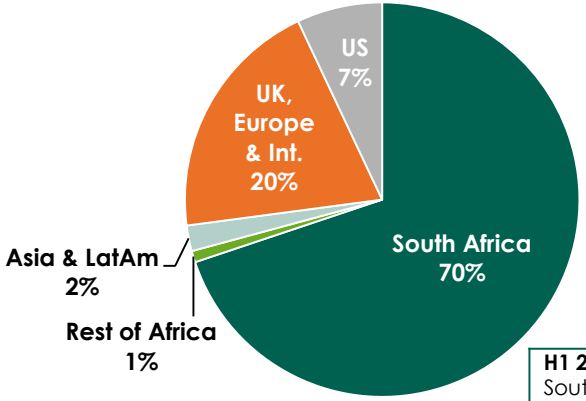
APPENDIX 2
PLC PERFORMANCE

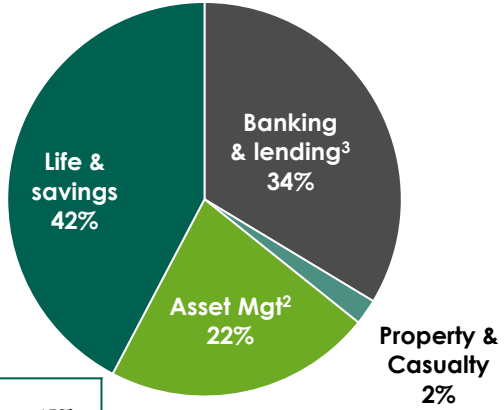
SOURCES OF EARNINGS (AOP)

H1 2016 AOP[1] (£382m) by geography



H1 2015	
South Africa	62%
UK, Europe, Int.	24%
US	8%
Rest of Africa	4%
Asia & LatAm	2%

H1 2016 AOP[1] (£382m) by line of business



H1 2015	
Life & savings	45%
Banking & lending	30%
Asset Management	22%
Property & Casualty	3%

1. Core operations post-tax and NCI and includes LTIR. Central activities have been allocated pro-rata for presentational purposes.
2. Includes Institutional Asset Management, OMGI, Quilter Cheviot, OMEM and Nedbank's asset management businesses.
3. Includes Nedbank, OMSFIN, Faulu in Kenya, CABS in Zimbabwe and Old Mutual Finance.

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EARNINGS SPLIT BY HALF YEAR AND KEY STATISTICS[1]

pence/share	2011[2]	2012[3]	2013	2014	2015	2016
AOP EPS - H1	9.4	8.6	9.3	8.8	10.3	**8.0**
AOP EPS - H2	8.6	8.9	9.1	9.1	9.0	**-**
H1: H2	52% : 48%	49% : 51%	51% : 49%	49% : 51%	53% : 47%	**-**
ZAR:GBP (Ave. Rate)	11.64	13.01	15.10	17.87	19.52	**22.10**

£bn	2011	2012	2013	2014	2015	H1 2016
Funds under Management	267.2	262.2	293.8	319.4	327.9	**342.7**

pence/share	2011	2012	2013	2014	2015	H1 2016
IFRS net asset value per share[4]	140	146	138	140	130	**142**

1. Core business only.
2. After adjusting for the 7:8 share consolidation, following payment of special dividend.
3. Restated for the impact of changes in IAS 19 & IFRS 10.
4. Net asset value per share is calculated as ordinary shareholder's equity (i.e. excluding the perpetual preferred callable securities) divided by actual shares in issue at the end of the period.

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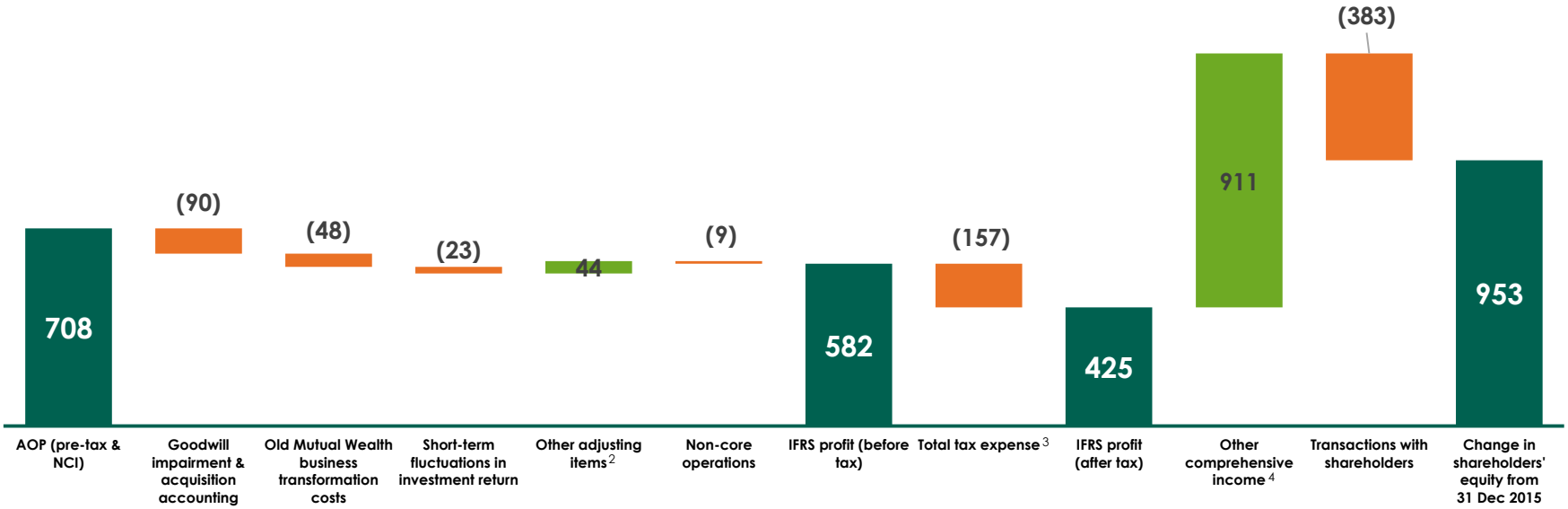
RECONCILIATION OF H1 2016 AOP TO CHANGE IN EQUITY HOLDERS' FUNDS[1] (£m)



1. Total plc including perpetual preferred callable securities, ordinary shareholders equity and non-controlling interests.
2. Other adjusting items consists mainly of dividends declared to holders of perpetual preferred callable securities £9m, Institutional Asset Management equity plans £2m, net profit on disposal of subsidiaries, associated undertakings and strategic investments £24m, credit-related fair value gains on plc debt instruments £14m and investment return adjustment for plc equity and debt instruments held in life funds (£5m).
3. Net of income tax attributable to policyholder returns.
4. Includes currency translation differences on translating foreign operations of £962m.

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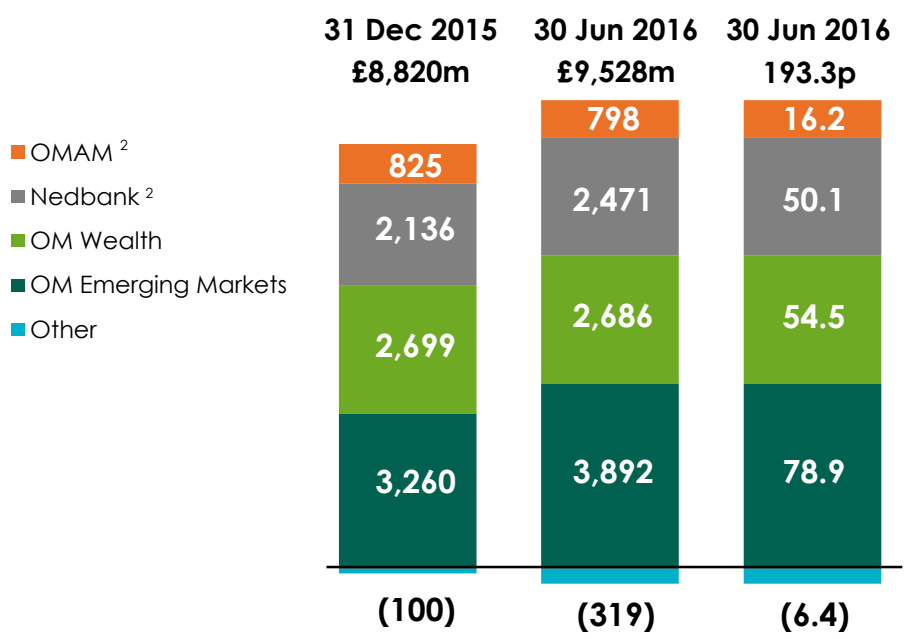
ADJUSTED PLC NAV[1]



£m	30 Jun 2016
Open books[3]	2,177
UK Heritage[4]	509
Old Mutual Wealth	**2,686**

£m	30 Jun 2016
Life & Savings[4]	2,964
Asset Management	325
Property & Casualty	353
Banking & Lending	250
OM Emerging Markets	**3,892**

£m	30 Jun 2016
OM Bermuda	211
External debt[5]	(1,382)
BEE & ESOP scheme adj	116
Net other business[6]	736
Other	**(319)**

1. IFRS basis other than where stated.
2. OM plc share of OMAM and Nedbank at market value .
3. Includes IFRS NAV of Quilter Cheviot (represented by assets acquired and goodwill) as well as capital funding from GHO to fund the acquisition.
4. MCEV basis. MCEV information is subject to departures from MCEV Principles (Copyright© Stichting CFO Forum Foundation 2008) due to the use of the government bond yield curve in the majority of Emerging Markets.
5. External debt held at Old Mutual plc Head Office and valued at market value.
6. Mostly Old Mutual plc Head Office IFRS NAV net of plc adjustments and excluding external debt.

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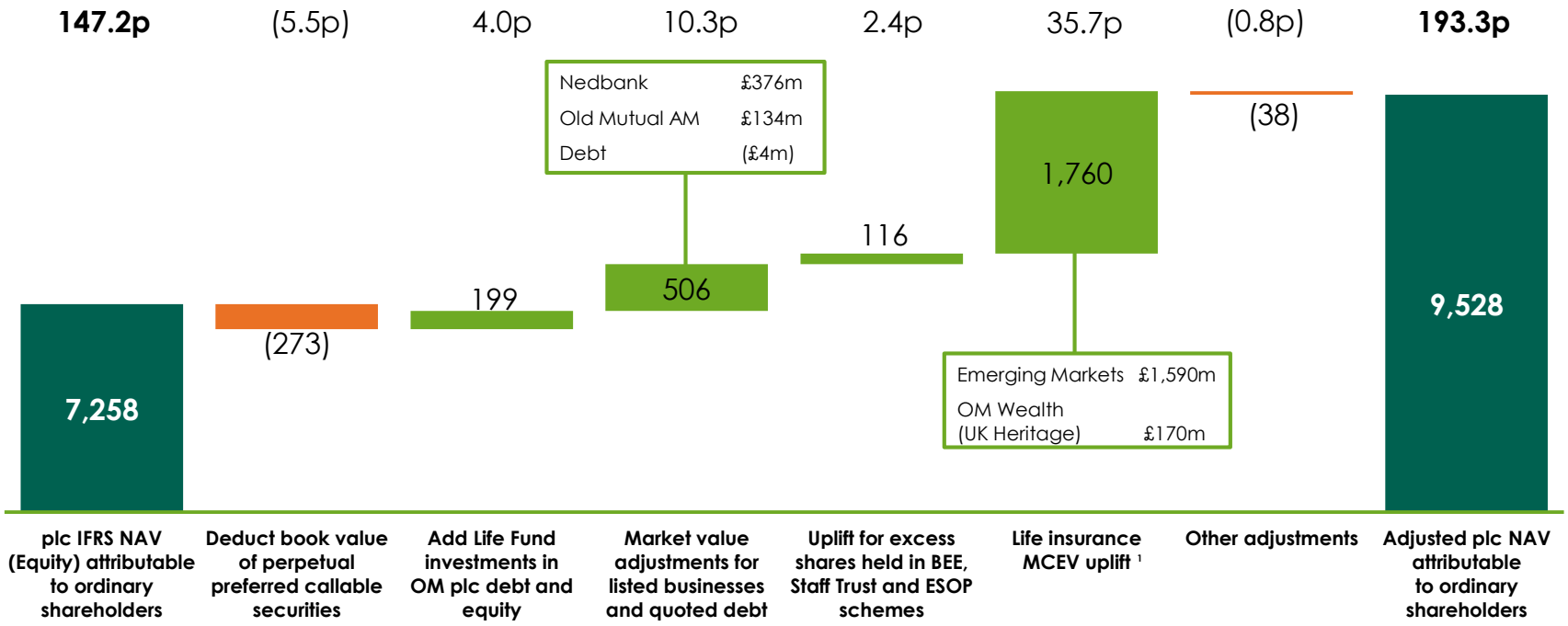
ADJUSTED PLC NAV (£m)



1. OM Wealth uplift relates to the UK Heritage business (includes Protect and Series 6 pensions) only.

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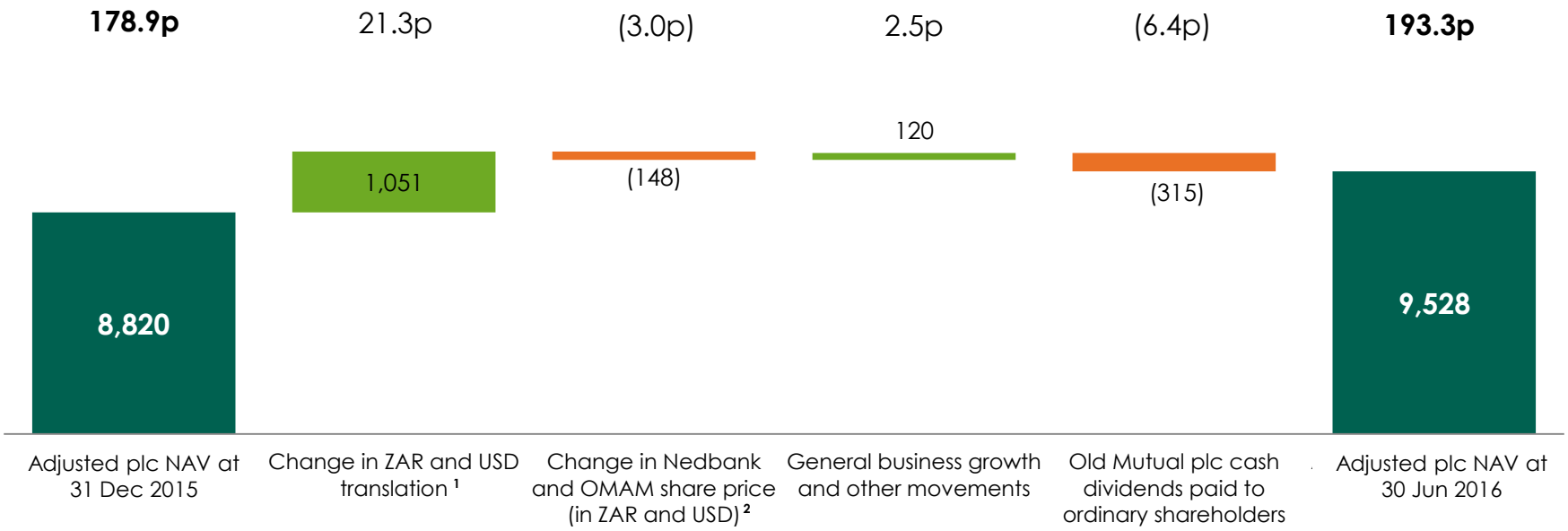
MOVEMENT IN ADJUSTED PLC NAV (£m)



1. Of which 19.1p is ZAR/GBP and 2.2p is USD/GBP.
2. Of which (0.6p) is Nedbank and (2.4p) is OMAM.

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ADJUSTED PLC NAV

£m	H1 2016			FY 2015		
	Equity attributable to equity holders of the parent	Adjusted plc NAV	AOP post-tax & NCI	Equity attributable to equity holders of the parent	Adjusted plc NAV	AOP post-tax & NCI
Old Mutual Emerging Markets	**2,119**	**3,892**	**181**	**1,805**	**3,260**	**418**
Life & Savings [1]	1,174	2,964	128	1,002	2,469	304
Asset Management [1]	326	325	18	272	273	42
Property & Casualty	355	353	10	301	300	25
Banking & Lending	264	250	25	230	218	47
Nedbank	**2,095**	**2,471**	**134**	**1,710**	**2,136**	**302**
Old Mutual Wealth [2]	**1,951**	**2,686**	**88**	**1,950**	**2,699**	**258**
Open books [3]	1,612	2,177	85	1,595	2,161	197
UK Heritage	339	509	3	355	538	61
OMAM [4]	**664**	**798**	**25**	**588**	**825**	**86**
Other and non-core operations	**429**	**(319)**		**627**	**(100)**	
plc	**7,258**	**9,528**		**6,680**	**8,820**	

1. Included in Life & Savings AOP (after tax and NCI) for FY 2015 is R111m of profit relating to life-wrapped business invested in OMUT unit trusts. These profits have been accounted for as Asset Management in AOP reporting for FY 2015. These results were consistently included in Life & Savings in H1 2016.
2. AOP post-tax and NCI value for Old Mutual Wealth excludes profits from businesses sold during the period of £6m for FY 2015.
3. The IFRS NAV of Quilter Cheviot (represented by assets acquired and goodwill) as well as capital funding from GHO to fund the acquisition is included in the Open books Adjusted plc NAV value.
4. OMAM only.

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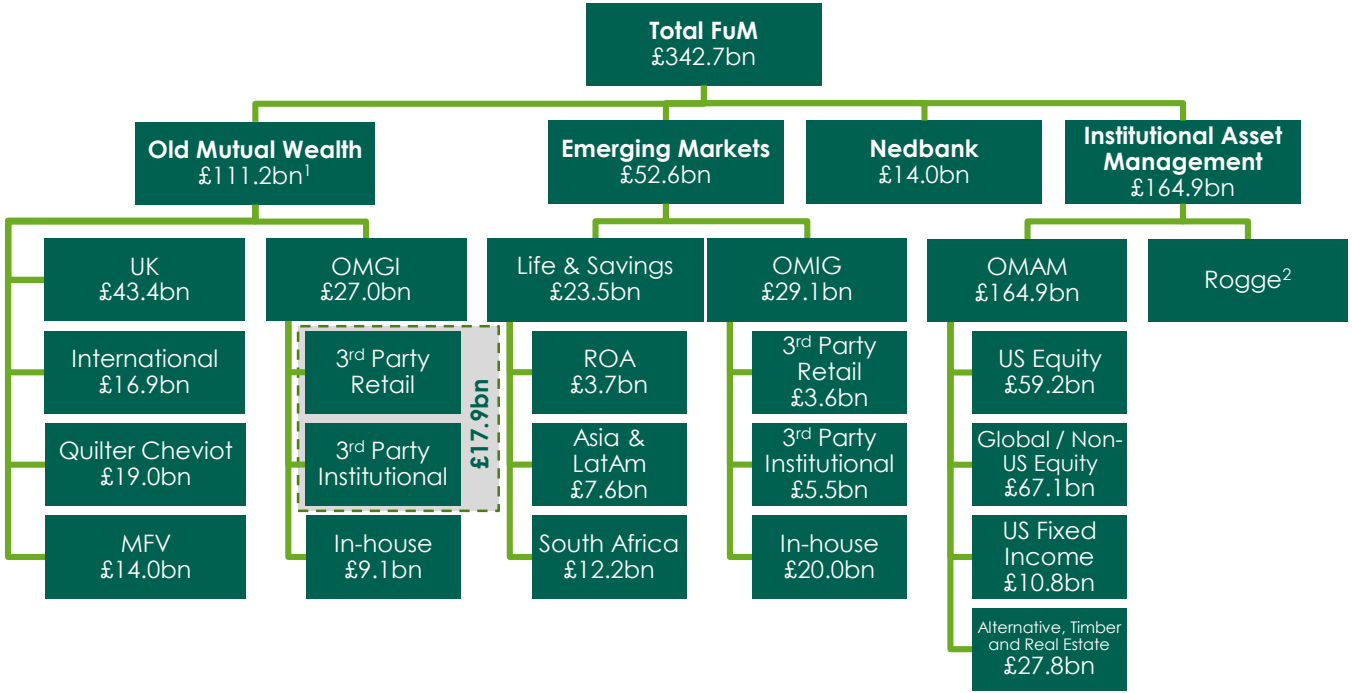
ASSET MANAGEMENT CAPABILITY (30 JUN 2016)



1. Old Mutual Wealth excludes OMGI in-house FuM, which is recorded in other parts of the business unit.
2. On 31 May 2016, the plc completed the sale of its interest in Rogge Global Partners Limited, a fixed income asset manager, to Allianz Global Investors GmbH.

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HEADLINE TARGETS

OM plc	Old Mutual Wealth	Emerging Markets	Nedbank (medium to long-term targets)	Property & Casualty
RoE: 12-15%[1]	**Operating Margin:** 40%	**RoE:** 20-25%	**Diluted headline earnings per share** growth: ≥ CPI + GDP growth + 5%	Sustainable Top 2 position in the South African market
Solvency II: Above early warning threshold of 120%		**R1 billion pre-tax synergies** by the end of 2017		**Underwriting Margin:** 4-6% (combined ratio of 94-96%)
Dividend Cover: 2.5 to 3.5 times plc AOP earnings			**RoE (excl. goodwill):** 5% above cost of ordinary shareholders' equity	Significant P&C **operations in the RoA** in major markets, supporting the Group's African expansion
			NIR : Expenses ratio > 85% **Efficiency Ratio** 50% - 53%	
			Credit loss ratio: Between 0.6% and 1.0% of average banking advances	
			Common-equity tier 1 capital adequacy ratio (Basel III) 10.5% - 12.5%	

1. 2016 target based on the plc in its current construct.

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APPENDIX 3
CAPITAL / TREASURY

SUMMARISED BALANCE SHEET

£m	31 Dec 2015	30 Jun 2016
Assets		
Loans & advances	30,965	**36,801**
Investments & securities	82,601	**88,996**
Goodwill & intangibles	3,276	**3,342**
Other	16,706	**22,914**
	133,548	**152,053**
Net Assets	8,934	**9,887**
Shareholders' equity	8,934	**9,887**

£m	31 Dec 2015	30 Jun 2016
Liabilities		
Bank deposits	32,328	**38,607**
Insurance reserves		
- Life insurance products	7,714	**9,183**
- Investment products	67,854	**69,040**
- Property & casualty	341	**425**
Third-party interests in consolidated funds	4,661	**6,585**
Borrowed funds[1]	3,524	**4,231**
Other	8,192	**14,095**
	124,614	**142,166**

Attributable to:	31 Dec 2015	30 Jun 2016
Equity holders of the parent	6,680	**7,258**
Non-controlling interests		
Ordinary shares	1,982	**2,316**
Preferred securities[2]	272	**313**
	8,934	**9,887**

1. Includes Nedbank.
2. Includes Nedbank preference shareholders.

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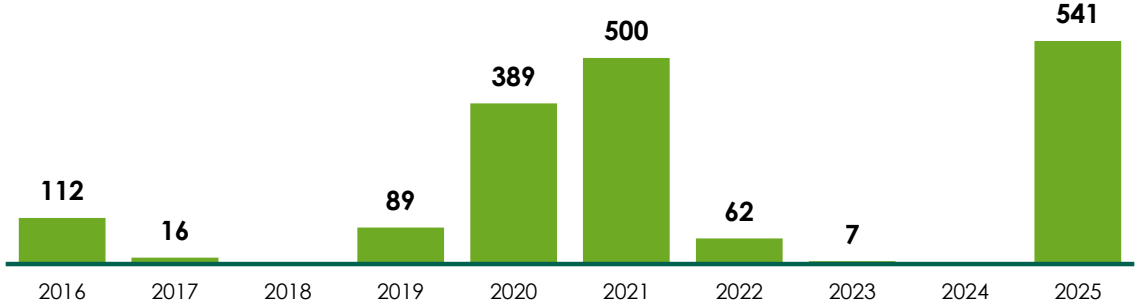
LIQUIDITY & DEBT

	31 Dec 2015	**30 Jun 2016**
Liquidity headroom[1] (£bn)	1.6	**1.4**
plc gross debt (IFRS basis, £m)[2]	1,731	**1,751**
Total gross gearing (IFRS basis)[3]	16.2%	**15.0%**
Total net gearing (IFRS basis)[3]	9.0%	**9.9%**
Total interest cover	14.0x	**9.9x**
Hard interest cover	4.8x	**3.1x**

First call maturity profile (£m)[2,4]



1. Includes £0.6bn holding company cash & liquid assets (FY 2015: £0.8bn) and £0.8bn RCF (undrawn) (FY 2015: £0.8bn).
2. plc debt excluding banking related business.
3. Comparatives have been restated to adjust for equity debt in the capital base.
4. Amount outstanding (£m equivalent) at nominal value at 30 June 2016 foreign exchange rates.

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OLD MUTUAL GROUP COMPANY RATINGS[1]

	Moody's	Fitch
Republic of South Africa		
• Sovereign rating (S&P: BBB- (neg))	Baa2 (neg)	BBB-
Old Mutual plc		
• Senior debt rating	Baa3 (neg)	BBB (evo)
• LT2 debt rating	Ba1 (neg)	BB+ (evo)
• UT2 debt rating	Ba1 (neg)	BB+ (evo)
• T1 debt rating	Ba2 (neg)	BB+ (evo)
• Short-term debt rating	P3 (neg)	F2 (evo)
OMLAC (SA)		
• National insurance financial strength	N/A	AAA
• National long-term rating	N/A	AAA
• National long-term subordinated debt rating	N/A	AA
• Global insurance financial strength	Baa1 (neg)	Not rated
Mutual & Federal Insurance Company Limited		
• National insurance financial strength	N/A	AAA
Old Mutual Wealth Life Assurance Limited		
• Senior debt rating	A3 (neg)	
• Insurance financial strength	A2 (neg)	A- (evo)
Nedbank		
• Long-term foreign currency rating	Baa2 (neg)	BBB-
OM Asset Management		
• Issuer default rating (S&P: BBB-)	Baa2	Not rated

1. Ratings outlook stable unless stated otherwise; neg = negative outlook; evo = evolving.

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APPENDIX 4
FREE SURPLUS GENERATION

SOURCES AND USES OF PLC CASH

£m		H1 2015	H1 2016
Operational remittances (Rand)	OM Emerging Markets	121	134
	Nedbank	82	70
		203	**204**
Ordinary cash dividends	SA register	(175)	(202)
	UK register	(122)	(113)
		(297)	**(315)**
Operational remittances (hard currency)	OM Wealth	57	30
	Institutional AM	28	22
		85	**52**
Structural hard currency outflows	Interest[1]	(33)	(53)
	Corporate costs	(24)	(30)
	Other operational flows	(62)	(59)
		(119)	**(142)**
Hard currency deficit		**(128)**	**(201)**
Add back: Old Mutual Wealth IT transformation costs		40	39
Hard currency deficit (excl. OMW IT transformation costs)		**(88)**	**(162)**

1. Includes preference dividends.

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SOURCES OF FREE SURPLUS

£m	H1 2015		H1 2016	
Generated by operations:				
- OM Emerging Markets life and savings[1]	136		115	
- Property and Casualty	14		9	
- Banking[2]	188		158	
- Asset Management[3]	183		126	
		521		408
Invested by operations - New business (life)		(85)		(71)
Transfers from required capital		67		44
Other movements:				
- Economic variances	4		(6)	
- Other non-operating variances	1		-	
		5		(6)
Core continuing operations		508		375

1. Includes Emerging Markets VIF transfer of £106m (H1 2015: £104m) as well as expected existing business return of £11m (H1 2015: £20m) and experience & other items of £(2)m (H1 2015: £12m).
2. Banking comprises Nedbank and the banking and lending businesses in Emerging Markets (OMF, CABS, Faulu and OMSFIN).
3. Includes the Old Mutual Wealth free surplus.

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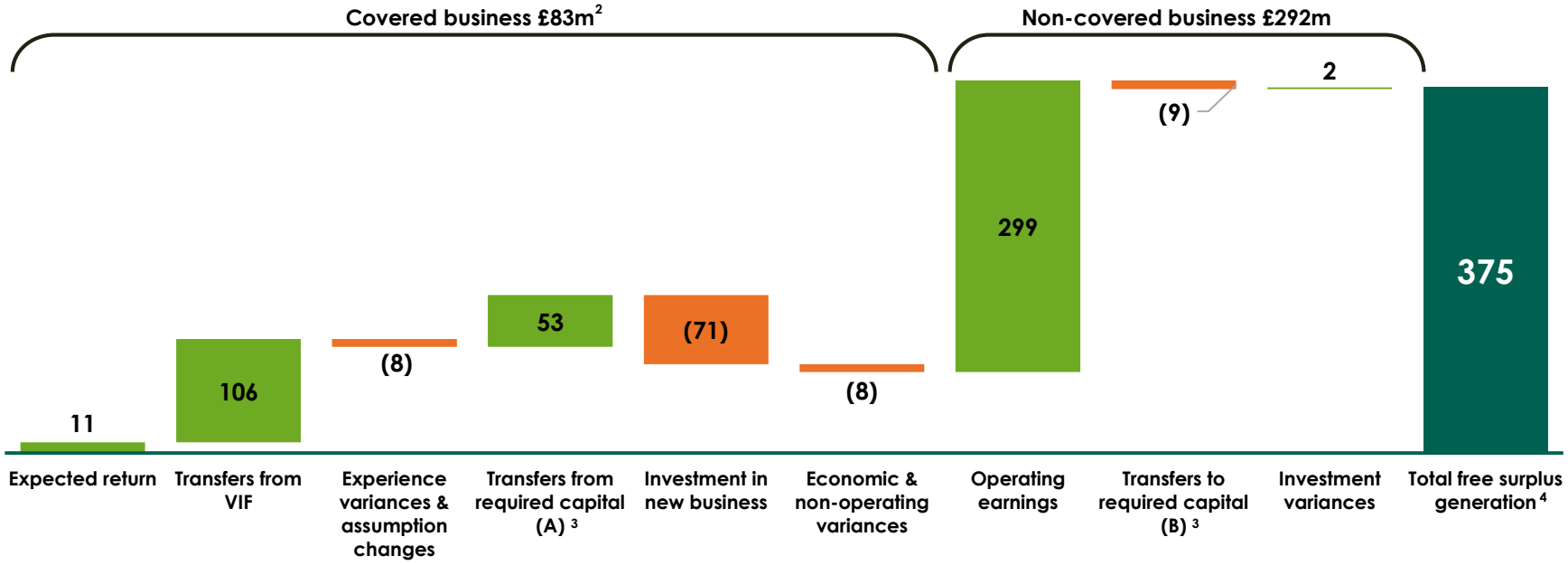
PLC[1] FREE SURPLUS GENERATION H1 2016 (£m)



1. Core continuing operations only.
2. OMEM covered business only; Old Mutual Wealth reported in non-covered business.
3. A+B=£44m per previous slide A38.
4. Free surplus generation before business unit cash deployed.

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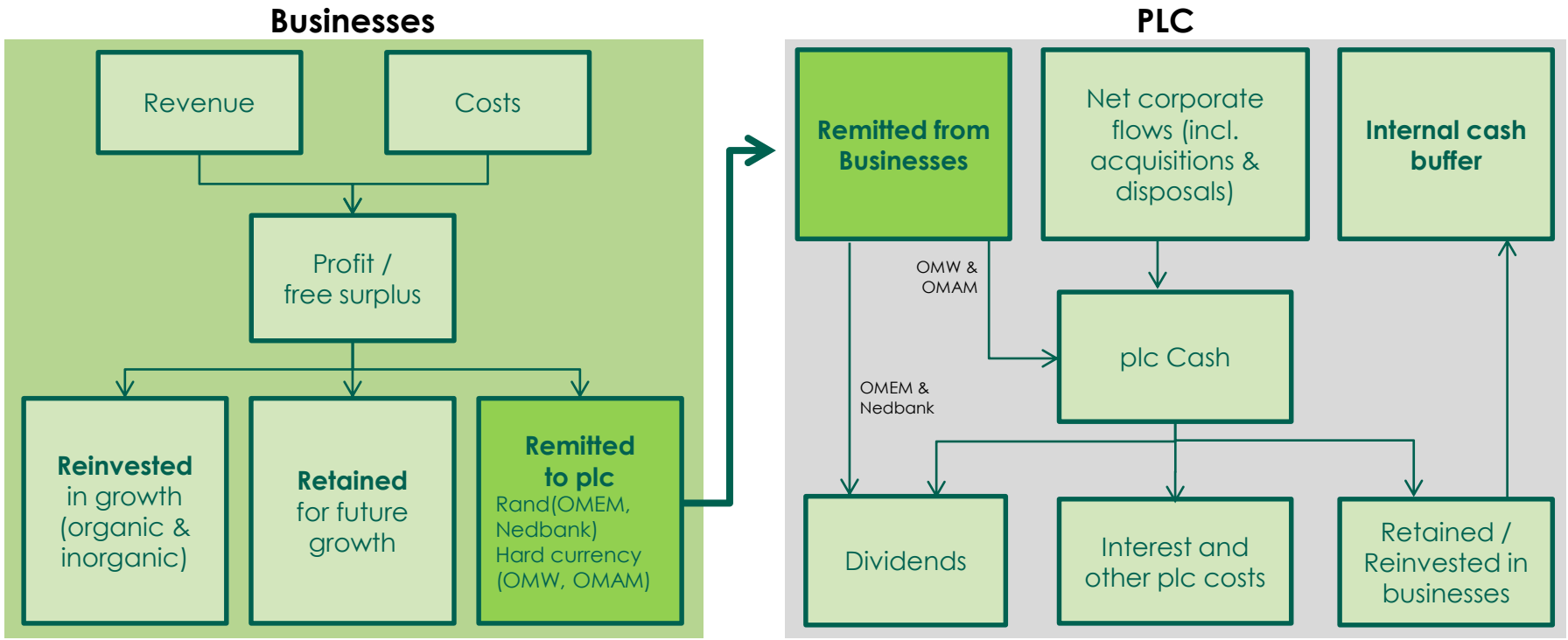
SOURCES AND USES OF CASH



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APPENDIX 5
SOLVENCY II

RESILIENCE OF SOLVENCY II RATIO

£bn	Capital Requirements	Surplus	Coverage ratio	Restricted surplus
Base	5.1	1.5	129%	1.1
Equity markets: 25% fall	4.8	1.4	130%	0.9
Lapses[1]: Immediate 10% lapse	4.9	1.5	130%	1.0
Interest rates: 100 bps rise	5.1	1.5	129%	1.1
Credit spreads: 100 bps widening	5.1	1.5	129%	1.1
Currency[2]: ZAR 30% depreciation	4.2	1.5	136%	0.9
Currency[2]: ZAR 10% appreciation	5.5	1.5	127%	1.2

plc Solvency II ratio is resilient to market and non-market stress events.

Additional severe scenario testing undertaken for an SA downgrade and deteriorating economic outlook for the rest of the world also concluded that capital remains resilient.

1. Business lapse sensitivity for Old Mutual Emerging Markets and Old Mutual Wealth only.
2. Coverage ratio increases when ZAR depreciates due to a reduced weighting towards Old Mutual Emerging Markets and Nedbank included at 100%. The reverse applies when ZAR appreciates.

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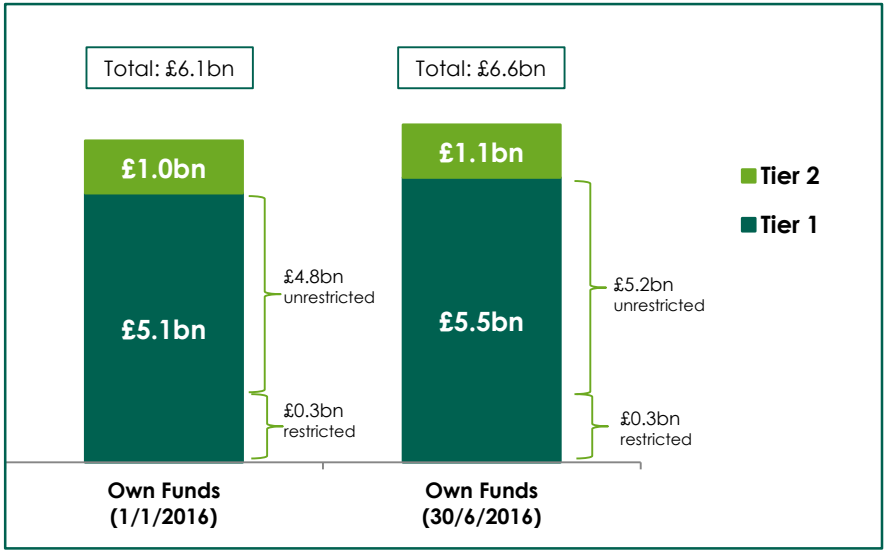
COMPOSITION OF QUALIFYING SOLVENCY II CAPITAL



- plc Tier 2 debt contributes a total of £1.1bn to the plc Own Funds at 30 June 2016.
- plc SCR is covered by Tier 1 capital (even after applying restrictions to the surplus from South Africa) which represents 108% of the plc SCR of £5.1bn
- Tier 1 represents 84% of plc capital after fungibility deductions

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