OLD MUTUAL

CAPITAL MARKETS DAY

11 October 2016

INVESTMENT | SAVINGS | INSURANCE | BANKING

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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, structure, performance and results. It should be read in conjunction with the RNS announcement published today in respect of this presentation.

By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Old Mutual plc's control including amongst other things, international and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which Old Mutual plc and its affiliates operate. As a result, Old Mutual plc's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Old Mutual plc's forward looking statements.

Where this presentation makes reference to the proposed future structure of the group through the previously announced plans for a managed separation of the group, your attention is specifically drawn to the fact that such a separation is highly complex and subject to change as a result of factors such a stakeholder consent, regulatory conditions and / or the readiness of the underlying businesses. Old Mutual plc is taking appropriate legal and financial advice and there can be no certainty as to the nature of the final outcome.

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.

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

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PRESENTATION AGENDA

Introduction to the day and overview of managed separation strategy	Bruce Hemphill, Group CEO
Business presentations	
– Old Mutual Wealth	Paul Feeney, CEO and Steve Braudo, COO
– Nedbank	Mike Brown, CEO
– Old Mutual Emerging Markets	Ralph Mupita, CEO
– OM Asset Management	Peter Bain, CEO
Execution of the strategy	Rob Leith, Director of Managed Separation
Unlocking value and closing remarks	Bruce Hemphill, Group CEO
Evening event and meet with management teams	

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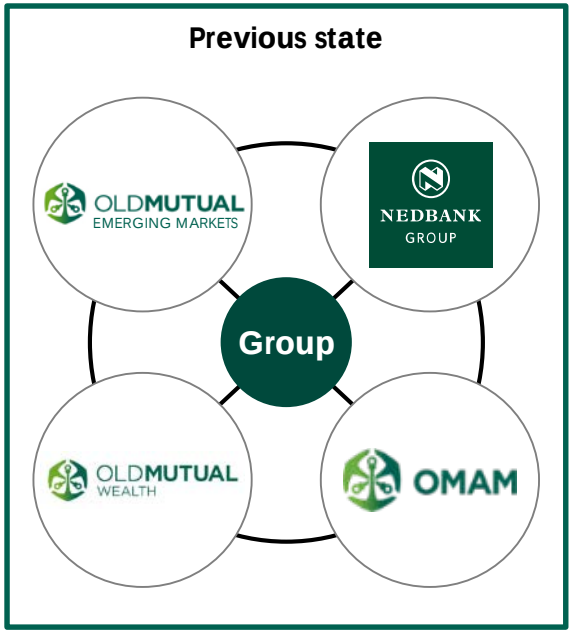
STRATEGIC PATH



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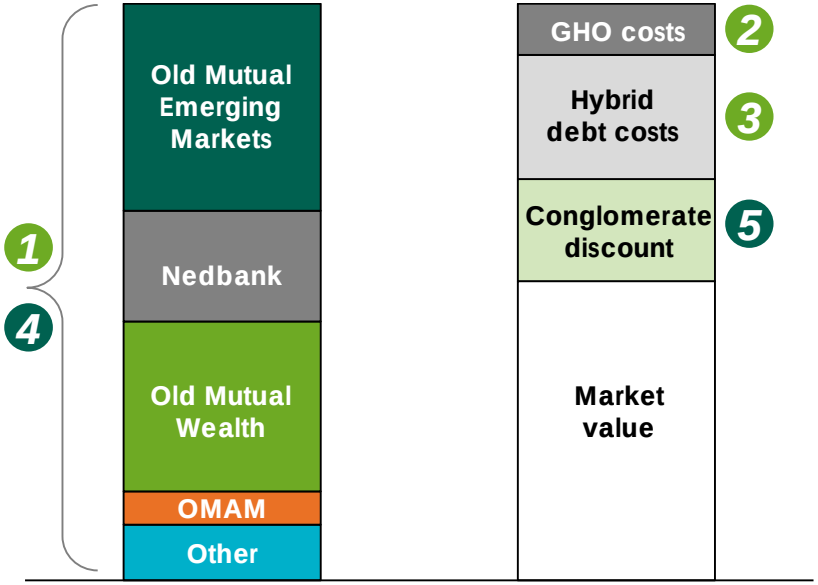
UNLOCKING VALUE



(Illustrative)

Actions:

1. Deliver enhanced business performance
2. Reduce cost of central activities
3. Manage down Group debt

Outcomes:

4. Valuation re-rating of the businesses
5. Removal of conglomerate discount

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WHAT WE WILL DELIVER THROUGH MS

- Four businesses each with **good growth prospects and…**

- …positioned to be **“great” on a stand-alone basis**

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GROWTH OPPORTUNITY IN SUB-SAHARAN AFRICA

- Long-term structural shifts supporting GDP growth
- Significant financial services opportunity
- SA most developed market in Africa
- Growth prospects over longer term intact, despite current political and economic headwinds

Old Mutual Emerging Markets & Nedbank are strategically well positioned to capture growth in South and Sub-Saharan Africa

OLD MUTUAL WEALTH OPPORTUNITY IS SUBSTANTIAL

- Large wealth management market, growing rapidly
- Structural shift of assets towards leading investment platforms
- Savings and advice gaps underpin key growth drivers
- Fragmented markets provide opportunities for consolidation

OMW is strategically well positioned to capitalise on multiple opportunities

WELL POSITIONED IN THE US INVESTMENT MARKET

- Investment management industry facing structural challenges
- Multi-boutique model best placed to deliver consistent alpha generation
- Increased exposure to alternative strategies
- Institutional market less exposed to shift to passives

OMAM's multi-boutique model is well positioned for current industry trends

BUSINESSES PRESENTATIONS

- What they are doing to position themselves as “great” on a stand-alone basis (i.e. business readiness for independence)
- Strategic positioning of the businesses to generate sustainable competitive advantage
- Focus areas for management

Old Mutual Wealth	Paul Feeney, CEO and Steve Braudo, COO
Nedbank	Mike Brown, CEO
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OLD MUTUAL WEALTH

Capital Markets Day

Paul Feeney, CEO & Steve Braudo, COO

11 October 2016

INVESTMENT | SAVINGS | INSURANCE

OLDMUTUAL WEALTH

INTRODUCTION

- OMW overview
- Our markets and model
- Positioning the business for growth
- Summary

WHAT IS WEALTH MANAGEMENT?

OLD MUTUAL WEALTH

OUR VISION

TO BE THE **LEADING WEALTH MANAGER** IN THE UK MARKET

OUR PURPOSE

TO HELP CREATE **PROSPERITY FOR THE GENERATIONS OF TODAY AND TOMORROW**

OUR STRATEGY

- WE ARE A **UNIQUE ADVICE, SAVINGS AND WEALTH MANAGER**
- WE BLEND OUR **PEER-LEADING CAPABILITIES** TO **BUILD SOLUTIONS** THAT DELIVER **BETTER CUSTOMER OUTCOMES.**

OUR CORE BELIEFS

WE BELIEVE IN: BETTER CHOICE; FINANCIAL ADVICE; TALENT-BASED CONVICTION INVESTING; AND MODERN SIMPLE AND TRANSPARENT PRODUCTS THAT ARE EASILY ACCESSIBLE

WE HELP CUSTOMERS BUILD WEALTH

OMW supports customers through the creation of wealth by:

Providing financial advice to develop a financial plan

Providing suitable products, wrappers and investment solutions (including cross-border where required)

Managing money in line with customers' risk appetites to deliver desired outcomes

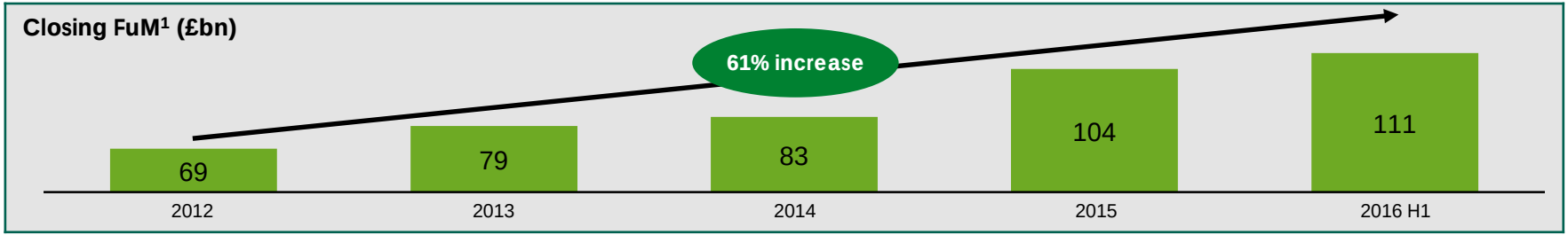
Providing excellent service to customers and regular reviews through their life stages

Intrinsic	*Heritage*	*UK & International Platforms*	*OMGI*	*Quilter Cheviot*
Wealth Solutions			**Wealth & Asset Management**	

Integrated, multi-channel model to deliver across all areas of wealth creation

OMW HAS SUCCESSFULLY EVOLVED SINCE 2012…

Continuing to drive growth & operational integration



2012: Low profit platform and closed "life" book

- **Sub-scale, low profitability platform**
- **No owned distribution**
- **No discretionary management**
- **Sub-scale asset management pre 2012**
- **Eight subscale European businesses**

2015: UK focused Wealth business

- **UK focused multi-channel** Wealth business
- **Leading retail asset manager** OMGI
- **Leading distribution** through Intrinsic
- **Acquired leading DFM** Quilter Cheviot (FUM: £17bn)
- **Investing in core Platform** technology
- **Sold European operations**

2016+: Drive value of multi-channel model

- **Integrate** business functions
- Drive **efficiency** and operational **leverage**
- Complete **technology transformation**
- **Grow multi-channel distribution**
- **Deliver good customer outcomes**
- **Continue to attract top talent**

We've laid the foundation to target future growth

1 Includes all businesses as reported at the time.

THERE IS GROWING DEMAND FOR MODERN WEALTH MANAGEMENT

UK is the world's 4th largest Wealth market[1]

Reducing supply

- c. 12%[3] reduction in financial advisers offering professional advice
- Banks withdrawal from advice
- Increasingly complex environment
- Old style insurance products no longer prevalent

Creating a gap in the £3trn[2] UK wealth market for provision of modern wealth management

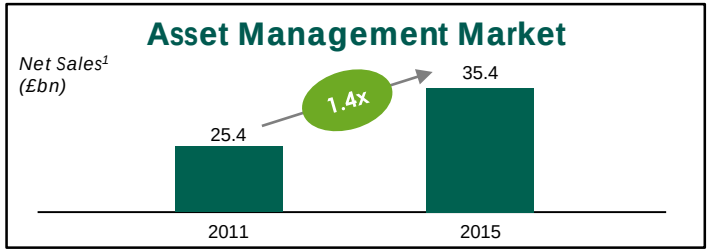
High / increasing demand

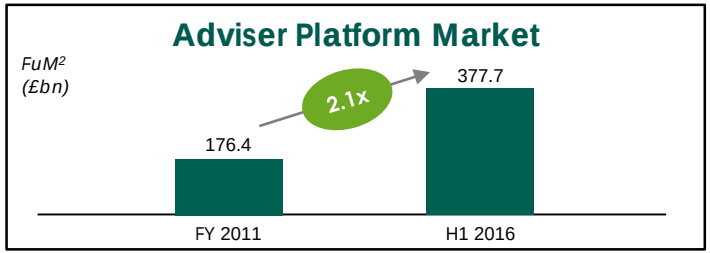
- Largest savings gap in Western Europe
- Changing pensions landscape & regulation
- Shifting demographics – ageing population, inter-generational wealth transfer
- Digital solutions demanded

1 The Credit Suisse Global Wealth Report, 2015. UK ranked fourth by total wealth
2 Bain & Company
3 APFA: The Financial Adviser Market in Numbers, March 2016, decrease in number of staff advising, 2009 to 2015

SIGNIFICANT ASSET GROWTH ACROSS WEALTH MARKETS

	Business	Structural Growth Trends
Wealth & Asset Management	Asset Management	• Growth in multi-asset
	Wealth Management	• Need for advice and planning – search for true money managers
Wealth Solutions	Platform	• Regulatory changes driving assets onto platforms • Consolidation of client assets
	International	• Globalisation of client base





Growth in wealth assets against backdrop of shifting demographics, increased complexity and falling number of advisers

1 Source: Pridham & Pridham Ltd (The Pridham Report, Q4 issue, Feb 2016), Pridham & Pridham Ltd (The Pridham Report, Q4 issue, Feb 2012); total based on calculated sum of top 20 companies (i.e. total not stated by Pridham & Pridham Ltd); includes institutional, retail, on- and offshore

2 Source: Platforum (UK Adviser Platform Guide, September 2016), Platforum (UK Adviser Platform Guide, February 2012)

WE ARE TARGETING ATTRACTIVE SEGMENTS

Market[1]	Customer Segments	OMW Customer Base (% of FuM)
~29% of UK wealth ~1% of UK population	HNW >£1m Investable Assets	21%
55% of UK wealth ~27% of UK population	Affluent £100k-£1m Investable Assets	54%
	Mass Affluent £50K-£100k Investable Assets	14%
16% of UK wealth ~72% of UK population	Mass Market £0-£50k Investable Assets	11%

OMW focus: 84% of UK Wealth

Aligned propositions to service target customer segments

1 Source: Verdict Financials

WEALTH AND ASSET MANAGEMENT

Business Overview / Core Capabilities

Asset Management £27bn

- Leading, retail focussed asset manager
- Manages funds in major asset classes
- Develops outcome oriented solutions for retail customers (e.g. Cirilium)
- Modern and simple proposition
- Highly experienced management

Wealth Management £19bn

- Discretionary wealth management (92% of FuM)
- Long term customer relationships
- Very low attrition
- Multi-channel access to asset flows

- **One of the largest, most experienced investment capabilities in the UK**
- **Strong integration between wealth and asset management and wealth solutions**

Key Metrics[1]

£46bn
Closing FuM (H1 16)

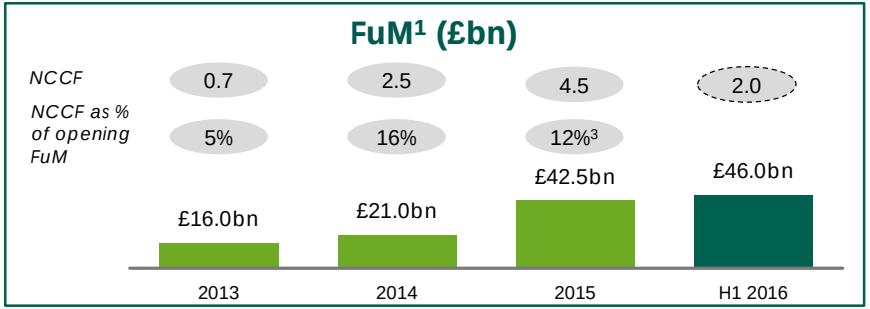
83
No. of OMGI Invest. Professionals (Aug16)

£4.5bn
NCCF (FY15)

161
No. of QC IMs (FY15)

74%[2]
OMGI fund outperformance (Aug 16)

10 years
Average QC IM tenure



1 Includes intragroup FuM / NCCF
2 Above target over last 3 years as at 31 August 2016
3 Calculated using NCCF 2015 and opening FuM of segment (pro-forma opening FUM for Quilter Cheviot of £16.7bn)

WEALTH SOLUTIONS

Business Overview / Core Capabilities

Financial Planning and Advice

- Provides financial planning and restricted advice via Intrinsic in the UK
- Growing private client advisory business

UK Platform

- Leading UK adviser platform
- 25 years of experience
- Enabler to OMW's multi-channel distribution strategy
- 9,000+ active IFA supporters

International

- Serves HNW, affluent expatriates and local investors
- Strong regional presence in Asia, Middle East, LatAM, South Africa

Heritage

- Unit-linked book of business, majority of which is closed to new business

- **Strong and diversified distribution capabilities provide multiple access routes to the market**

Key Metrics[1]

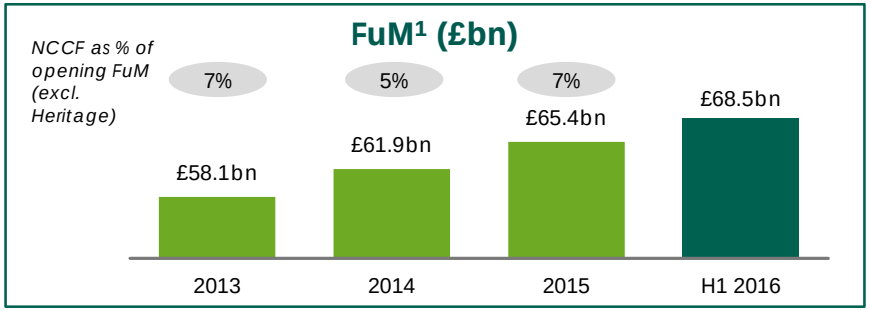
£69bn
Closing FuM (H1 16)

c.750k[2]
Customers (FY15)

7%
NCCF / FuM (FY15, excl. Heritage)

1,318
Restricted advisers (H1 16)

9,000+
FAs on Platform (FY15)



1 Includes intragroup FuM / NCCF and excludes divested business and Italy
2 Excluding Intrinsic

THESE PARTS COME TOGETHER IN OUR MULTI-CHANNEL, INTEGRATED MODEL

Distribution Portals:
- **Owned**
- **Third Party**

Multi-Channel

Distribution Portals:
- **Owned**
- **Third Party**
- **Direct**

Wealth Solutions

FuM[1] (Administered) £69bn

x Revenue Margin

Integration

Wealth & Asset Management

FuM[1] (Managed) £46bn

x Revenue Margin

Fee Based Revenues

Plus: Performance Fees & Other Revenues

Less: Costs

Highlights

Multi-Channel
- Flexibility for customers
- Flow captured via owned, third party or direct distribution

Integration
- Differentiated model versus monoline players
- Manage increasing proportion of customer assets

Operating Leverage
- Scale benefits and efficiency to drive operating margin

Benefits for advisers, customers and shareholders

OMW's multi-channel business and integrated strategy seeks to drive strong net customer flows and financial performance

1 Includes intragroup FuM

DRIVING VALUE OF MULTI-CHANNEL MODEL

Driving **efficiency and integration** of our multi-channel model through:

- Further **development and integration of our customer and adviser propositions** aligned to our beliefs
- **Simplification of business and operating model** to target strong revenue and sustainable cost-income ratio
- Ensure appropriate **cost base**
- Deliver **technology transformation**
- **Continued driving of growth** and strengthening competitive advantage

Readiness for separation and listing:

- Investment in **capabilities**
- Building our **governance structures**
- **Working collaboratively with regulator** in relation to our closed book investigation
- **Sale of Italy**

OLD MUTUAL WEALTH

Capital Markets Day

Steve Braudo, COO

11 October 2016

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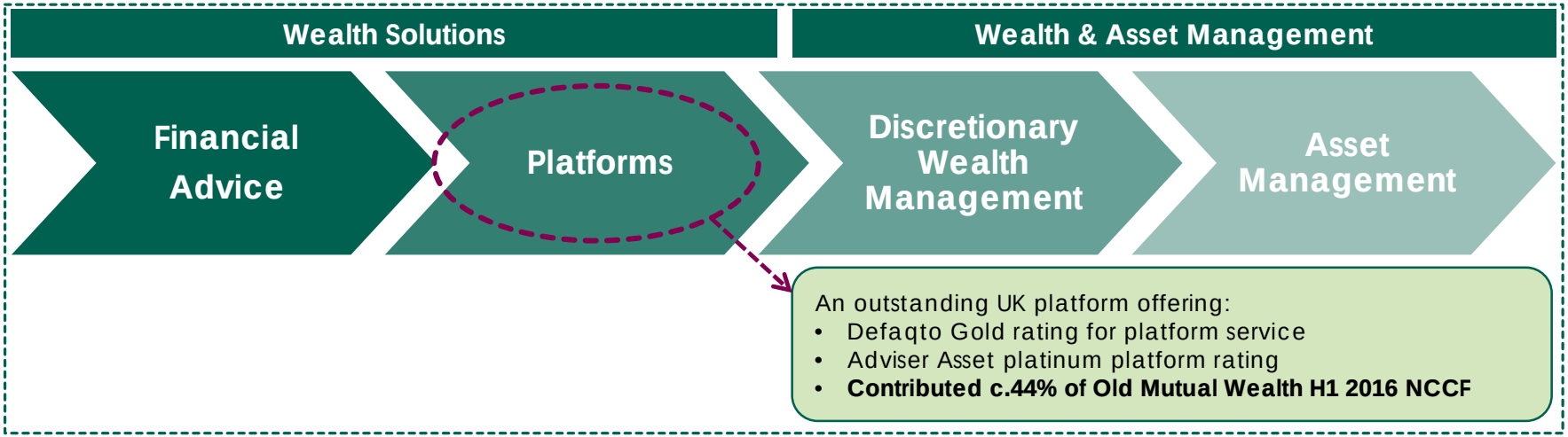
OLDMUTUAL WEALTH

THE ROLE OF THE PLATFORM

We have a **unique business model which offers customers choice** across an end-to-end Wealth Management offering



- The UK Platform provides a "gateway" to OMGI's asset management capability
- Scalability and operating leverage is important for a platform business to succeed

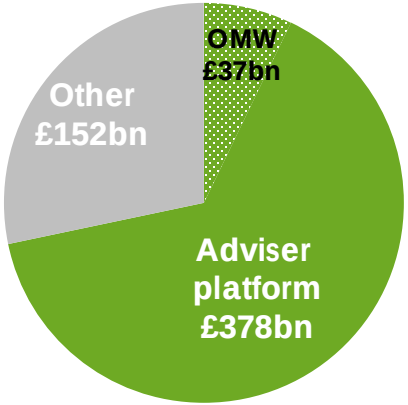
RATIONALE FOR PLATFORM TRANSFORMATION

WE EXPECT GROWTH IN THE PLATFORM MARKET

Support for existing software and operating system ends 2020

Increasing ongoing development and maintenance costs

System product capability is limited



Total platform market: £530bn[1]

Expected overall platform market in 10 years:

> £1 trillion

A future-ready digital wealth platform is important to our integrated multi-channel wealth management strategy and delivering future growth

1 Source: The Platforum's UK Adviser Platform Guide, Q2 2016 and The Platforum's UK D2C Guide, Direct Platform Update, July 2016

NEW WEALTH PLATFORM

Partners

- **IFDS will take on back-office client administration**
- **DST responsible for platform development work**

NEW WEALTH PLATFORM

Back-end ("Bluedoor")

- Workflow
- Client administration
- Product rules
- Regulatory requirements
- Verification links (e.g. bank accounts)

Status

- Majority of coding done
- Components tested
- Links being tested

NEW WEALTH PLATFORM

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Status

- Majority of coding done
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Front-end ("Opendoor")

- Client Portal
- Adviser Portal
- Customer contact Centre

Status

- Majority of specifications done
- Coding commenced

NEW WEALTH PLATFORM

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Integration testing being planned

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Front-end ("Opendoor")

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Future Plans:

- Business processes will be outsourced to IFDS
- Coding will be done by DST

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Future Plans:

- Business processes will be outsourced to IFDS
- Coding will be done by DST

Front-end ("Opendoor")

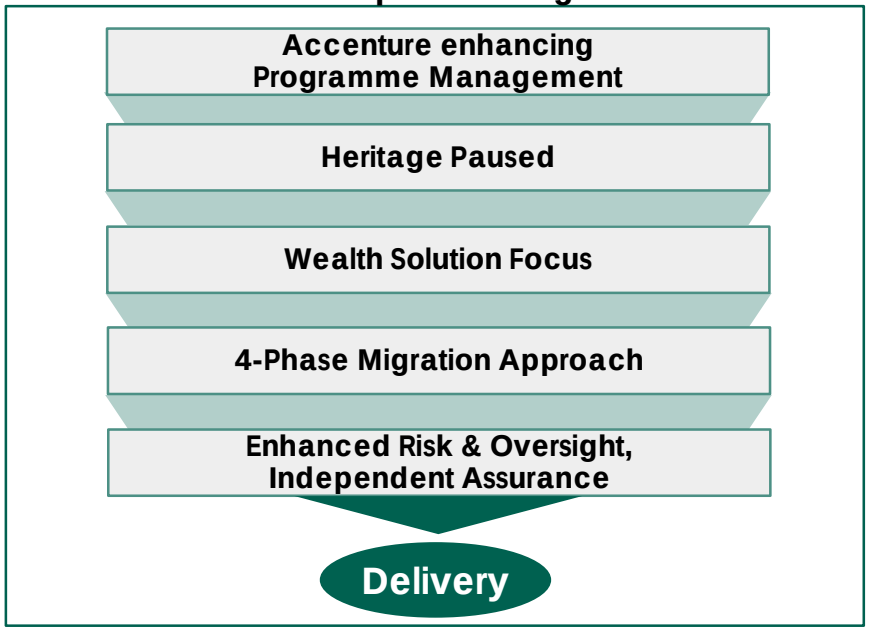
- Client Portal
- Adviser Portal
- Customer contact Centre

Future Plans:

- Business processes will be retained in-house as these are our differentiator
- Coding will be done by DST

WHAT HAS CHANGED?

We've reshaped the Programme



- ✓ Enhances and **strengthens capabilities** of the Programme delivery team
- ✓ Ensures we **focus our resources** on the Wealth build
- ✓ Focused resource on delivering what we have on the Platform today with additional features, while **maintaining high service levels**
- ✓ Expected completion by **end of 2018** for the Platform implementation
- ✓ **Significantly higher confidence** that the Programme is currently running to the new plan

PLATFORM FINANCIALS

Financials

- ✓ Spend to end June 2016: £225m, including £110m spent on Heritage
- ✓ Expected future spend: £200m - £225m
- ✓ **Positive net present value** of total investment
- ✓ Current expected **payback period is 8 years** compared to remaining on current systems

Operational savings and enablement of scalable growth

- ✓ The modern platform is expected to retain advisers, attract additional business and deliver capacity to drive scale
- ✓ Conservative additional new business growth is assumed in our business case
- ✓ Greater operating leverage
- ✓ Cost efficient future development spend

PLATFORM TRANSFORMATION – SUMMARY

- **Significant progress** is being made
- Increased oversight and independent assurance gives significantly **higher confidence in delivery**
- The UK Platform transformation develops Old Mutual Wealth as an end to end **wealth management business**
- Delivery aimed at improving the client experience, the adviser experience and **generating operating leverage**

Clients, advisers & the business will benefit from the Platform Transformation – we believe it will solidify our competitive advantage and drive value in the long-run

FUTURE PROSPECTS

Areas of Focus	Initiatives Underway / Key Priorities
Grow multi-channel distribution	✓ Further develop quality of advice and ease of access for customers ✓ Continue to grow number and productivity of advisers
Deliver customer outcomes through conviction-based investing and solutions	✓ Grow Cirilium and Wealth Select, and other multi-asset solutions for UK and International markets ✓ Develop talent-based conviction investing capabilities
Leverage scale benefits and drive efficiencies	✓ Demonstrate benefits of modern technology base ✓ Manage cost base ✓ Optimise synergies across operating model

Drive financial returns

SUMMARY

- Leading positions in large and growing markets
- Modern proposition delivering on customer needs
- Unique and differentiated business model
- Highly experienced management team
- Differentiated approach to deliver shareholder value

Q&A

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MAKE THINGS HAPPEN

NEDBANK GROUP

NEDBANK GROUP LIMITED

OLD MUTUAL CAPITAL MARKETS EVENT

11 October 2016

Mike Brown, Chief Executive

A Member of the OLDMUTUAL Group

Agenda

MAKE THINGS HAPPEN

NEDBANK GROUP

Nedbank Group – an overview

The African banking context

Nedbank Group – a strong sustainable business, delivering value to shareholders

Strategic focus areas driving growth & value

A sound & attractive investment

Nedbank Group – a leading African financial services provider

MAKE THINGS HAPPEN

NEDBANK GROUP

To be Africa's most admired bank by our staff, clients, shareholders, regulators and communities in which we operate

Old Mutual Group
54.1%
shareholding in Nedbank Group

Market capitalisation
R110bn
(at 30 Sept 2016)

Headline earnings
R10.8bn
for the year ended 2015

Assets
R944bn
9.7% CAGR since 2010

Assets under management
R256bn
16.5% CAGR since 2010

Total clients
7.7m
6.9% CAGR since 2010

Access to the largest banking network in Africa
39 Countries
(21.8% share in ETI)

Total employees
31 915
Total ATMs
3 929
Total outlets
789

Strong wholesale franchise & growing retail, wealth & rest of Africa businesses

MAKE THINGS HAPPEN

NEDBANK GROUP

Nedbank Group

	Corporate & Investment Banking	Retail & Business Banking	Wealth	Rest of Africa
	Holistic banking solutions to corporates, institutions & parastatals with a turnover of >R700m per annum.	Holistic banking solutions to individual retail clients, as well as businesses with a turnover of <R700m per annum.	Wealth management solutions, insurance & asset management to high-net-worth individuals as well as other retail, business and corporate clients.	Holistic banking solutions to retail, small & medium enterprises (SMEs), business & corporate clients across the countries we operate in.
Clients	>600	7.4m retail 22k BB client groups	>14 800	>275k
ROE	21.3%	18.3%	35.9%	(15.2%)
Headline earnings	55 R3.0bn	44 R2.4bn	11 R0.6bn	(10) (R0.6bn)
Advances	52 R359bn	41 R285bn	4 R30bn	3 R18bn

** All figures as at 30 June 2016 (interim results for 6 months)*

Our interim results to 30 June 2016 reflect a strong financial performance from the managed businesses

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NEDBANK GROUP

Nedbank Group

Headline earnings	Diluted HEPS	ROE (excl goodwill)	Efficiency ratio
▲ 2.0%	▲ 1.6%	▼ 15.7%	▲ 57.1%
R5 427 for H1 2016			

Excluding ETI

Headline earnings	Diluted HEPS	ROE (excl goodwill)	Efficiency ratio
▲ 20.1%	▲ 19.7%	▲ 18.4%	▼ 55.6%
R6 030 for H1 2016			

Agenda

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NEDBANK GROUP

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A sound & attractive investment

SA banks have a leading position in Africa

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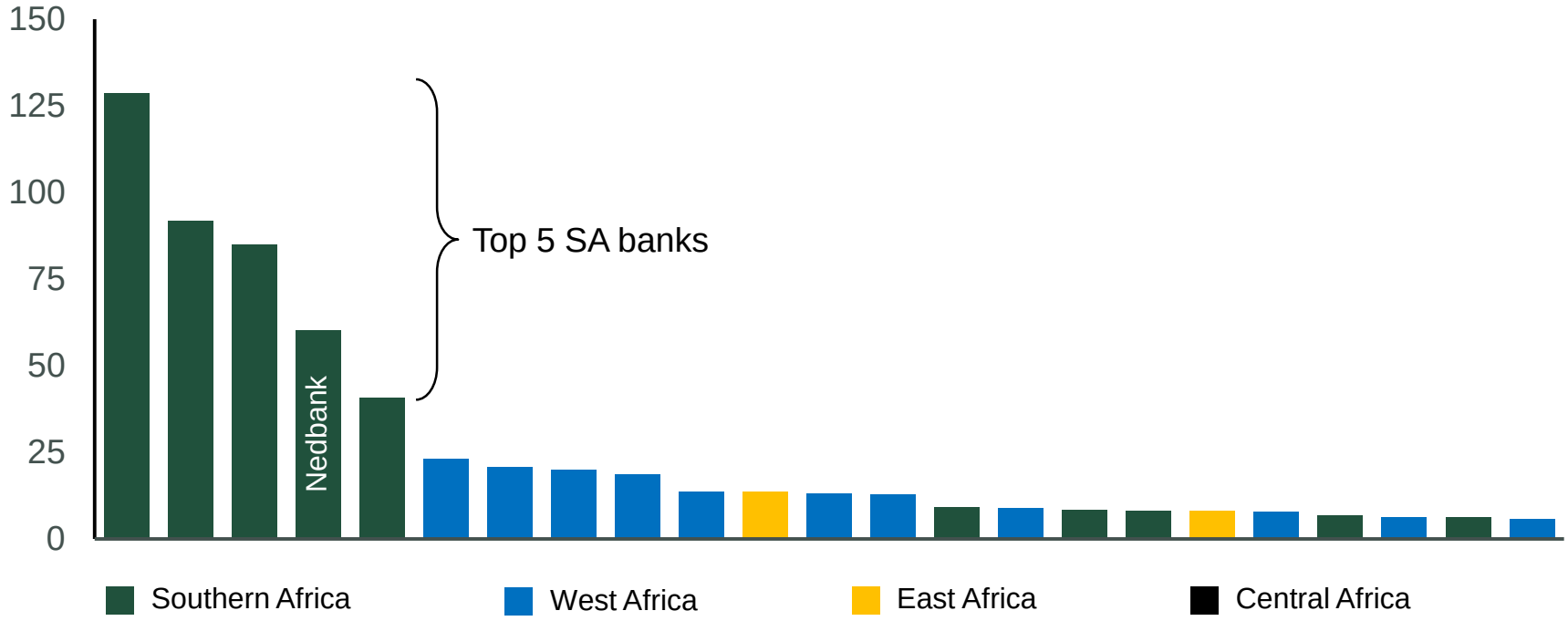
NEDBANK GROUP

Top 25 banks in Sub Sahara Africa by total assets
($bn, 2015)



Source: The Africa Report, September 2016 | Top 5 African banks include Standard Bank, Barclays Africa, FirstRand, Nedbank Group & Investec

… and operate in a sound & well-regulated banking system

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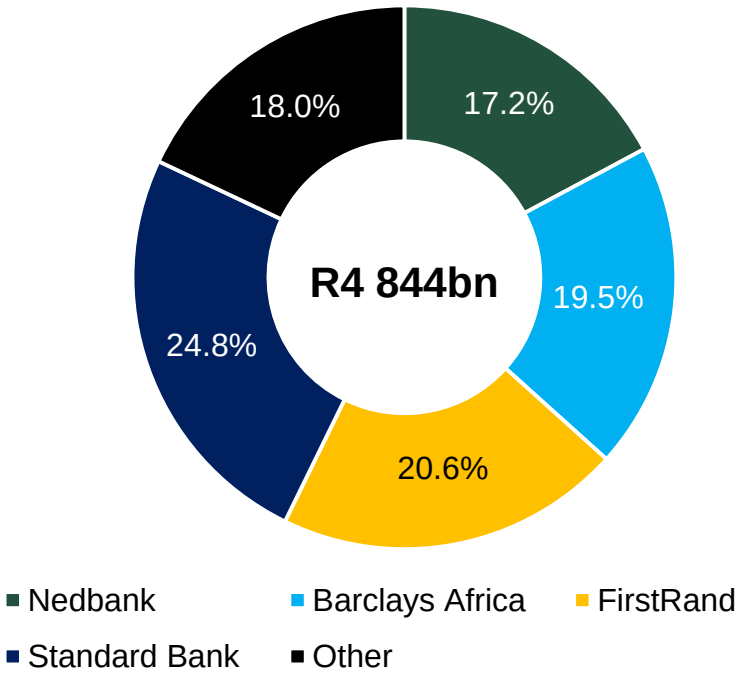
Total SA banking assets*
(Rbn, %)



- **SA banking system ranked 2nd globally****
  (Soundness of banks)
  - **Structure similar to other stable four pillar banking systems** (Canada, Australia)
  - **Closed loop funding** (exchange control benefits)
  - Financing through the equity market: 1st
  - Financial services meeting business needs: 2nd
  - Regulation of security exchanges: 3rd
- **Well regulated** – early adoption of regulation e.g. Basel III, NCA
- **Highly rated management teams**
- **Good governance, reporting & disclosure**
  - Strength of auditing & reporting standards: 1st
  - Protection of minority interests: 1st
  - Efficacy of corporate boards: 3rd
- **Strong institutions** & democratic principles

** SARB BA 900 (30 June 2016) | ** 2016/7 World Economic Forum Global competitiveness index*

SA banks compare favourably to emerging market peers – attractive returns & well capitalised

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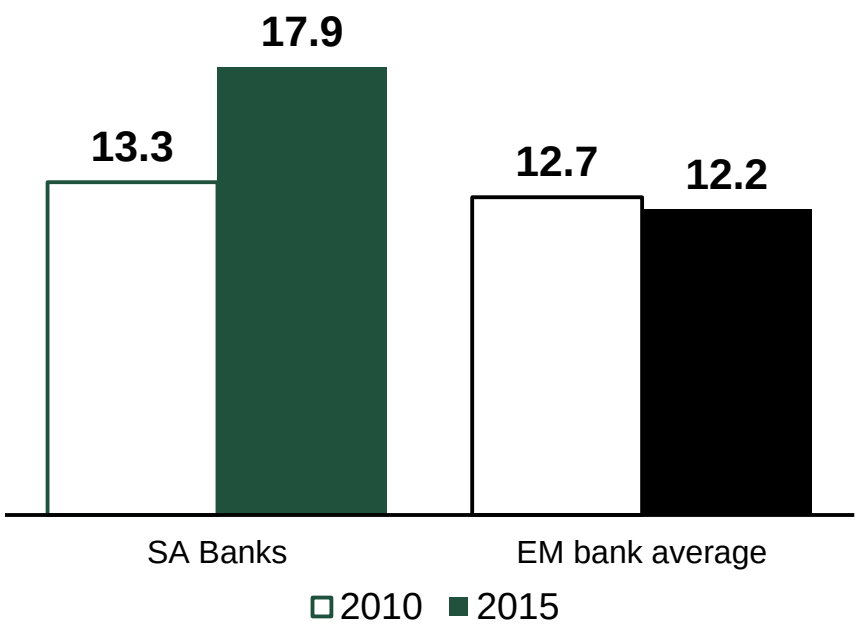
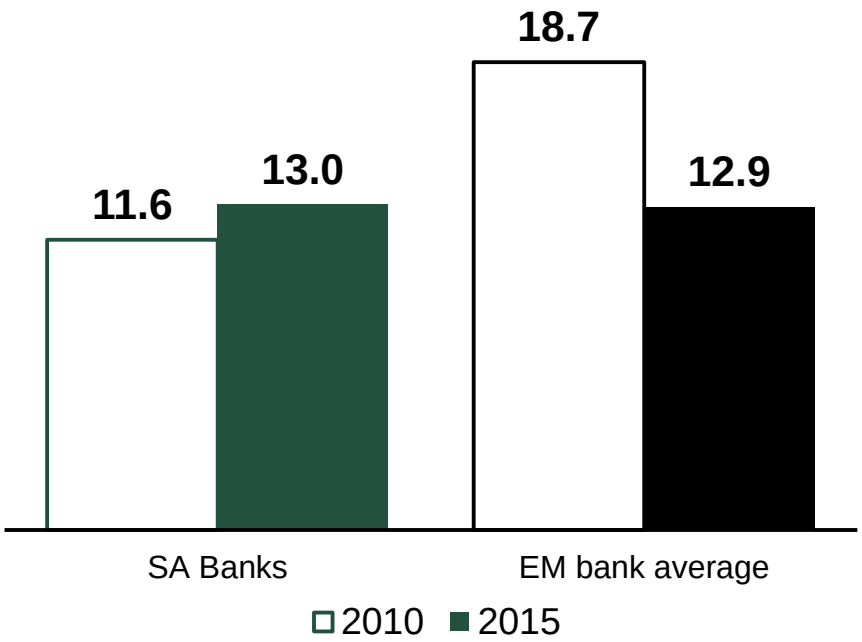
NEDBANK GROUP

Attractive returns
(ROE, %)



Well capitalised
(Tier 1 capital ratio, %)



Source: Deutsche Bank: SA banks include big 4 banks | EM banks include banks from Turkey, Brazil & Russia

Agenda

MAKE THINGS HAPPEN

NEDBANK GROUP

Nedbank Group – an overview

The African banking context

Nedbank Group – a strong sustainable business, delivering value to shareholders

Strategic focus areas driving growth & value

A sound & attractive investment

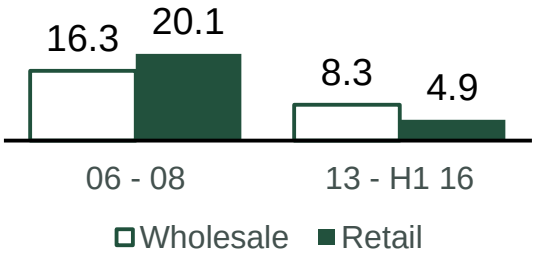
Since the global financial crisis we have built a strong sustainable business

MAKE THINGS HAPPEN

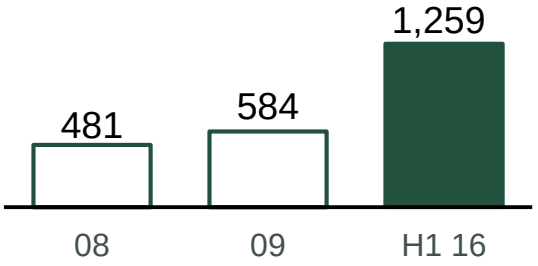
NEDBANK GROUP

Headline earnings (Rm)

Loan growth (CAGR %)



Endowment benefit for 1% change in interest rates (Rm)

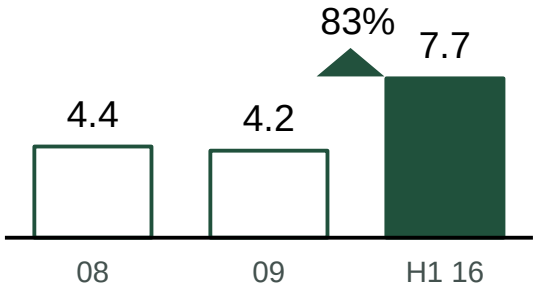


Since the global financial crisis we have built a strong sustainable business

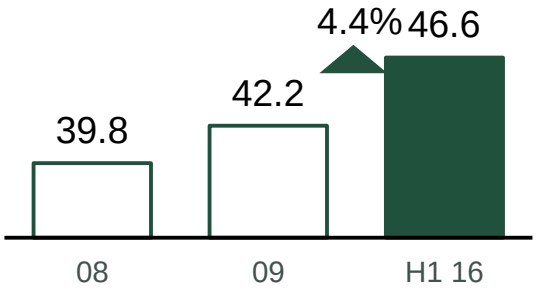
MAKE THINGS HAPPEN

NEDBANK GROUP

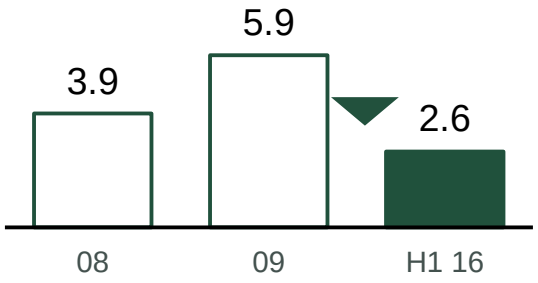
Number of clients (m)



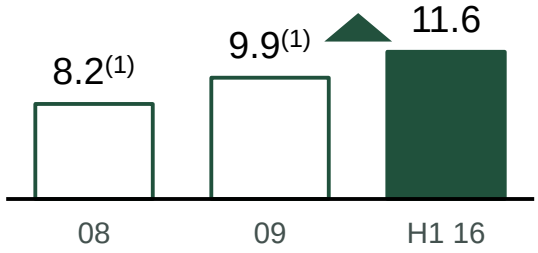
NIR income contribution (%)



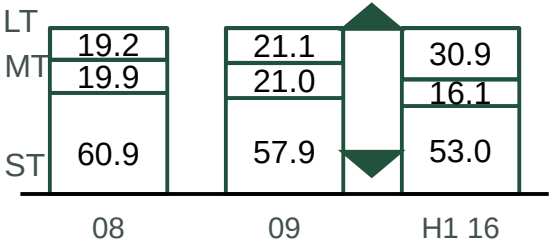
Defaulted advances (%)



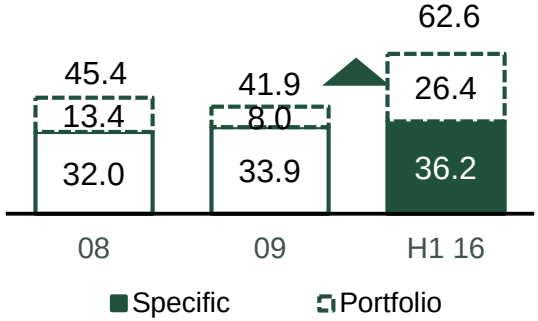
CET 1 ratio (%)



Funding tenor (%)



Coverage (%)



1. Core equity tier 1

And delivered value to shareholders

MAKE THINGS HAPPEN

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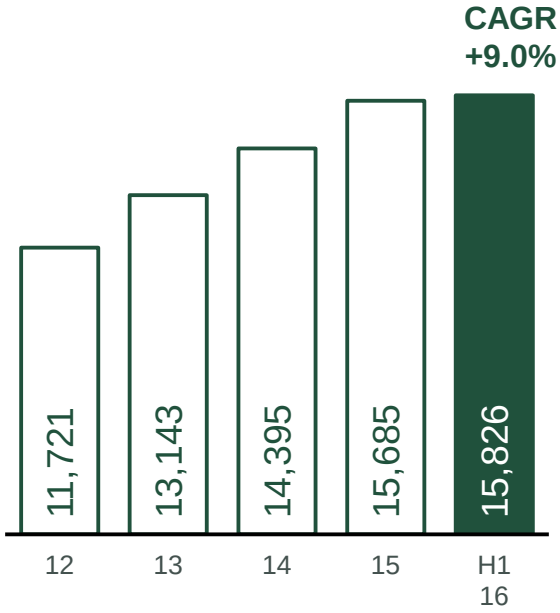
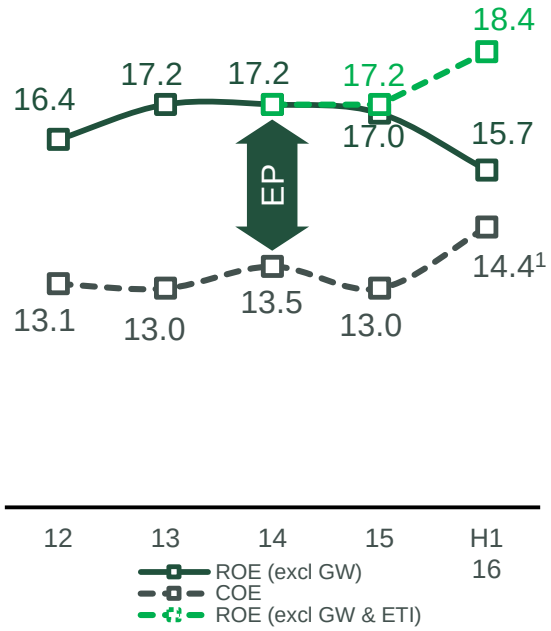
NAV

NAV per share (cents)



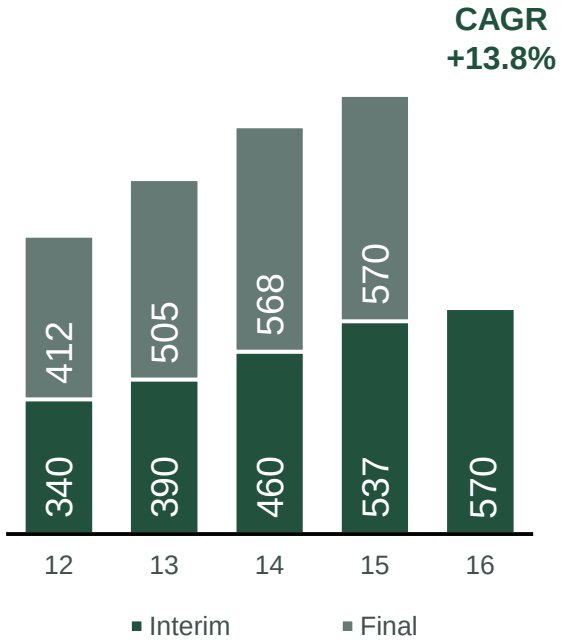
ROE > COE

ROE & cost of equity (%)



Dividends

Dividend per share (cents)



1 Monthly average for H1 2016 only

Agenda

MAKE THINGS HAPPEN

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MAKE THINGS HAPPEN

NEDBANK GROUP

TO BE AFRICA'S MOST ADMIRED BANK

Grow transactional banking franchise

Optimise and invest

Client-centred innovation

Strategic portfolio tilt

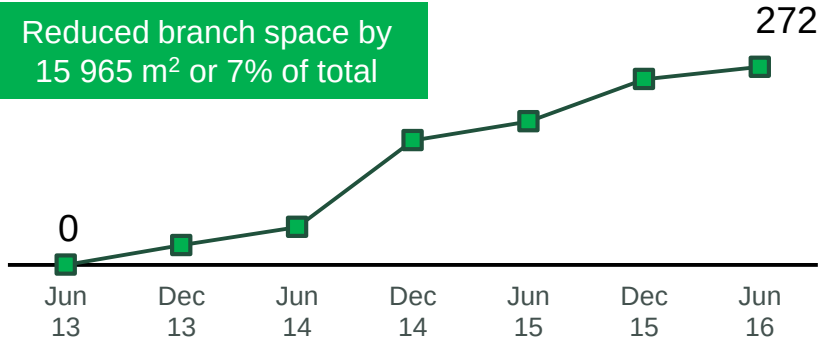
Pan-African banking network

Client centred innovation – accelerated our innovation capabilities in digital

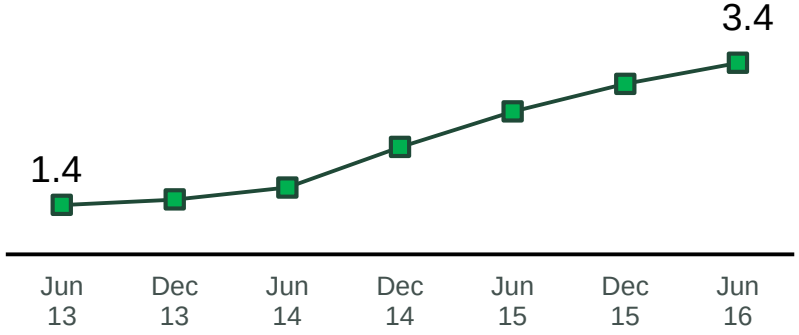
MAKE THINGS HAPPEN
NEDBANK GROUP

‘Branch of the future’
Outlets converted

Reduced branch space by 15 965 m^2 or 7% of total

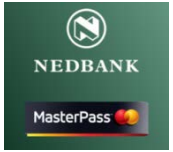


Digitally enabled clients
million



MyFinancialLife™

My eBills™



Plug & transact security token

Sage Pastel my payroll

Source: Nedbank analysis

Grow our transactional banking franchise – a track record of growing NIR ahead of the market

MAKE THINGS HAPPEN

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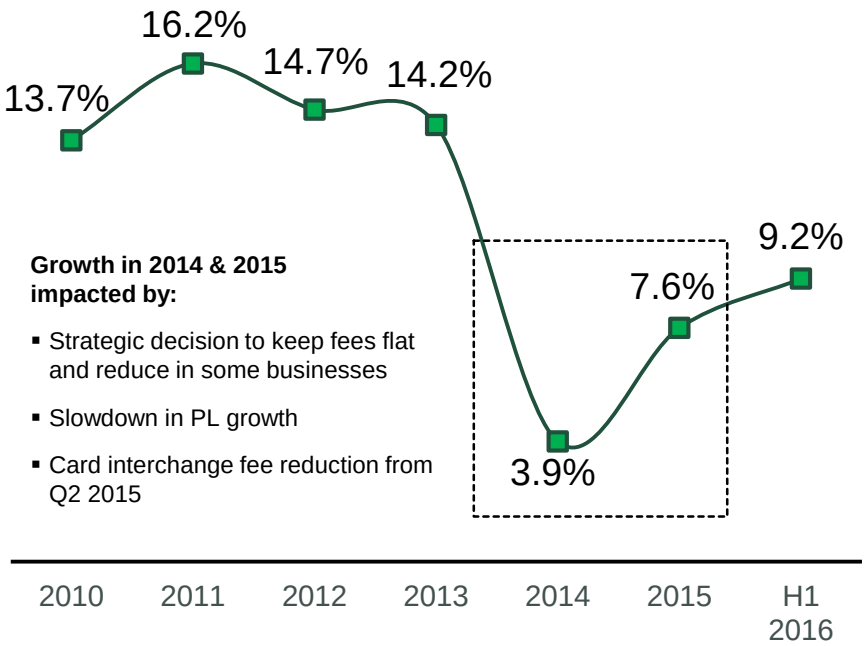
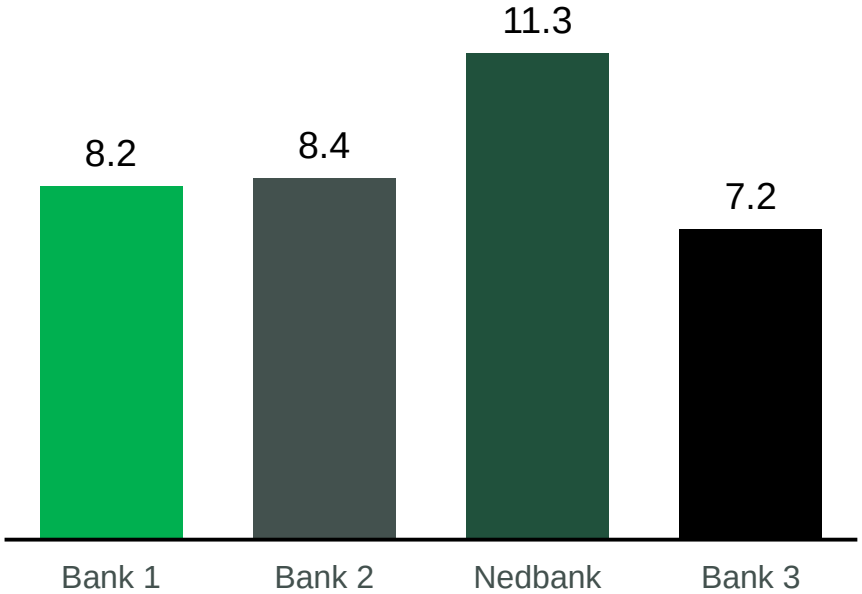
Commission & fee growth
(%)



Growth in 2014 & 2015 impacted by:

- Strategic decision to keep fees flat and reduce in some businesses
- Slowdown in PL growth
- Card interchange fee reduction from Q2 2015

NIR growth vs peers
(2010 – 2015, %)



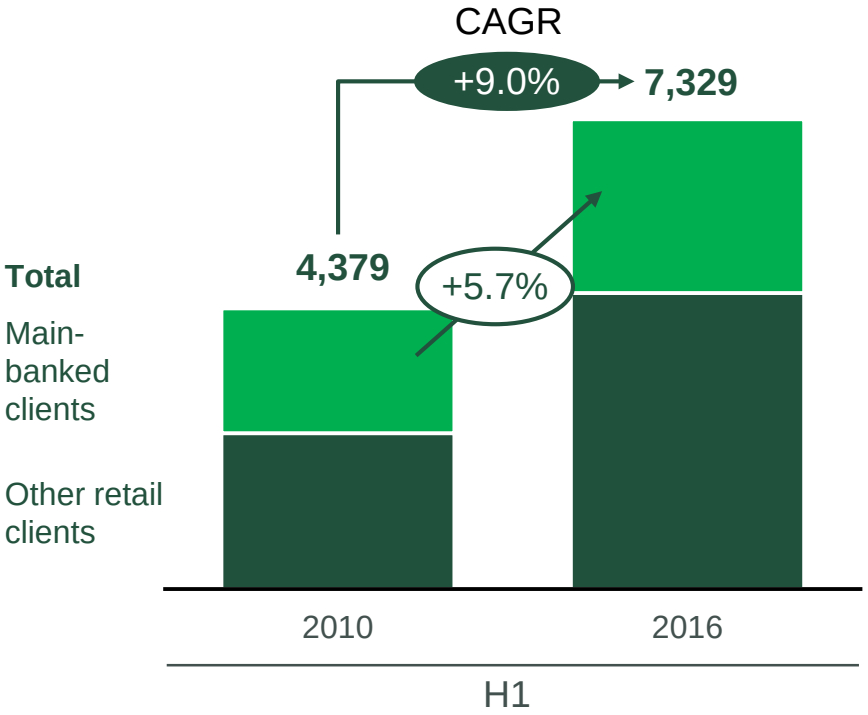
Source: Nedbank analysis

Grow our transactional banking franchise – evident in retail NIR & main banked client growth

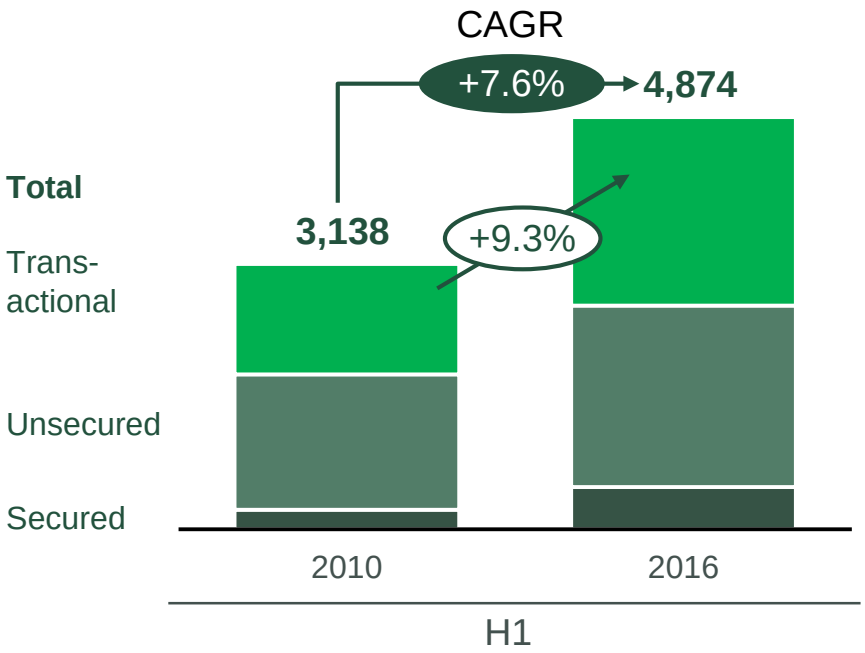
MAKE THINGS HAPPEN

NEDBANK GROUP

Total retail client base
#000



Retail NIR
Rm



Grow our transactional banking franchise – driven by improved cross sell in CIB

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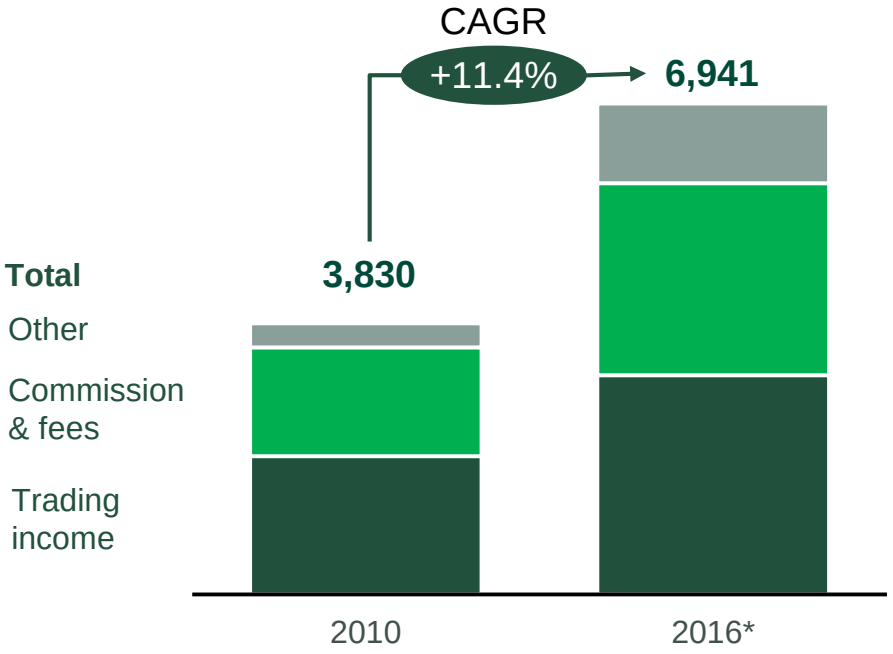
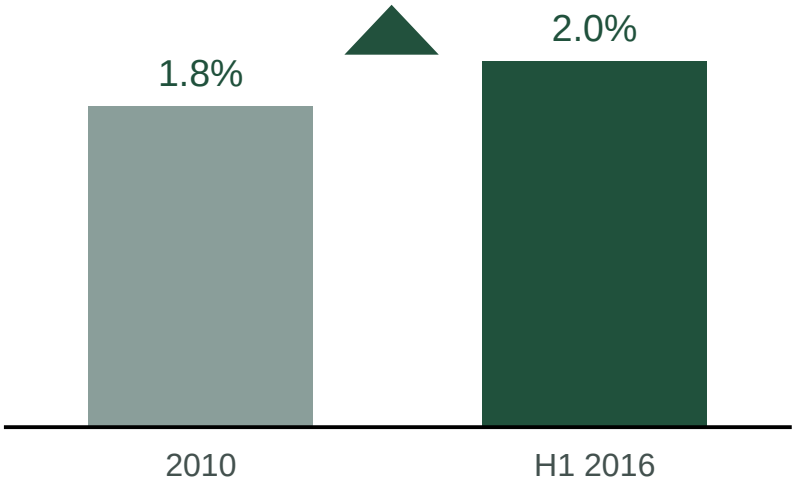
Total CIB NIR
Rm



CIB NIR to advances ratio
%

- Benefits of CIB integration & effective cross-sell producing positive results
- Recent transactions: 4-5% NIR to advances ratios



** Rolling 12-month basis | All figures at or up to 30 June 2016*
*** Integration effective 1 January 2015*

Optimise & Invest – extracting efficiencies to sustainably invest for the future

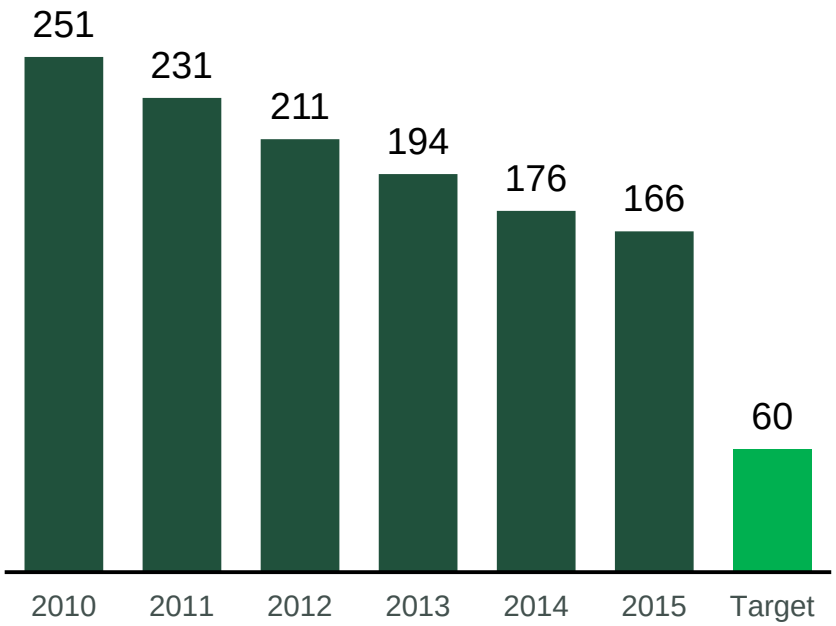
MAKE THINGS HAPPEN

NEDBANK GROUP

Efficiency programmes

- **Benefits from integration** in RBB, CIB & insurance businesses (~R390m)
- Regional property consolidation & targeted **reduction of branch floor space** by 30 000m^2 (by 2020)
- **Managed evolution:** Core system reduction from '250 to 60' systems (85 decommissioned to date)
- **Digitisation & elimination of duplicate processes**
- **Synergies with Old Mutual Emerging Markets** (joint R1bn by 2017 of which c30% accrue to Nedbank – arm's length basis)

Managed evolution – rationalise, standardise & simplify (# of core systems)



Optimise & Invest – extracting efficiencies to sustainably invest for the future

MAKE THINGS HAPPEN

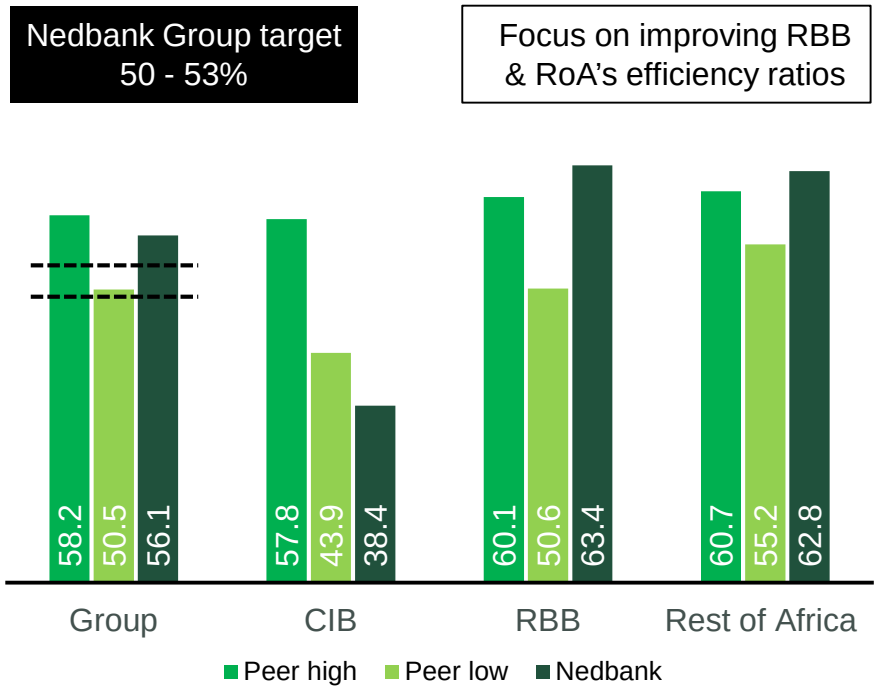
NEDBANK GROUP

Areas of investment to unlock further efficiencies & get to scale

- **Building a sustainable RBB franchise**
  - Integrated channels
  - Mobile & digital offerings
- **Investing in core banking in our Rest of Africa subsidiaries to enabling scaling**
- Managed evolution: **core system replacement**
- **Digital processes & products across all our businesses**
- **Regulatory requirements**

Efficiency ratios vs. peer group

Cost to income ratio, %



Source: SA big 4 banks as reported at 31 December 2015

Strategic portfolio tilt – selective origination & quality portfolio driving lower cost of risk

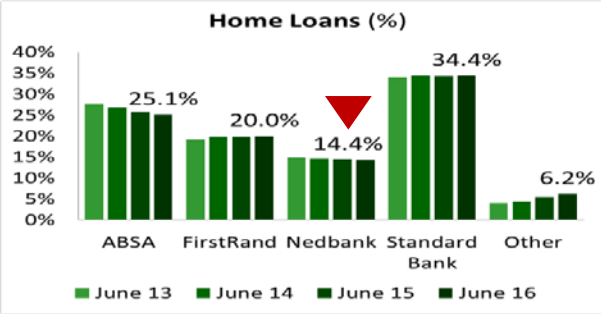
MAKE THINGS HAPPEN

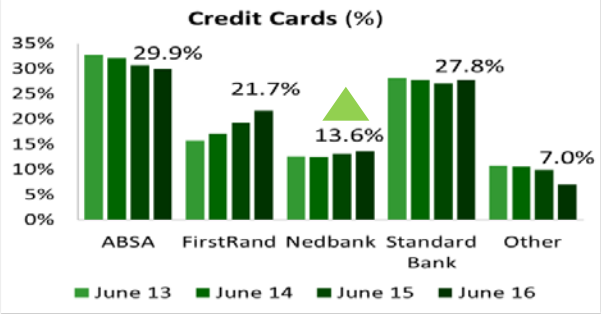
NEDBANK GROUP

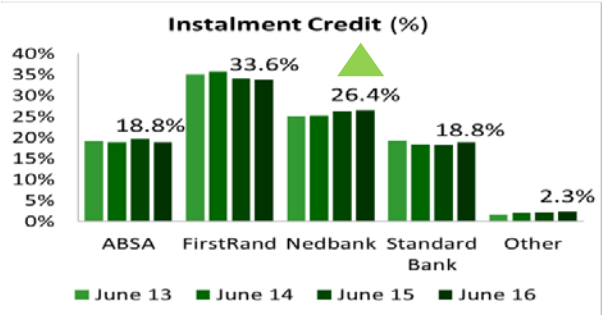
BA 900 market share

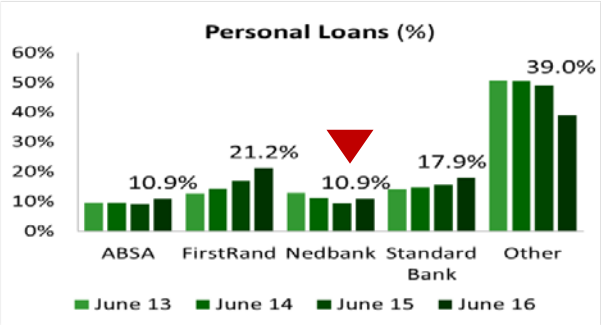
%

Retail 16.8%

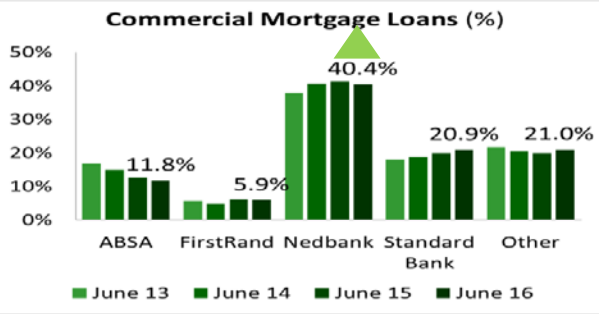


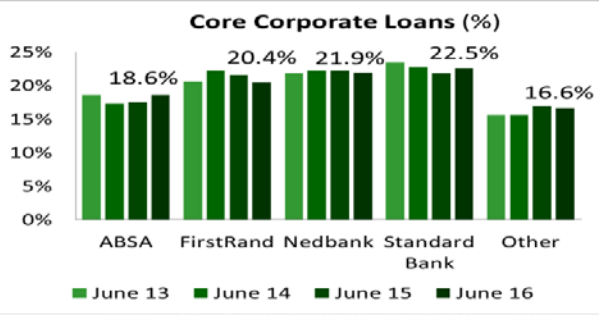






Wholesale 21.0%





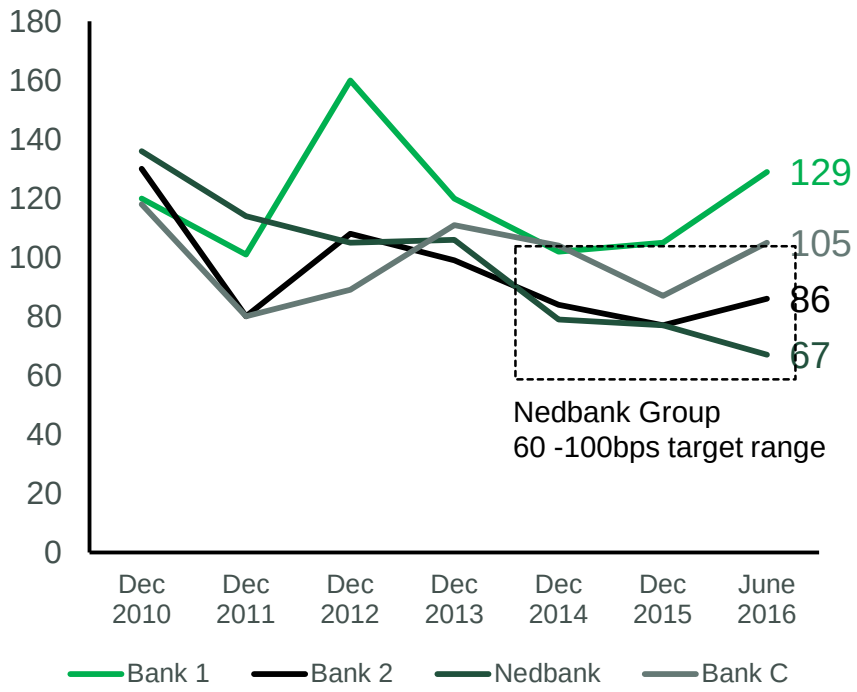
1. BA 900 market share

Strategic portfolio tilt – selective origination & quality portfolio driving lower cost of risk

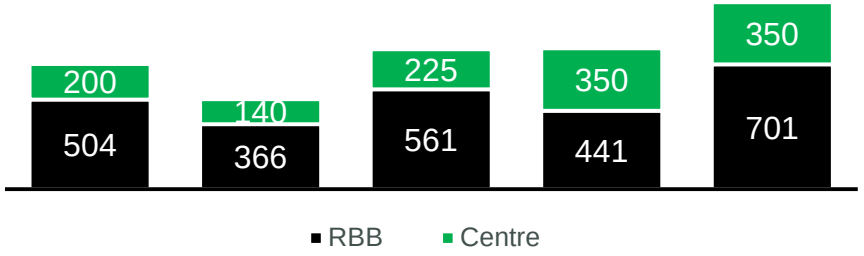
MAKE THINGS HAPPEN

NEDBANK GROUP

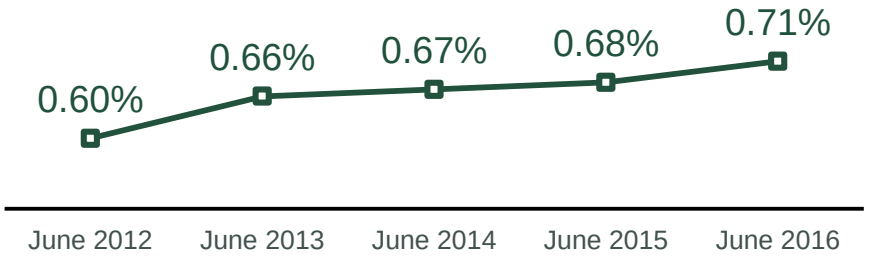
Credit loss ratio
bps



Overlays & central provision
Rm



Portfolio coverage
Rm

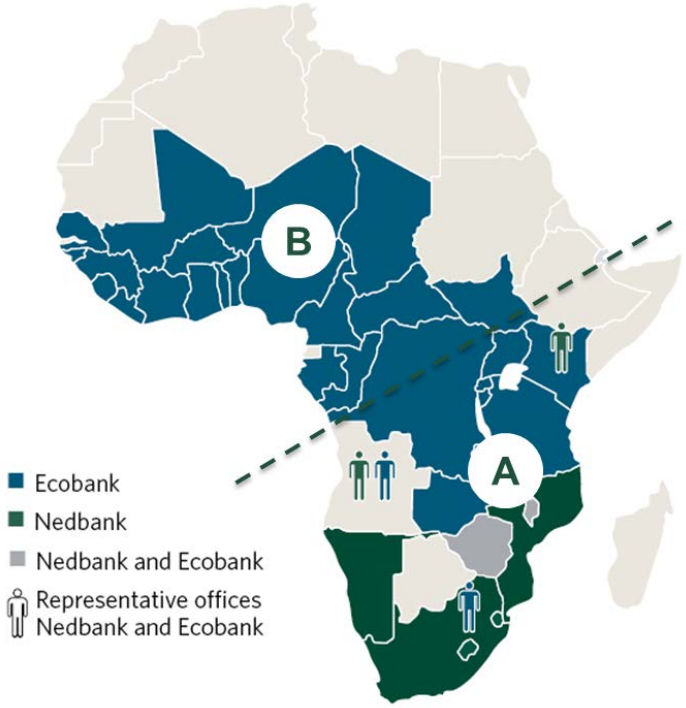


Building a regional champion with access to a Pan-African banking network

MAKE THINGS HAPPEN

NEDBANK GROUP

A client-centred, risk-mitigated, capital-efficient, long term strategy



SADC & East Africa (A)

- Own, manage & control banks
  - Standardised business & operating model including IT systems
  - Banco Unico (Mozambique): 38,7% shareholding increasing to 50%+1 in H2 2016 (~R112m)
  - Grow presence from 6 to 10 countries in the medium-term

West & Central Africa (B)

- Partnership approach
- ETI 21,8% strategic shareholding
  - Board representation
  - Strategic & technical banking alliance
- Nedbank to generate business flows over & above equity investment
  - >70 wholesale clients bank with ETI
  - 3 joint deals completed in 2015

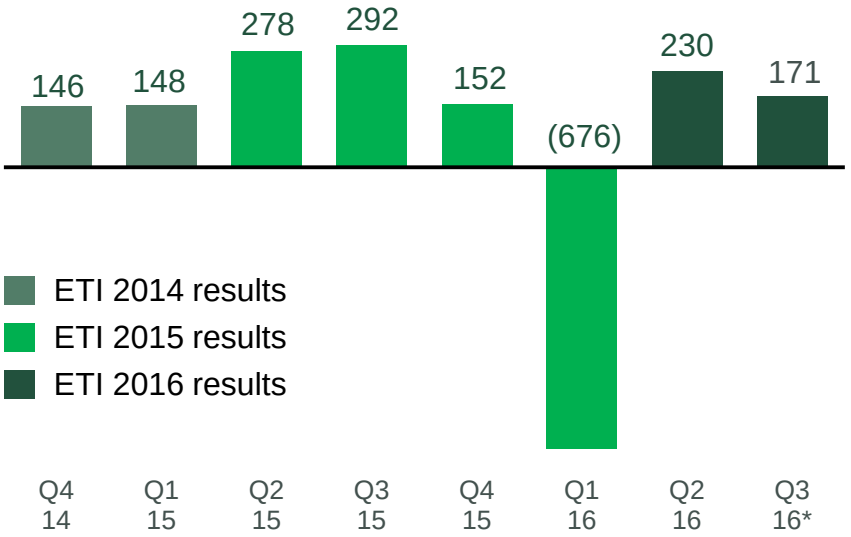
Building a regional champion with access to a Pan-African banking network

MAKE THINGS HAPPEN

NEDBANK GROUP

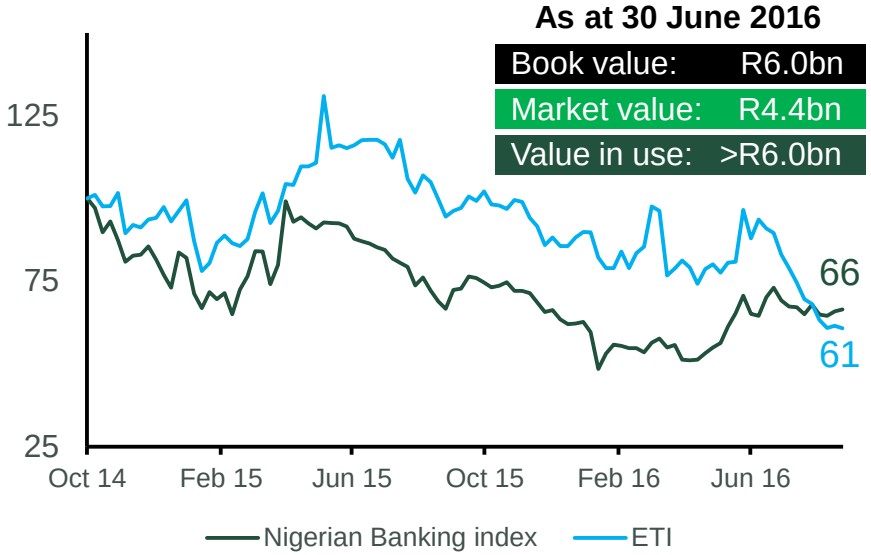
Currency, commodity & liquidity pressures in rest of Africa evident in ETI results & share price, but the long-term prospects remain attractive

Associate income from our 21.8% shareholding in ETI (Rm)



Relative share price performance

Based to 100: 1 Oct 2014



** Q3 2016 estimate based on ETI Q2 2016 attributable profit & R / US$: 14.12.*

Agenda

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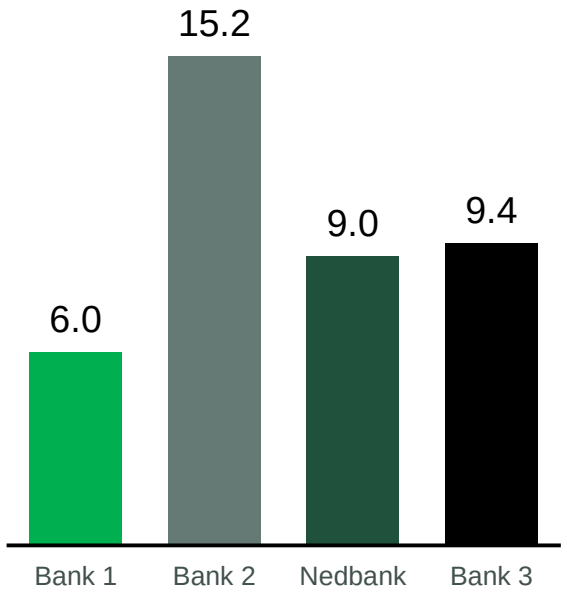
Nedbank Group delivered strong growth in NAV & earnings that underpin ROE uplift

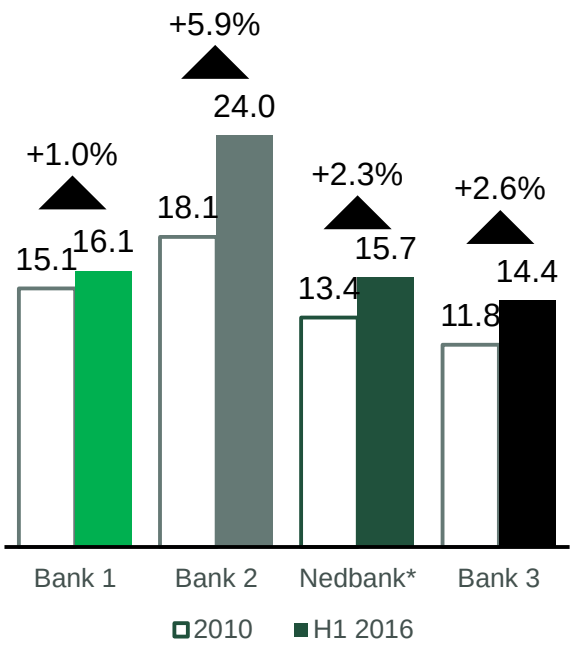
MAKE THINGS HAPPEN

NEDBANK GROUP

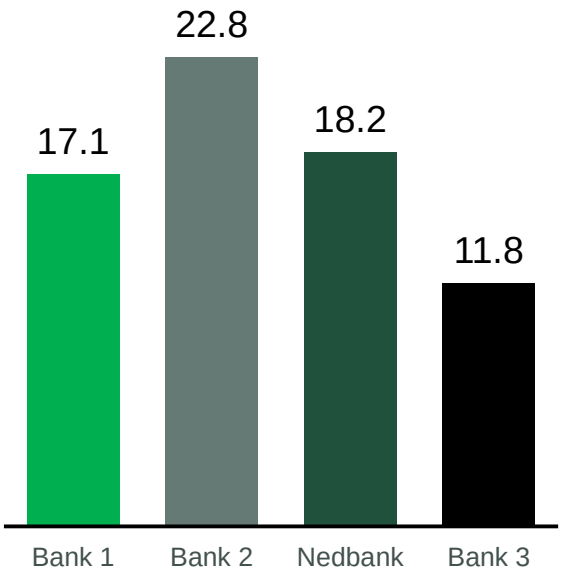
NAV per share growth
(2010 to June 2016, CAGR %)



Return on equity
(2010 to June 2016, %)



Dividend per share growth
(2010 to FY 2015, CAGR %)



** To ensure comparability to peers Nedbank shows ROE excl goodwill | ROE excluding ETI related funding costs & associate income:18.4% for H1 2016*

SA banks are priced at a premium to other EM peers & offer higher yields. In this universe Nedbank offers relative value

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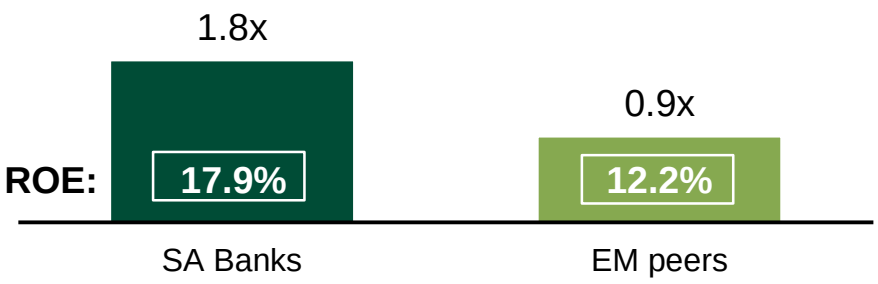
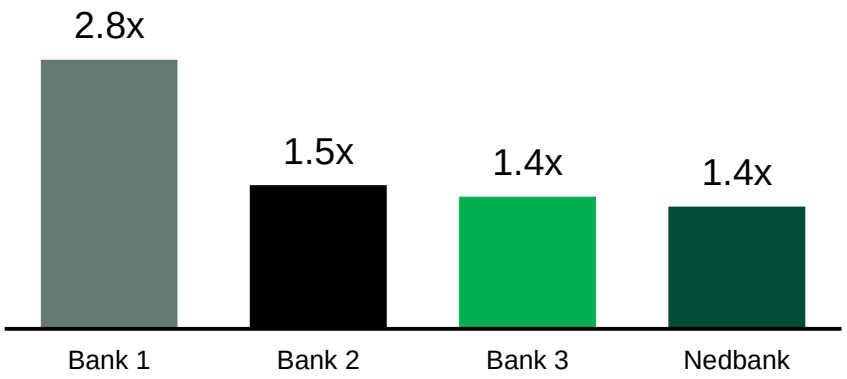
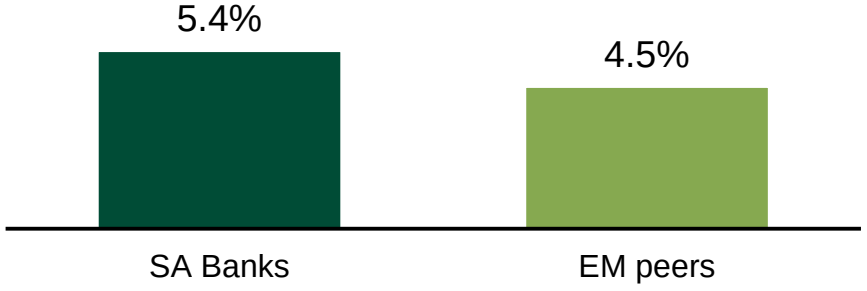
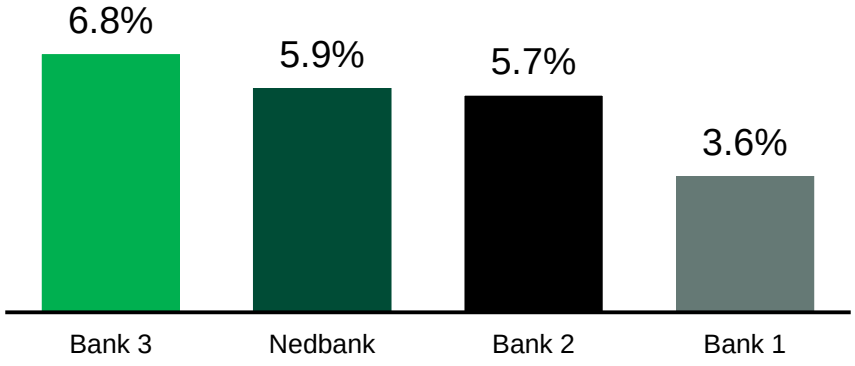
Price to book ratios
(x)





Dividend yield
(%)





Source: Deutsche Bank: SA banks include big 4 banks | EM include banks from Turkey, Brazil & Russia | Source: Bloomberg (30 September 2016), Based on historic disclosures

Delivering on our strategic focus areas enable Nedbank Group to progress towards our medium-to-long-term targets

MAKE THINGS HAPPEN

NEDBANK GROUP

Metric	H1 2016	vs MLT	Medium-to-long-term target
ROE (excl goodwill)	15.7%	×	5% above COE
Diluted HEPS growth	1.6%	×	≥ CPI + GDP growth + 5%
Credit loss ratio	67 bps	✓	60–100 bps
NIR-to-expenses ratio	83.0%	×	> 85%
Efficiency ratio[1]	57.1%	×	50%−53%
Basel III CET 1 CAR Tier 1 CAR Total CAR	11.6% 12.5% 14.5%	✓	Basel III basis: 10.5% − 12.5% 11.5% − 13.0% 14.0% − 15.0%
Dividend cover	1.99x	✓	1.75 to 2.25 times

1. Efficiency ratio includes associate income.

In summary

MAKE THINGS HAPPEN

NEDBANK GROUP

- **Well-regulated & stable banking system**
- **Nedbank Group bias to wholesale, and growth opportunities in retail & rest of Africa**
- **Nedbank Group has a strong balance sheet** – conservatively provided, liquid & well capitalised
- **Relative valuation to peers provides upside, underpinned by sustainable growth & ROE increase over the medium to long-term:**
  - **CIB:** Deliver benefits of an integrated CIB model
  - **RBB:** Grow the transactional franchise faster than the market
  - **Wealth:** New product innovation & further penetration into the Nedbank client base
  - **Rest of Africa:** Get to scale in our own SADC operations, increase cross business flows between SA, rest of Africa subsidiaries & Ecobank
- **Extract efficiencies across all our businesses to fund future investment**
- **Enable improvements in efficiency ratios & ROEs**

MAKE
THINGS
HAPPEN

NEDBANK
GROUP

Q&A

PRESENTATION AGENDA

Introduction to the day and overview of managed separation strategy	Bruce Hemphill, Group CEO
Business presentations	
– Old Mutual Wealth	Paul Feeney, CEO and Steve Braudo, COO
– Nedbank	Mike Brown, CEO
– Old Mutual Emerging Markets	Ralph Mupita, CEO
– OM Asset Management	Peter Bain, CEO
Execution of the strategy	Rob Leith, Director of Managed Separation
Unlocking value and closing remarks	Bruce Hemphill, Group CEO
Evening event and meet with management teams	

OLDMUTUAL

OLD MUTUAL EMERGING MARKETS

Capital Markets Day

Ralph Mupita, Chief Executive

11 October 2016

INVESTMENT | SAVINGS | INSURANCE | BANKING

AGENDA

OMEM OVERVIEW: PAST AND THE PRESENT

PREPARING OMEM FOR A STAND-ALONE AND LISTED FUTURE

STRATEGY TO CREATE VALUE

SUMMARY AND CONCLUSION

Q&A

OLD MUTUAL EMERGING MARKETS AT A GLANCE AS AT DECEMBER 2015

South Africa[1]

Customer #	6.0m
FuM	R773.7bn
AOP	R10.4bn
Share of profits	84%

Rest of Africa

Customer #	4.1m
FuM	R72.1bn
AOP	R1.4bn
Share of profits	12%

Asia JVs

Customer #[2]	14.3m
FuM	R23.7bn
AOP	R0.2bn
Share of profits	1%

Latin America

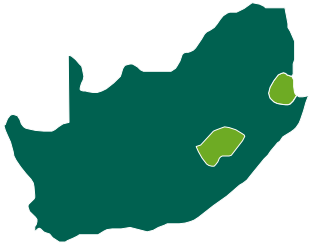
Customer #	0.5m
FuM	R120.4bn
AOP	R0.3bn
Share of profits	3%

FUM	R989.9bn
NCCF	R34.3bn
IFRS AOP[3]	R12.0bn
Adjusted NAV	R74.3bn
Employees[4]	c. 36k

1. Includes retail and corporate customers.
2. Asia customers includes 14.2m of customers in India (13.1m group life customers and 1.1m retail customers), where we have a 26% shareholding
3. AOP is reported pre-tax and minorities. AOP by region excludes debt costs of R296m.
4. Total includes the number of employees in the Asia JVs

WE HAVE LEADING MARKET POSITIONS IN THE MAJORITY OF OUR CORE MARKETS, WITH AN ESTABLISHED PRESENCE WHERE WE ARE LOOKING TO GROW

South Africa



Life & Savings

Retail Affluent (#3)	20%
Retail Mass (#1)	58%
Corporate (#1)	40%

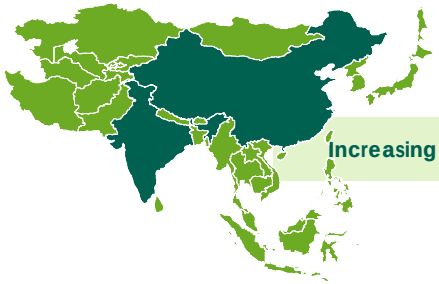
Other

Retail Asset Mgmt[1] (#3)	12%
Institutional Asset Mgmt[2] (#1)	16%
M&F[3] (#2)	13%

Rest of Africa

- Market entry in West Africa
- Growing presence in East Africa
- Market leader in Southern Africa

Asia JVs



- Increasing market share in India[4] (#6)

Latin America

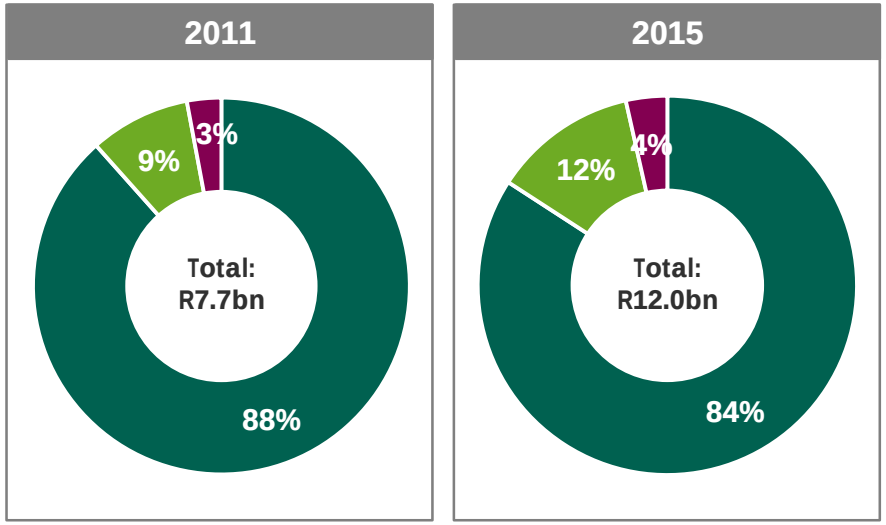
- Strong Colombian voluntary pension market share (#2)

Notes: Market share position as at December 2015.
Market share % of premiums (or AUM) as at December 2015 (Market share changes indicated over a 5 year period. For the Life industry, data is based on "Big 5" players)

1. Asset Management market share of AUM, includes OMUT, Symmetry, Marriott and ACSIS.
2. Asset Management market share of AUM, as at December 2014. Includes life assets.
3. KPMG insurance industry report, as at December 2015
4. India market share position as at March 2016

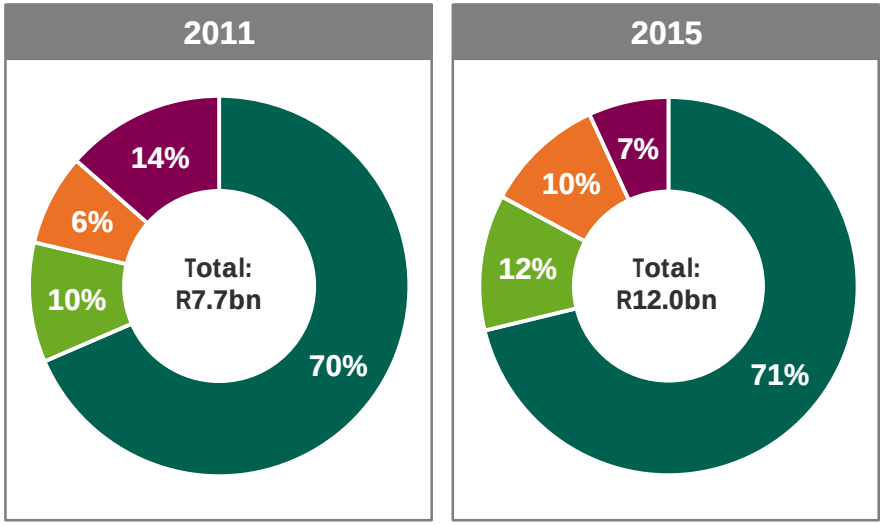
WELL DIVERSIFIED LINES OF BUSINESS AND AN INCREASING CONTRIBUTION FROM REST OF AFRICA OPERATIONS

PROFIT BY REGION



South Africa | Rest of Africa | Latin America & Asia

PROFIT BY LINE OF BUSINESS

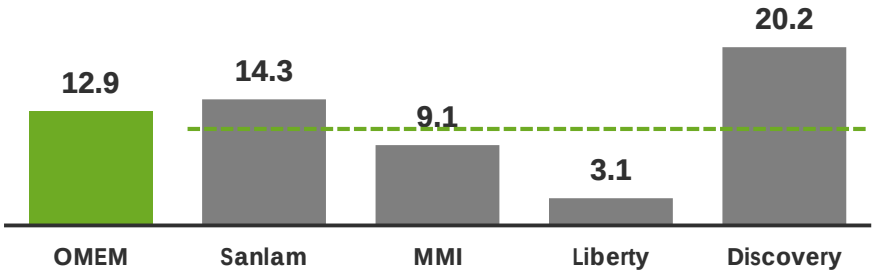


Life and Savings | Property & Casualty
Asset Management | Banking & Lending

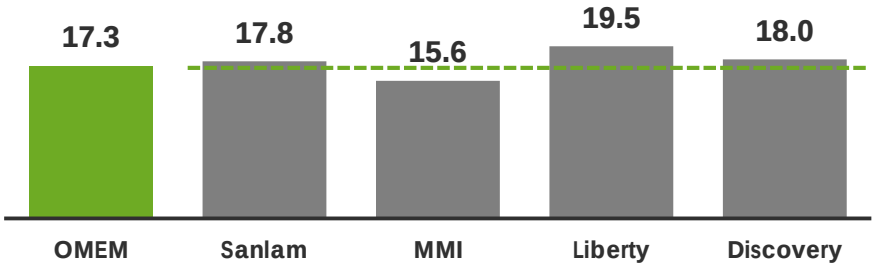
Note: AOP is reported pre-tax and minorities

STRONG FINANCIAL DELIVERY COMPARES FAVOURABLY TO OUR SA PEER GROUP

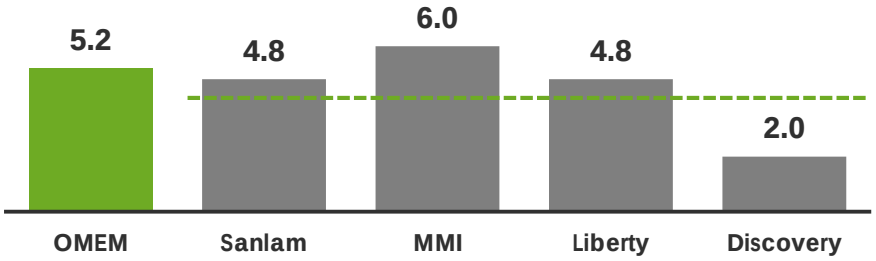
OMEM Earnings[1] growth (3 year CAGR %)



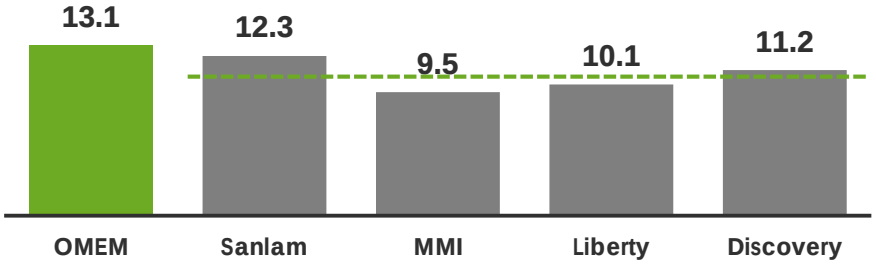
OMEM Return on Equity[1] (%)



OMEM Dividends paid / Group Embedded Value[2] (%)



OMEM Return on Embedded Value[3] (%)



Note: Unless otherwise stated, all data is for last financial year
1. Earnings growth based on Net Profit and Return on Equity = Net Profit / IFRS NAV for comparability with peers
2. OMEM dividends remitted to the Group / Opening Adjusted NAV
3. Return on Embedded Value for OMEM includes covered business only

PREPARING OMEM AS A STAND-ALONE ENTITY IS A KEY PRIORITY FOR THE BUSINESS LOOKING FORWARD

BUSINESS UNIT PERFORMANCE	• Accentuate the power of the SA business and turn-around under-performing BU's • Drive cost efficiencies within the business
STRATEGIC REVIEW OF PORTFOLIO	• Delivering an optimal portfolio of high return, cash generating businesses with strong growth potential
CAPITAL	• Maintaining a market competitive capital position to sustain growth
ENTERPRISE RISK MANAGEMENT	• Further strengthen our risk management framework ahead of listing
TARGET OPERATING MODEL	• Review of our operating model to drive efficiencies and alignment to the portfolio and governance model
BOARD AND EXECUTIVE MANAGEMENT	• Assessing management & board readiness for a future listed environment

Focus on capital allocation and value creation

STRATEGY TO CREATE VALUE

1. **Build leading value propositions** for retail and institutional customers, offering life, asset management, property & casualty and banking solutions

2. **Leverage distribution, product, IT and process capabilities** in SA to other markets to **capture growth** segments efficiently while **de-risking operations**

3. **Build strategic alliances and partnerships** to complement our capabilities and drive value creation

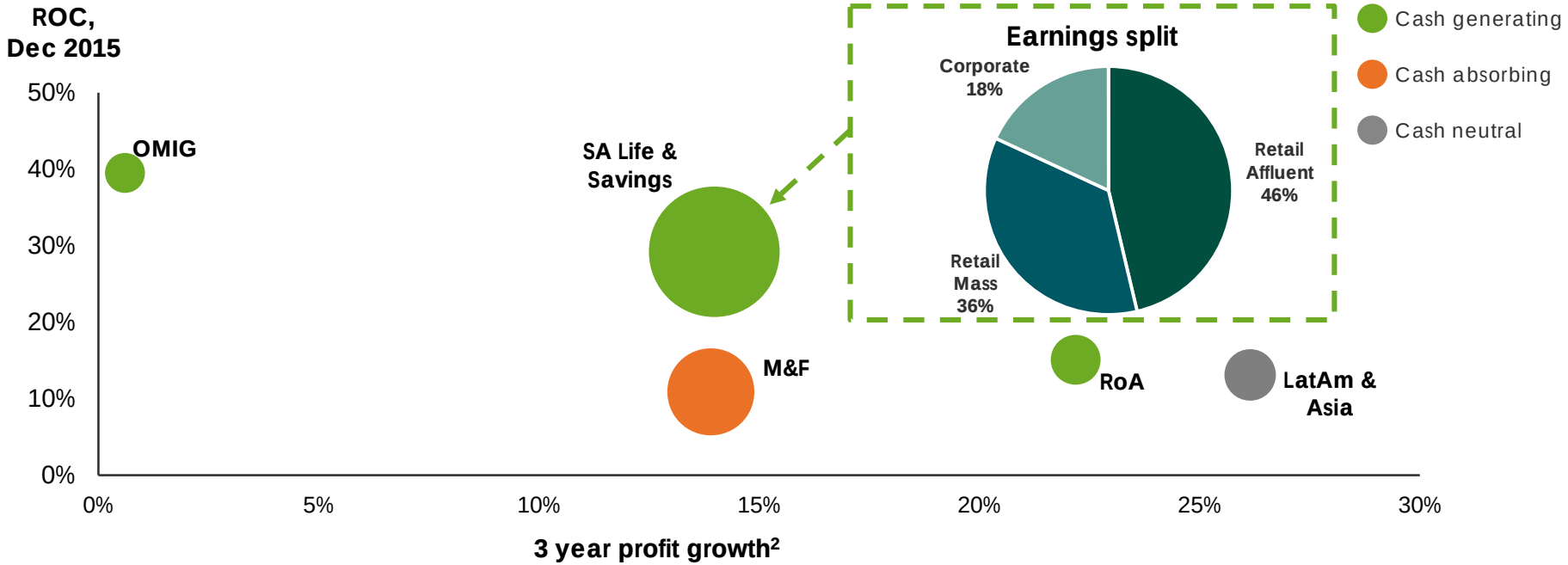
4. Robust **governance**, **risk management** and **disciplined capital allocation**

5. Proactively **manage challenges**

Our customer-centric culture and belief that we play an essential role in making the world a better place, are key underpins to how we execute on our strategy and win.

GREAT OPPORTUNITY FOR FURTHER VALUE CREATION BY IMPROVING PERFORMANCE OF SELECT BUSINESSES AND ENHANCING GROWTH

Capital allocated to BU's, against ROC and profit growth



1. Bubbles indicate relative sizes of capital allocated per business
2. Pre-tax AOP, 2012-2015

A STRONG SOUTH AFRICAN BASE IS THE FOUNDATION FOR OUR GROWTH MOVING FORWARD

Leading SA Retail & Corporate market share

+

Largest institutional asset management business in SA with leading alternative asset capability

+

Integral Property & Casualty business

+

Preferred partnership through our stake in Nedbank

OLDMUTUAL

Highly trusted brand

High cash returns and strong capital generation
Maximising ROE / ROEV

ACCENTUATING THE POWER OF THE SOUTH AFRICAN BUSINESS BY CAPITALISING ON OUR COMPETITIVE ADVANTAGES

No1 Brand in SA

Sunday Times TOPBRANDS 2016

No 1 reputation in SA financial services

Tcri Top Companies Reputation Index

1 Further growth in **Mass Foundation** Segment

- Integrated Financial Services strategy
- Largest tied-agency force

2 Opportunity in the **Black Middle Income** Segment

- Leverage strength in Mass and cost effective multi-channel distribution
- Deliver solutions to both sides of the customer's balance sheet

3 Capitalise on scale in **Corporate** Segment

- Bulk pensions
- Umbrella
- Retailisation

4 Leverage **Alternative Asset** Capability in OMIG

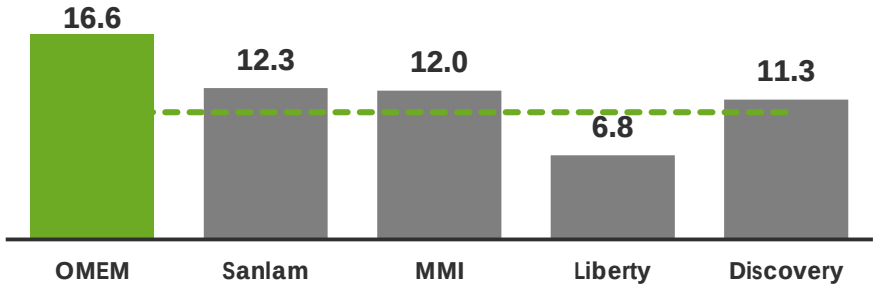
- Structural growth opportunities in SA, East and West Africa
- Infrastructure development, renewable energy and agriculture

5 Increasing Customer Reach with Product Innovation

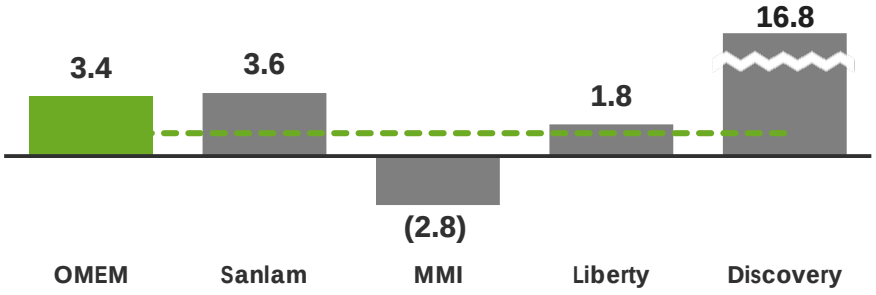
- Continued product innovation
- IT investment supports speed to market & customer experience

COMPETITIVE ADVANTAGES DRIVE STRONG TOP LINE AND VALUE GROWTH IN SA

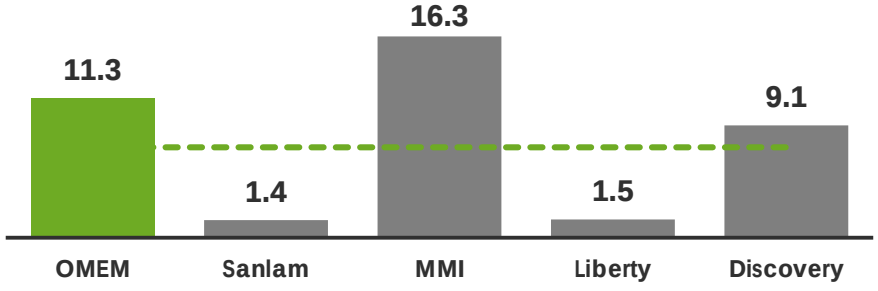
Growth in SA APE[1] sales (3 year CAGR %)



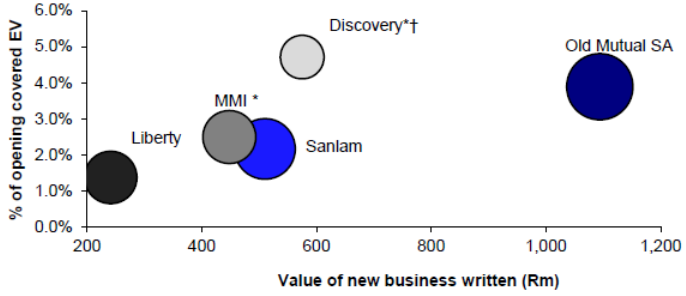
SA Net flows as % of opening Funds Under Management[2]



Growth in SA Value of New Business (3 year CAGR %)



SA Insurer VNB relative to its covered EV[3]



1. APE = annual premium equivalent
2. Last financial year
3. Source: Company data, UBS estimates, note: *June year ends, half years estimated as the difference between full year and interims; bubble size = EV; † Discovery comparatives all exclude SA Health

Note: Peer averages are calculated on a weighted average basis

ACROSS THE OMEM BUSINESS WE ARE FOCUSING ON KEY AREAS TO DELIVER ENHANCED VALUE

1 M&F

Deliver underwriting result within 4-6% range
Improve ROE to 15% - 20% range

Fix
- Commercial remediation
- Manage claims and costs

Build
- Direct
- Corporate and specialist
- Re-insurance

2 OMIG

Improve investment performance & grow flows

- Improve multi-asset class investment performance
- Strengthen wealth offering and distribution to drive flows
- Product expansion

3 REST OF AFRICA

Build out our East and West Africa franchises
Lift RoEs to above 20%

East Africa
- Complete mergers delivering operational efficiencies
- Optimize property portfolio
- Drive integrated financial services strategy

West Africa
- Capital-light growth
- Leverage ETI footprint

4 COST EFFICIENCIES

- Leverage scale advantage to deliver cost efficiencies
- IT investment to support future-fit cost base
- Target operating model
- Digital

STRATEGICALLY WELL POSITIONED IN KEY MARKETS OUTSIDE OF SA, WHERE WE SEE GOOD LONG TERM STRUCTURAL GROWTH OPPORTUNITIES

MARKET POTENTIAL

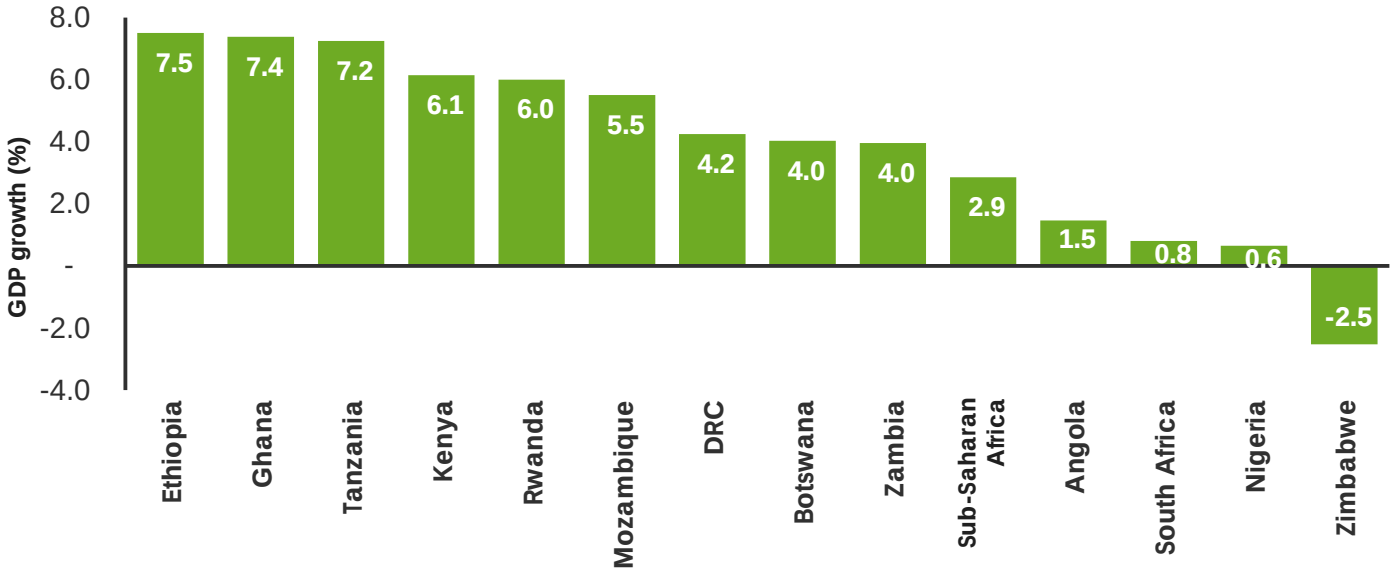
MACRO-ECONOMIC POTENTIAL

URBANISATION

DEMOGRAPHICS

REGULATION

GDP growth in Africa (2017)



1. Source: International Monetary Fund World Economic Outlook - October 2016

STRATEGIC PORTFOLIO REVIEW: FOCUS ON MARKETS, CUSTOMER SEGMENTS AND PRODUCT LINES

Key competitive advantages

- Navigating social, political, economic and regulatory developments in our markets
- Strong and highly trusted brand
- Distribution skills

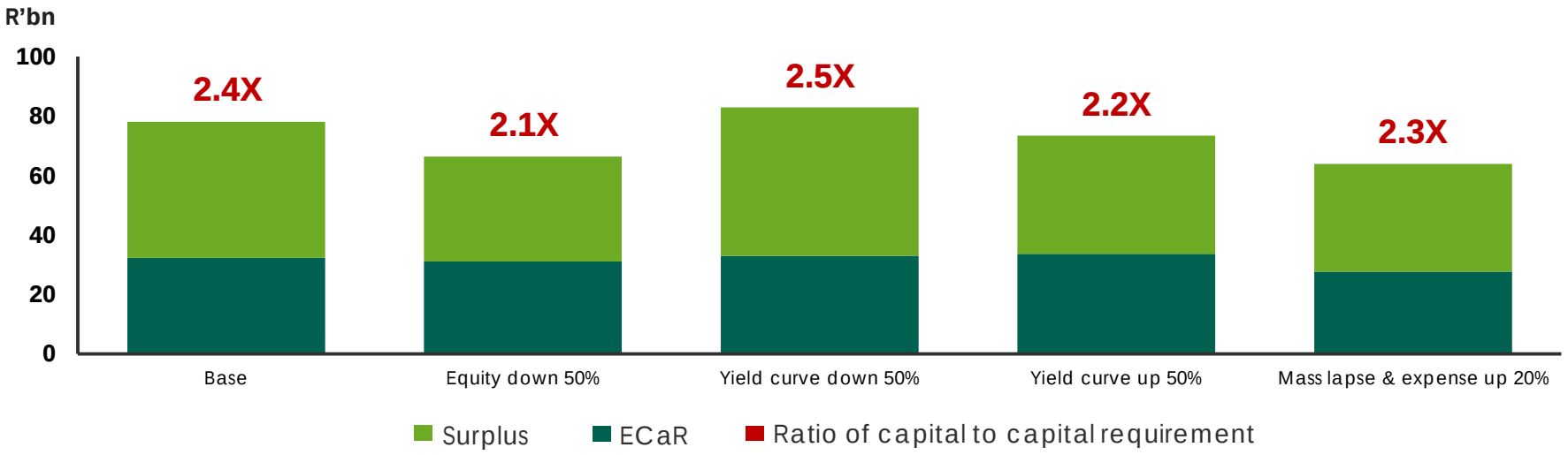
Optimal portfolio

- High returns
- Cash generating business
- Strong structural growth prospects

Our roots and heritage are in Africa and we believe we can build an African financial services champion in the medium term

WE HAVE A WELL CAPITALISED AND RESILIENT BALANCE SHEET THAT SUPPORTS OUR GROWTH

OMEM ECaR basis



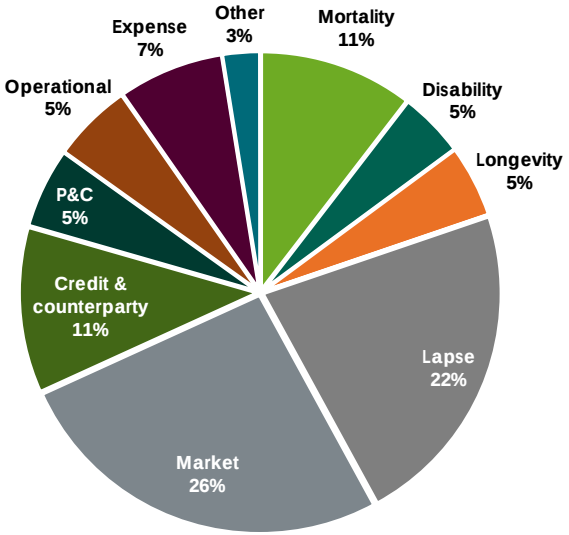
REVERSE STRESS TEST RESILIENCE

Our balance sheet is **sufficiently capitalized** to withstand a combined shock taking us down to 1x ECaR arising from (1) 65% fall in equities, (2) 30% increase in equity & interest volatility, (3) 15% increase in mortality, (4) 700 bps increase in yields, (5) 65% in lapse rates and (6) 50% increase in expenses

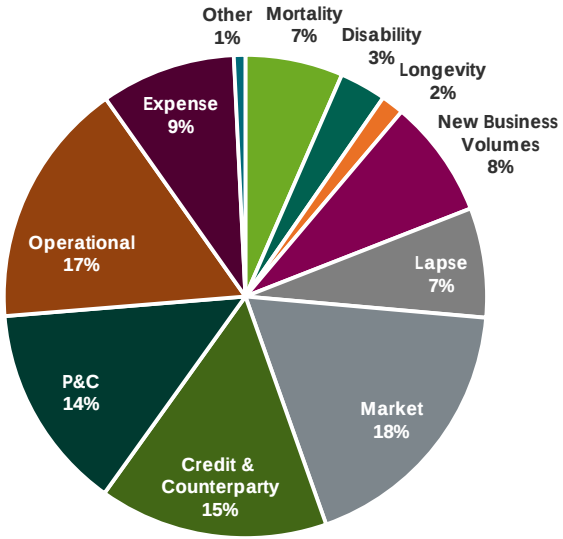
Note: Figures provided as at December 2015

RISK MANAGEMENT FRAMEWORK STRENGTHENED FURTHER AHEAD OF LISTING: OPTIMISING THE RISK-RETURN TRADE-OFFS FROM OUR GROWTH ASPIRATIONS

Economic Capital at Risk: R88bn



Earnings at Risk: R9bn



OMEM CREDIT AND COUNTERPARTY RISK EXPOSURE

2012	
ECaR: 4%	EaR: 8%

2015	
ECaR: 11%	EaR: 15%

Note: Figures provided as at December 2015

FOCUS ON VALUE CREATION: GROWTH IN FREE SURPLUS, RETURNS AND DIVIDENDS UNDERPINNED BY DISCIPLINED CAPITAL ALLOCATION

Free Surplus in OMEM[1]

- South Africa 85%
- LatAm & Asia 5%
- Rest of Africa 10%

Capital allocated in OMEM p.a

- South Africa 25%
- LatAm & Asia 5%
- Rest of Africa 20%

Contribution funding Group Dividend[2]

- 50%

OMEM ROC: 23%

- South Africa 25% ✓
- LatAm & Asia 12% ✗
- Rest of Africa 22% ✓✗

OMEM RoEV: 11.4%

- South Africa 11%
- LatAm & Asia[3] -15%
- Rest of Africa 16%

Note: Figures provided 3 year average (2012 – 2015)
1. Free surplus includes covered & non-covered profits (including M&F)
2. Contribution to group dividend excludes Nedbank dividend received
3. RoEV for Latin America and Asia excludes India

SUMMARY AND CONCLUSION

1. Well capitalised with strong financial record
2. SA is the core, market leading franchise
3. Positioned to be an African financial services champion in the medium term
4. Business readiness for stand-alone, listed future
5. Scope for operational improvements
6. Driving enhanced returns and value creation

UNIQUELY POSITIONED FOR GROWTH AND CASH

Q&A

PRESENTATION AGENDA

Introduction to the day and overview of managed separation strategy	Bruce Hemphill, Group CEO
Business presentations	
– Old Mutual Wealth	Paul Feeney, CEO and Steve Braudo, COO
– Nedbank	Mike Brown, CEO
– Old Mutual Emerging Markets	Ralph Mupita, CEO
– OM Asset Management	Peter Bain, CEO
Execution of the strategy	Rob Leith, Director of Managed Separation
Unlocking value and closing remarks	Bruce Hemphill, Group CEO
Evening event and meet with management teams	

OLDMUTUAL

OM ASSET MANAGEMENT

Capital Markets Day

Peter Bain, CEO

11 October 2016

INVESTMENT | SAVINGS | INSURANCE | BANKING

A MARKET LEADING BUSINESS

- Diversified Multi-Boutique
- Leading Affiliates
- Differentiated and Aligned Operating Model
- Affiliate Profit Sharing and Equity Ownership
- Experienced Management Team
- Attractive Growth Strategy
- Strong Financial Results
- Further Upside from New Partnerships

WHAT WE STAND FOR

OMAM stands for **institutionally** driven **active** investment management, delivered in a diversified **multi-boutique** framework that seeks to generate sustainable **alpha** for its clients around the **globe**

OMAM provides genuinely **strategic capabilities** to its Affiliates, helping them to become their clients' trusted partner through the delivery of **superior investment performance**, **innovative offerings**, and **focused service**

A FOCUSED STRATEGY HAS CREATED A MORE STABLE, PROFITABLE BUSINESS

	2011	2016	Change	%Change
Key Operating Metrics[1]				
Number of Affiliates (Proforma)	17	8	-9	-53%
AUM ($b) (Proforma)	$231	$228	($3)	-1%
NCCF ($b) (1H16 Annualized)	($25)	($1)	$24	96%
Revenue Impact from NCCF ($M) (1H16 Annualized)	($41)	$8	$49	n/m
ENI Post-MI(Pre-Tax) ($m) (1H16 Annualized)	$107	$182	$75	70%
Pre-MI ENI Margin (1H16 Annualized)	18%	35%	17%	94%
Investment Performance[2]				
Three years	60%	63%	3%	
Five Years	56%	72%	16%	

Actions Taken 2011-2016:

- Appointed new OMAM Executive Team and set growth strategy in 2011
- Refined the role of the Center in 2012
  - 2015 center expenses are ~$4m lower than 2011[3]
  - Total headcount reduced by approximately 10%
- Realigned the Affiliate portfolio to focus on U.S institutional, active at-scale firms
- Global Distribution started in 2012, with the team raising ~$11b of AUM since inception and breaking even per plan
- Launched collaborative growth initiatives at Acadian (MAC), Barrow Hanley (EM team) and Campbell (global expansion plan)
- Completed IPO in 2014, and executed secondary offering in 2015
- Raised $400m in long-term debt in July 2016
- Investment in Landmark Partners in August 2016

Please see Definitions and Additional Notes

1. Results are as reported in each period; 2011 results include discontinued operations; 2016 data as of June 30, 2016; proforma AUM of $228b includes approximately $8.8b of fee earning AUM acquired through Landmark on 8/18/16
2. Investment performance reflects the revenue-weighted percentage of OMAM investment products that were outperforming their respective benchmarks over the trailing 3- and 5-year periods of each year
3. Excluding Global Distribution and cost of being a public company

BROAD GROWTH OPPORTUNITIES IN INSTITUTIONAL ASSET MANAGEMENT

Multi-boutiques Advantaged by Ability to Offer Diverse Products Through Specialised Managers

Opportunity for "Best in Class"

$450b in revenue available through replacement activity, which is 7x the revenue projection generated by net new asset flows[1]

- Alternatives likely to generate the greatest revenue opportunity
- While active equity may see net outflows in the near term, the sizeable opportunity in replacement revenue will be second only to Alternatives

Market turnover and consolidation will drive an increasing percent of available revenue to a smaller set of "best in class" firms.

5-Year Revenue Opportunity Estimate

	5-Year Net New Flows By Asset Class, as % of BoP AUM, 2016-2020E	2016 AUM ($t)	5-Year Revenue Opportunity By Asset Class, $b, 2016-2020E
Fixed Income	16%	$17.8	$88
Solutions	40%	$6.7	$42
Other / Cash	24%	$5.5	$4
Passive Equity	12%	$7.3	$11
Alternatives	3%	$7.5	$91
Other Domestic Equity	11%	$2.7	$33
Emerging Markets	-10%	$1.3	$11
Global Equity	-2%	$3.0	$28
International Equity	-12%	$3.1	$26
US Equity	-15%	$6.1	$34

Net new flows

Replacement searches[2]

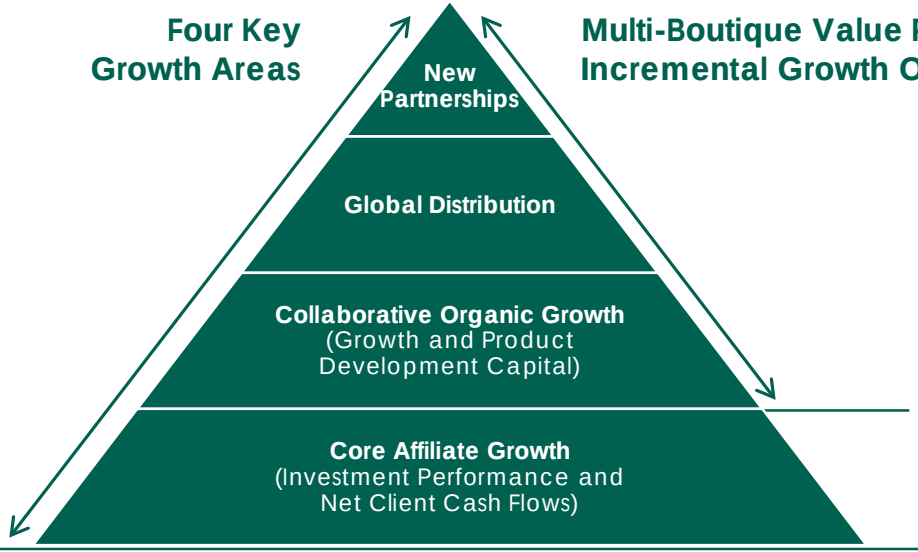
1. Source: Casey Quirk
2. Client searches to replace existing managers create opportunity to capture additional market share

GROWTH STRATEGY

OMAM's multi-boutique model is well positioned for growth, with four key areas of focus…

Four Key Growth Areas

Multi-Boutique Value Proposition Drives Incremental Growth Opportunities



OMAM's Aligned Partnership Model

- Operating autonomy
- Long-term perspective
- Profit-sharing model
- Affiliate-level employee ownership
- Talent management
- At-scale Affiliates

Unique Partnership Approach Provides Stability and the Foundation for Growth

INVESTMENT IN LANDMARK PARTNERS – AUGUST 2016

Firm Overview

- $15.5b of committed capital since inception in 1989, ~$8.8b of fee earning AUM
- Recognized leader in secondary private equity, real estate and real asset investing; the firm's 26-year track record is one of the longest in the industry

Strategic Benefits of Partnership

- Meaningfully increases exposure to fast-growing, in-demand alternative asset classes
- Highly diversifying to OMAM's business
- Access to highly regarded secondary platform
- Validates OMAM's acquisition strategy
- Additional opportunities to leverage OMAM's growth initiatives and Global Distribution

Summary of Partnership

- OMAM acquired 60% of the equity; remaining 40% retained by management
- Approximately $240m in cash at closing; up to an additional $225m based on the growth of the business through 2018
- Purchase multiple of 8-10x pre-financing ENI
- No performance fee revenue or co-investment assets acquired
- Up to 12% accretive to 2017 ENI per share

Financial Benefits of Partnership

- Significant earnings accretion
- 2016-2018 fundraising cycle expected to meaningfully increase OMAM's NCCF
- Diversifies and enhances OMAM's earnings stream
- Structure aligns management to grow their business
- Efficient OMAM capital management
- Financial leverage closer to target
- Significant IRR / ROI opportunity

HIGH QUALITY BOUTIQUE AFFILIATES[1]

OMAM's Affiliates

- **At-scale, leading Affiliates**
  - Excellent individual brands
  - Best-of-breed investors
  - Institutionalised businesses with deep talent
  - Multi-generational leadership
- **Broadly diversified**
  - Numerous product offerings
  - Aligned with key growth trends
  - Diverse, global client bases
- **Strong investment performers**
  - Competitive, consistent investment performance
  - Long track records of success
- **Profitable and growing**
  - Positive revenue growth
  - Attractive operating margins

AUM Mix (6/30/16) – Proforma

AUM by Affiliate	$b	% Total	Investment Strategy
ACADIAN	70.5	31%	Quantitative
Barrow, Hanley, Mewhinney & Strauss	90.2	40%	Value Equity
CampbellGlobal	4.9	2%	Timber
Copper Rock Capital Partners	4.9	2%	Growth Equity
HEITMAN	30.3	13%	Real Estate
ICM Investment Counselors of Maryland, LLC	1.9	1%	Value Equity
LANDMARK PARTNERS	8.8	4%	Secondary Private Equity
TSW	16.1	7%	Value Equity
Total	**$227.6**	**100%**	

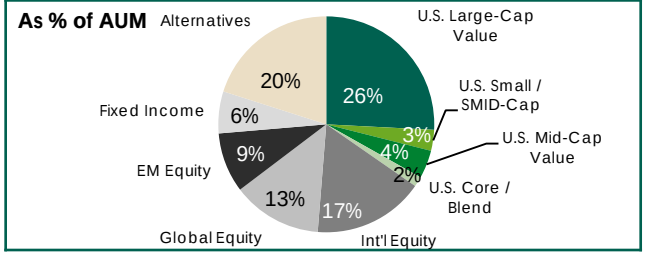
1. Affiliate AUM data as of June 30, 2016, includes approximately $8.8b of fee earning AUM acquired through Landmark on 8/18/16
Additional information about OMAM Affiliates can be found at www.omam.com/our-affiliates

DIVERSIFIED AUM MIX BY ASSET CLASS, CLIENT AND GEOGRAPHY[1]

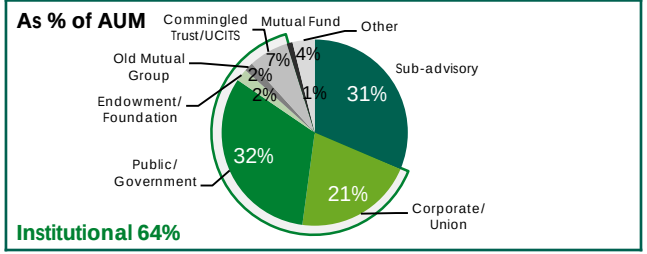
Highlights

- Well positioned across asset classes, with strong presence in attractive global demand pools
- Institutional focus, with significant sub-advisory position
- Growing non-U.S. client reach
- Low client concentration

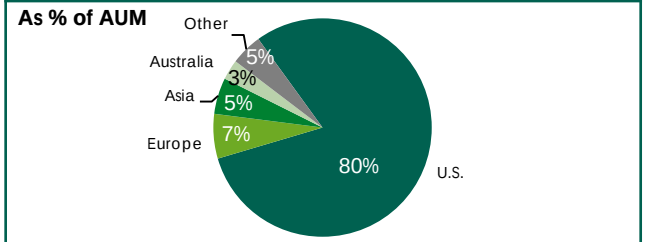
Asset Class- Proforma[(1)]



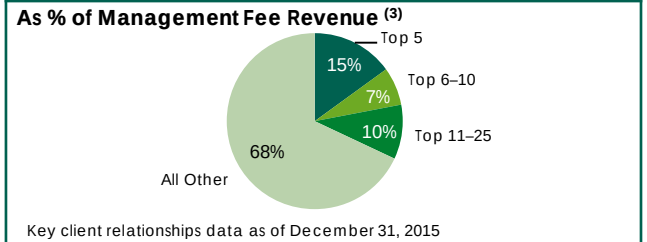
Client Type- Proforma[(1)]



Client Geography- Proforma[(1)]



Key Client Relationships[(2)]



1. AUM data as of June 30, 2016; proforma AUM of $228b includes approximately $8.8b of fee earning AUM acquired through Landmark on 8/18/16
2. 7 affiliates including equity-accounted Affiliates as of 12/31/15
3. Includes equity-accounted Affiliates

COMPETITIVE INVESTMENT PERFORMANCE

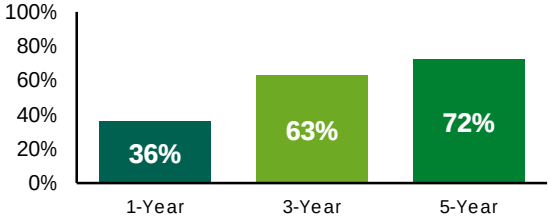
Products representing > 60% of revenue outperforming on a 3- and 5-year basis

Commentary

- OMAM uses **revenue-weighted** performance as its primary investment metric
  - Ties investment performance to business performance
  - Reflects percent of management fee revenue in products outperforming their benchmarks [1]
- OMAM also uses **equal-weighted** performance as it considers earlier stage products that may grow to have significant impact
- **Asset-weighted** performance is broadly used across the industry

Revenue-Weighted [2][3][6]

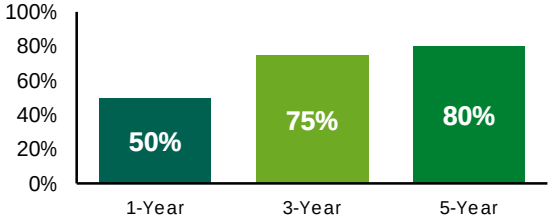
% outperformance vs. benchmark



	1-Year	3-Year	5-Year
Q1'16	46%	68%	77%
Q2'15	70%	74%	89%

Equal-Weighted (>$100m) [2][4][6]

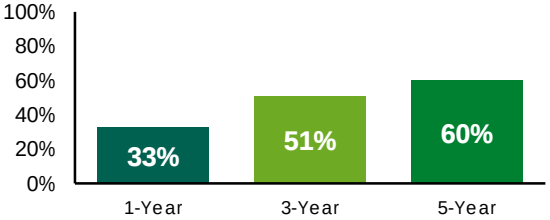
% outperformance vs. benchmark



	1-Year	3-Year	5-Year
Q1'16	63%	82%	84%
Q2'15	64%	81%	88%

Asset-Weighted [2][5][6]

% outperformance vs. benchmark



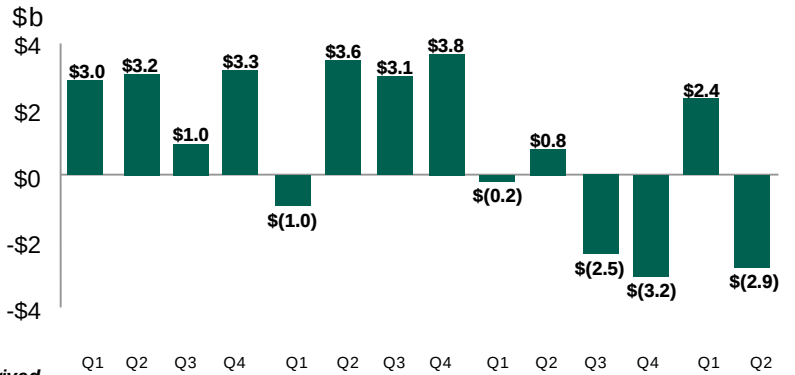
	1-Year	3-Year	5-Year
Q1'16	53%	66%	65%
Q2'15	61%	61%	80%

Please see Definitions and Additional Notes

1. Excludes revenue in products which are not benchmarked; includes management fee revenue from equity-accounted Affiliates in the analysis
2. Data as of June 30, 2016
3. Revenue-Weighted: Calculates each strategy's percentage weight by taking its estimated composite revenue over total composite revenues in each period, then sums the total percentage of strategies outperforming
4. Equal-Weighted (>$100m): Each strategy over $100m has the same weight, then sums the total percentage of strategies outperforming
5. Asset-Weighted: Calculates each strategy's percentage weight by taking its composite AUM over total composite AUM in each period, then sums the total percentage of strategies outperforming
6. Barrow Hanley's Windsor II Large Cap Value account AUM and return are separated from Barrow Hanley's Large Cap Value composite in revenue-weighted, equal-weighted and asset-weighted outperformance percentage calculations

NET CLIENT CASH FLOWS AND REVENUE IMPACT

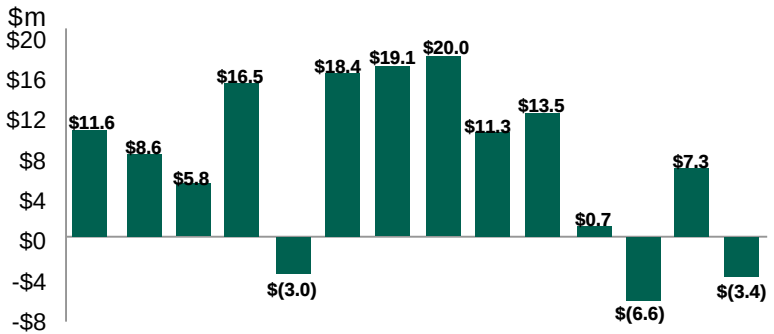
AUM Net Client Cash Flows ("NCCF")



	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Derived Average Weighted NCCF ($b)(1)	*$3.4*	*$2.6*	*$1.7*	*$4.9*	*$(0.9)*	*$5.5*	*$5.8*	*$6.1*	*$3.3*	*$3.9*	*$0.2*	*$(1.9)*	*$2.1*	*$(1.0)*

2013	2014	2015	2016
$10.5	$9.5	$(5.1)	$(0.5)

Revenue Impact of NCCF(2)



	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Bps inflows	*40*	*35*	*41*	*44*	*40*	*43*	*46*	*44*	*47*	*46*	*46*	*45*	*38*	*46*
Bps outflows	*41*	*40*	*38*	*41*	*38*	*36*	*38*	*38*	*30*	*31*	*32*	*37*	*40*	*32*

2013	2014	2015	2016
$42.5	$54.5	$18.9	$3.9

1. Derived Average Weighted NCCF reflects the implied NCCF if annualized revenue impact of net flows represents asset flows at the weighted fee rate for OMAM overall (i.e., 35.0 bps in Q2'16). For example, NCCF annualized revenue impact of $(3.4)m divided by average weighted fee rate of OMAM's overall AUM of 35.0 bps equals the derived average weighted NCCF of $(1.0)b
2. Annualized revenue impact of net flows represents the difference between annualized management fees expected to be earned on new accounts and net assets contributed to existing accounts, less the annualized management fees lost on terminated accounts or net assets withdrawn from existing accounts, including equity-accounted Affiliates. Annualized revenue is calculated by multiplying the annual gross fee rate for the relevant account by the net assets gained in the account in the event of a positive flow or the net assets lost in the account in the event of an outflow

STRATEGIC ENGAGEMENT FRAMEWORK

Collaborating with Affiliates begins with OMAM's aligned incentive structure

Alignment of Incentives

- **Establish incentives for Affiliate partners through: i) meaningful equity ownership in their firms and ii) a profit-sharing structure**
  - Bonuses set as percentage of Affiliate pre-bonus profits
  - Post-bonus profits distributed based on ownership
  - Affiliates participate in profitability as employee and owner
- **Equity recycled to next generation through permanent formulaic structure**

✓ Promotes partnership among owners
✓ Aligns economic interests through market cycles
✓ Achieves risk sharing for growth investments
✓ Offers meaningful wealth creation opportunity
✓ Aids succession planning
✓ Provides firepower to attract and retain the best investment talent

Strategic Engagement

Collaborative Organic Growth

- Strategically expand into new products, strategies, geographies and channels, including lift-outs / acquisitions
- Seed and co-investment capital to launch new products
  - ~$135m ongoing seed capital currently committed
  - ~$16b of AUM were generated by products seeded since 2004 as of 12/31/15

Talent Management

- Develop talent, design incentive structures, promote equity ownership, establish succession plans

Strategic Business Support

- Leverage scale across Affiliates and provide distinct strategic operational expertise (e.g., risk management, legal, internal audit)

Global Distribution

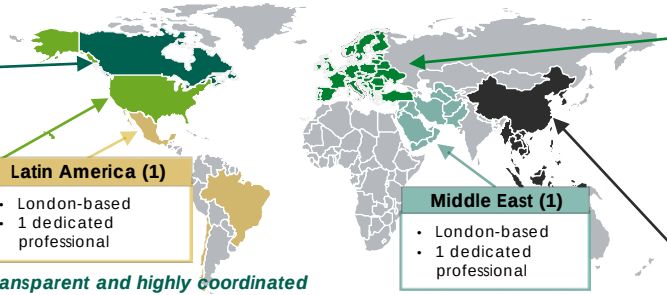
- Expand distribution reach to complementary markets and channels that are more scale-oriented or specialized
  - Raised ~$11b in gross flows from 2012-2015

CENTER-LED GLOBAL DISTRIBUTION PLATFORM LED BY SPECIALIZED, EXPERIENCED SALES PROFESSIONALS

Overview

- Global Distribution broadens depth and reach of the Affiliates, drives growth and provides additional value through i) accessing new markets, ii) creating new business opportunities, and iii) further diversifying client base
- Driven by specialist, experienced and investment-centric sales professionals with broad and deep client relationships in their targeted markets and channels
- Proven track record, with ~$11b gross flows raised from 2012-2015[1]

Global Distribution Footprint[2]



Canada (1)
- Toronto-based
- 1 dedicated professional

United States (5)
- Boston-based
- 1 Executive
- 4 distribution professionals focusing on subadvisory (mutual fund and variable annuity) & DCIO

Latin America (1)
- London-based
- 1 dedicated professional

Middle East (1)
- London-based
- 1 dedicated professional

Europe (7)
- London-based
- 6 distribution professionals covering U.K., Ireland, Continental Europe, Benelux, Nordics and OM plc
- 1 compliance professional

Asia (ex Japan) (3)
- Hong Kong-based
- 3 dedicated professionals

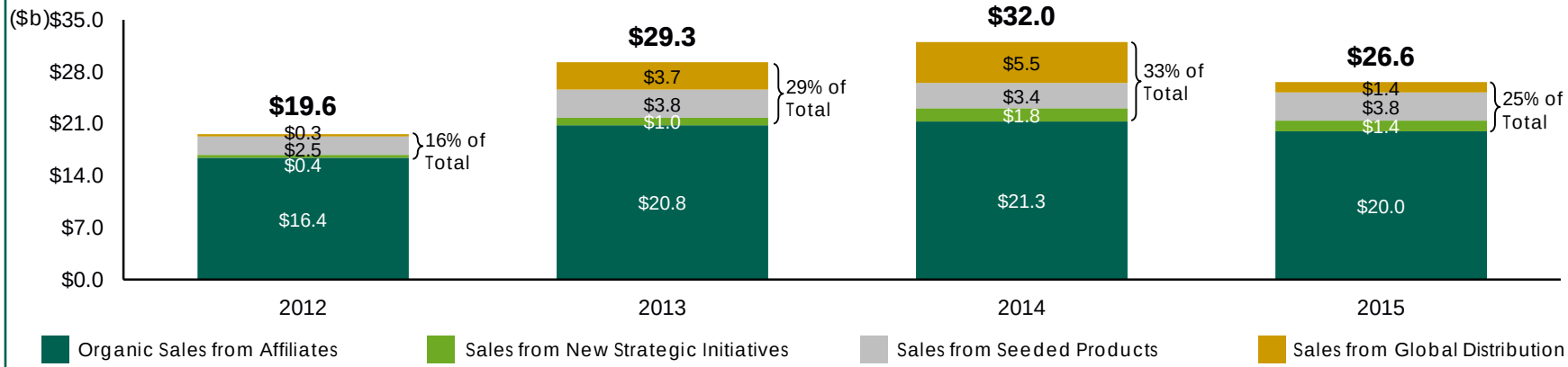
The team's client service and acquisition model is completely transparent and highly coordinated

1. Global Distribution initiative launched in 2012; data as of December 31, 2015
2. Numbers in parenthesis represent number of Global Distribution employees covering region; one individual splits time between OM plc coverage, Spain and Latin America

OMAM CENTER-LED INITIATIVES ARE CONTRIBUTING TO FLOWS

Successful seeding program is contributing meaningfully to sales and Global Distribution contributed $1.4b funded assets in 2015 ($11b since 2012). Investment in new product initiatives is early stage, but already generating results

Source of Gross Sales (2012-2015)

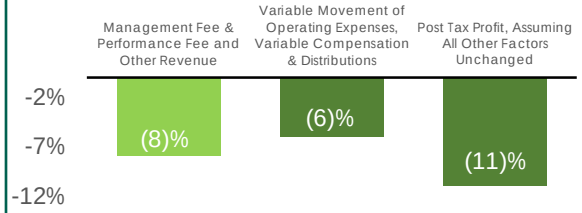


STRUCTURAL COST VARIABILITY AND BUSINESS MODEL KEY METRICS

Profit Share Model

- Approximately 80% of OMAM proforma ENI revenue tied to equity markets [1]
- OMAM Profit Share Model supports a variable cost structure aligned with Affiliate profitability
  - Affiliate variable compensation directly tied to profit before bonus
  - Key employee distributions tied to Affiliate operating profit
- Approximately 50% of total cost structure is variable

Profit Share Hypothetical Full Year Impact of an Immediate 10% Decline in Equity Markets [1]



OMAM Manages its Business Based on Key ENI Operating Metrics

In $m	6M 2016	Full Year 2016 Guidance
ENI operating expense ratio	**41%**	**40-42%**
Numerator: ENI operating expense	$125.8	
Denominator: ENI management fee revenue	$306.7	
ENI variable compensation ratio	**42%**	**41-42%**
Numerator: ENI variable compensation (VC)	$78.4	
Denominator: ENI earnings before VC [2]	$187.1	
ENI Affiliate key employee distributions ratio	**16%**	**17-18%**
Numerator: Affiliate key employee distributions	$17.5	
Denominator: ENI operating earnings [3]	$108.7	
ENI operating margin	**35%**	
Numerator: ENI operating earnings [3]	$108.7	
Denominator: ENI revenue	$312.9	

Please see Definitions and Additional Notes slides for a reconciliation of GAAP to ENI

1. Data based on June 30, 2016 run rate management fee revenues including proforma Landmark revenue, as reported in ENI revenue
2. ENI earnings before variable compensation is calculated as ENI revenue, less ENI operating expense
3. ENI operating earnings represents ENI earnings before Affiliate key employee distributions and is calculated as ENI revenue, less ENI operating expense, less ENI variable compensation

ONGOING FINANCIAL FLEXIBILITY

Attractive Financial Profile for Growth

- **High cash flow generating business**
- **Successful issuance of $400m of long-term senior notes in July 2016**
  - $275m of 10-year institutional notes at 4.8%
  - $125m of 15-year retail notes at 5.125%
- **Balance sheet flexibility**
  - Target Debt / EBITDA ratio of 1.75 - 2.25x
  - Rated Baa2/BBB- by Moody's/S&P
  - Available capacity on $350m revolving credit facility (as of 6/30/16): $300m

Approach to Capital Management

- **Sustainable dividend payment**
  - Target payout of 25% of ENI earnings
- **Collaborative organic growth**
  - IRR based approach to investments
- **New partnerships**
  - Disciplined approach to investing in new Affiliates
- **Opportunistic share repurchases**
  - Open market share repurchases of 921,740 shares through the end of 2Q16
  - Capacity to repurchase up to $150m in additional shares in 2016
- **Managed Separation Agreements with Old Mutual plc**
  - Seed repurchase of approximately $40m in Q3 2016 and $95m at 6/30/17
  - DTA purchase at 6/30/17, 12/31/17, and 6/30/18 totaling approximately $135-$145m

INVESTMENT HIGHLIGHTS – OVERVIEW

- Diversified by Brand, Strategy, Client, Asset Class
- Strong, Consistent Investment Performance Across Cycles
- Positive Net Revenue Flows in Eleven of Last Fourteen Quarters

- Aligned Economic Operating Model
- Collaborative Framework, Focused on Active Engagement with Affiliates
  - Global Distribution Adds Value and Expands Reach

- Opportunity to Accelerate Growth Through New Affiliate Partnerships
- Disciplined Approach, Clear Strategy and Process
- Compelling Partner to Independent Managers Seeking Growth

- Consistent Growth in AUM, Revenue, ENI, and Operating Margins
- Financial Flexibility with Strategic Approach to Capital Management
- Continued Growth Through Investments in the Business

PRESENTATION AGENDA

Introduction to the day and overview of managed separation strategy	Bruce Hemphill, Group CEO
Business presentations	
– Old Mutual Wealth	Paul Feeney, CEO and Steve Braudo, COO
– Nedbank	Mike Brown, CEO
– Old Mutual Emerging Markets	Ralph Mupita, CEO
– OM Asset Management	Peter Bain, CEO
Execution of the strategy	Rob Leith, Director of Managed Separation
Unlocking value and closing remarks	Bruce Hemphill, Group CEO
Evening event and meet with management teams	

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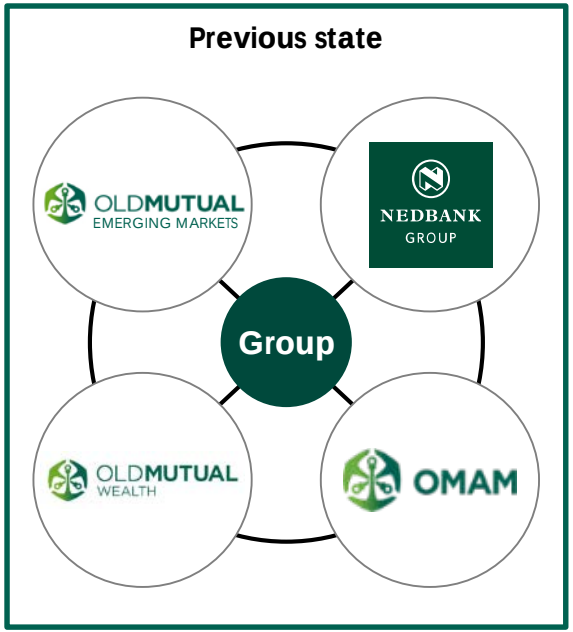
STRATEGIC PATH



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A FLEXIBLE AND ITERATIVE PROCESS

Base Case

Stakeholder interaction

- Shareholders
- Regulators
- Credit providers
- Government

Principles

- Focus on **distributing assets** to shareholders
- **Limit market** and **third party dependencies**
- Balance **time, value, cost** and **risk**
- **Retain strong operational focus** on **subsidiaries**

External parties

Management alternatives

- Refine execution routes
- Consider alternatives to enhance value

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TRANSACTIONS AS INDICATED PREVIOUSLY

Business Readiness key determinant of timing

Phased reduction of **OMAM** 66% stake	OMAM	Material completion
Creation of two separate entities, both listed in both London and Johannesburg • **Old Mutual Wealth** operations • Creation of a new **South African holding company** to hold remaining plc assets (principally OMEM & Nedbank)	OLDMUTUAL WEALTH OLDMUTUAL EMERGING MARKETS	Material completion
Distribution of significant proportion of current stake in **Nedbank** • Appropriate strategic minority stake retained	NEDBANK GROUP	Target completion end-2018

plc Material reduction in **holding company debt and reshaping the balance sheet**

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IMPLEMENTATION – DELIVERING VALUE TO SHAREHOLDERS

	CORPORATE FINANCE	BUSINESS READINESS
OMAM OLDMUTUAL WEALTH OLDMUTUAL EMERGING MARKETS NEDBANK GROUP	• Investment case development • "Go-to-market" strategies *(including appropriate portfolio perimeters)* • Stand-alone Balance Sheets • Technical preparation for separation	• Operating Model • Governance structure • Management structure • Cost structure • Functional capability • Inter-group arrangements • Operating performance
plc	• Delivery of MS Balance Sheet	• Transitioning

Individual **projects and plans** for **each business**, **co-ordinated** with an overall MS project plan

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MANAGED SEPARATION COSTS AND SAVINGS

MS Costs

One off transaction costs[1]

- Financial advisors
- Legal/Accounting specialists
- Shareholder communications
- Printing circulars
- Documentation
- Capital items
- ...etc.

One off cost of PLC wind down

£50m - £65m[2]

One off costs

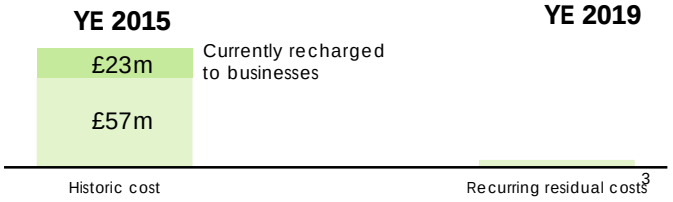
- Redundancy
- Retention
- Contract termination
- ...etc.

Recurring listed entity costs

- 2 additional listed entities
- £5-10m p.a. each
  - Share registers, shareholder communications

Savings

plc corporate cost



1. Route and transaction dependent
2. Indicative level of costs
3. Not to scale

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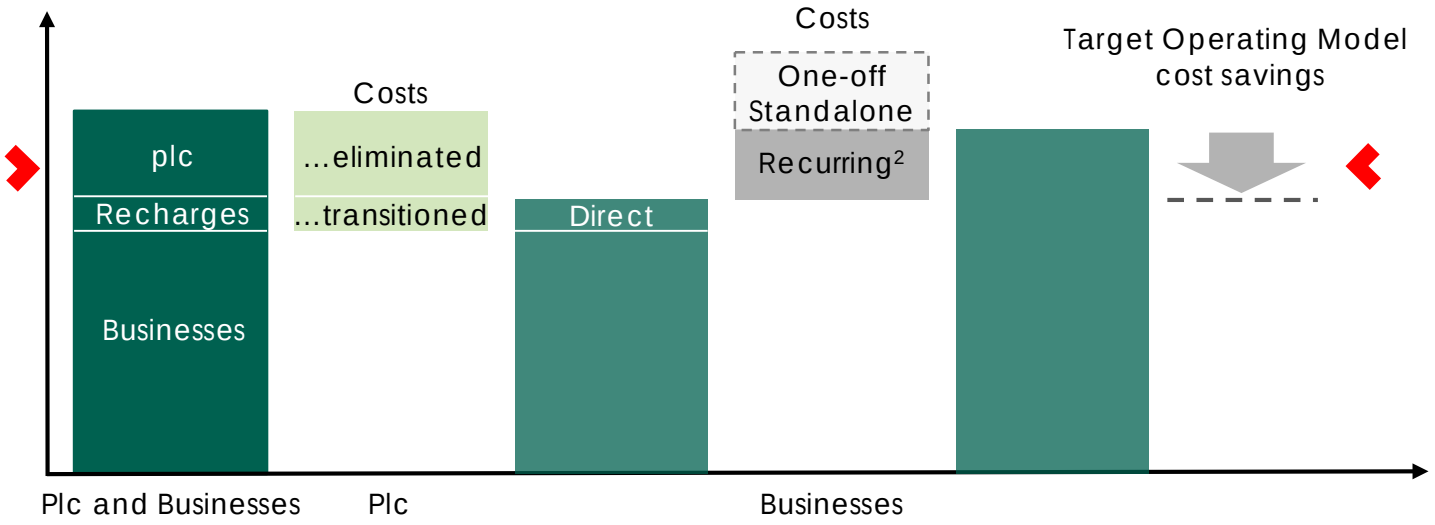
ILLUSTRATIVE OPERATING COSTS[1]

Other than MS transaction costs



Objective is to eliminate plc costs...

&

...minimise the impact of increased costs through TOM[3] savings

Cost implications to be refined during the business planning cycle for 2017

1. Cost base not to scale
2. Incremental local listing and standalone business costs
3. Target operating model

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2016-2018 MS AGENDA

Ensure **business readiness** for separation

Execute transactions

Wind-down head office and its activities

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DELIVERING FOUR GREAT BUSINESSES

	Strength	Areas to address
OLDMUTUAL EMERGING MARKETS	SA franchise, integrated offering	Optimising the portfolio, cost efficiencies, East Africa and Property & Casualty turnaround
NEDBANK GROUP	Corporate and commercial strength, great risk-adjusted returns	Increasing market share in SA Retail, value creation through the ETI relationship, cost-income ratio
OLDMUTUAL WEALTH	Well positioned with a sizeable market opportunity	Cost efficiencies, successful implementation of IT system, FCA investigation and optimising margin through integration opportunities
OMAM	Specialist focus in large market	Integration of Landmark and further strategy diversification, optimising cost base

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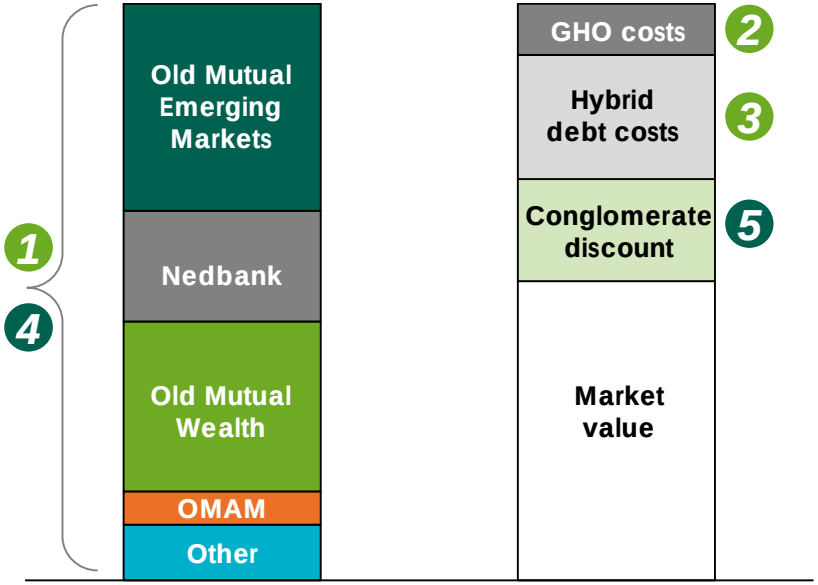
UNLOCKING VALUE



(Illustrative)

Actions:

1. Deliver enhanced business performance
2. Reduce cost of central activities
3. Manage down Group debt

Outcomes:

4. Valuation re-rating of the businesses
5. Removal of conglomerate discount

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Q&A

CLOSING REMARKS

Update on activities for each business	✓
Strategic positioning of the businesses to generate sustainable competitive advantage	✓
Focus areas for management	✓
Business readiness for independence	✓

Next update: Preliminary Results – 9 March 2017

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DRINKS WITH MANAGEMENT

ROOM 501 UPSTAIRS

11 October 2016

INVESTMENT | SAVINGS | INSURANCE | BANKING

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APPENDIX –

NEDBANK

Change in the banking industry is ongoing

MAKE THINGS HAPPEN

NEDBANK GROUP

Unprecedented levels of accelerated change – in an adverse economic environment

Rise of Fintechs & digital faster than predicted

- Proven Fintech partnerships e.g. Entersekt (Approve-IT)
- Managed evolution – core system transformation
- Establishing a “digital fast lane” capability

Digital changes pervasive & will transform banking

- Significant investment in digital
  - AppSuite transactions +58% yoy
  - Digitally active clients +29% yoy

Cyber security

- Differentiator for Nedbank – lowest share of fraud losses
- Key focus area of investment in an increasing digital world

Complexity of regulatory change

- Established a regulatory change office to implement regulatory change in a manner that gives us a competitive advantage

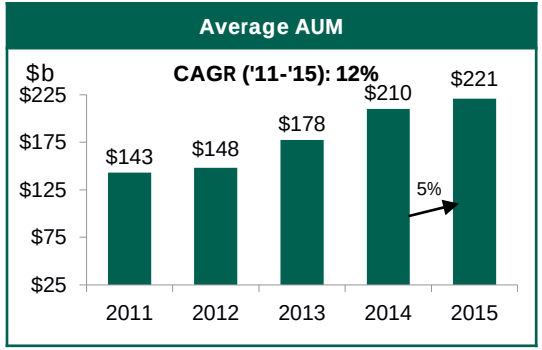
Increasing skills shortages

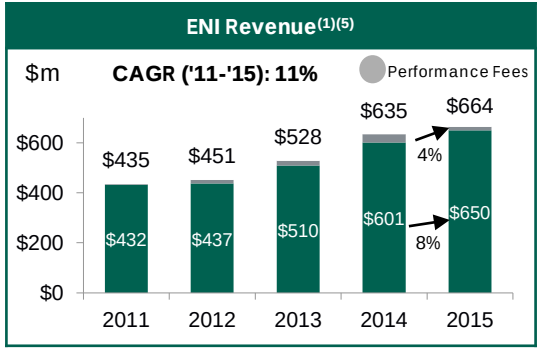
- Nedbank an employer of choice in SA
- Unique differentiated culture
- Significant investment in transformation & staff development

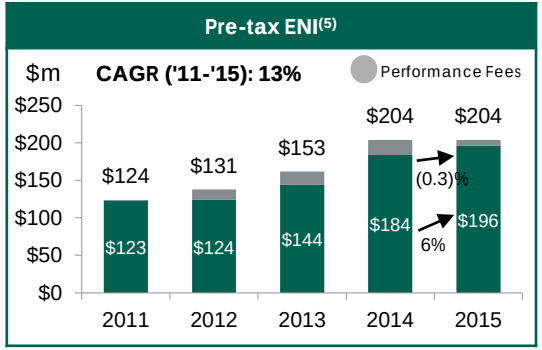
APPENDIX –

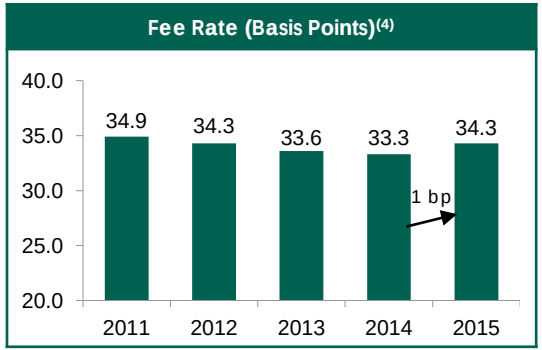
OMAM

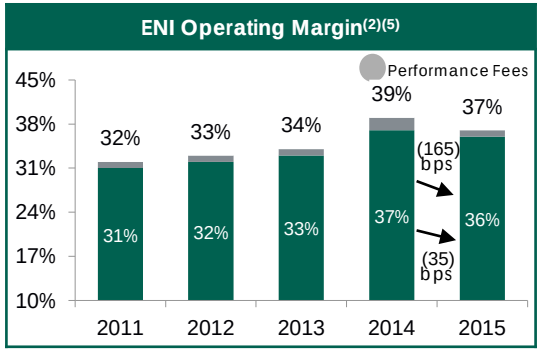
A LONG-TERM RECORD OF GROWTH

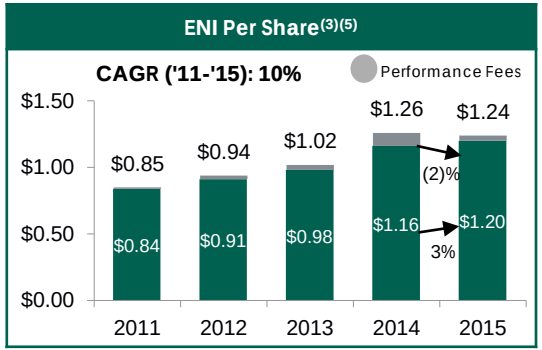








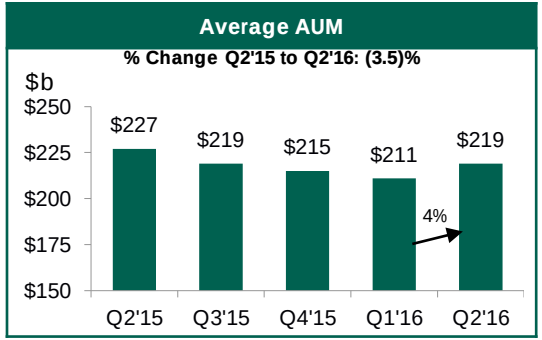


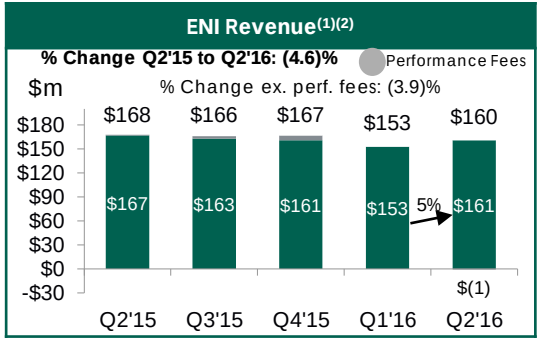


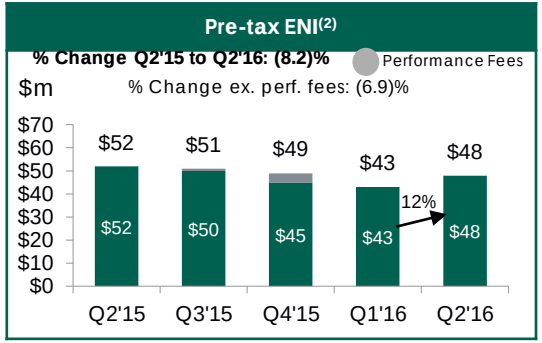
Please see Definitions and Additional Notes slides for a reconciliation of GAAP to ENI

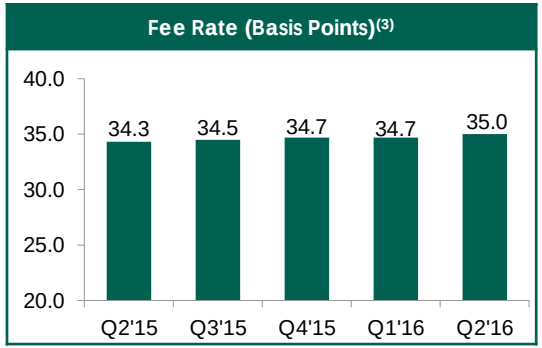
1. ENI Revenue consists of management fees, performance fees, and other income, which primarily consists of earnings of our equity-accounted Affiliates
2. ENI Operating Margin represents ENI operating margin before Affiliate key employee distributions. This is a non-GAAP efficiency measure, calculated based on earnings after variable compensation divided by ENI Revenue
3. ENI per share is calculated as Economic Net Income divided by total diluted shares outstanding. ENI per share reflects pro forma shares outstanding in periods prior to Q4'14
4. Includes management fees for Equity-Accounted Affiliates
5. Excludes impact of extraordinary performance fee in Q2'15

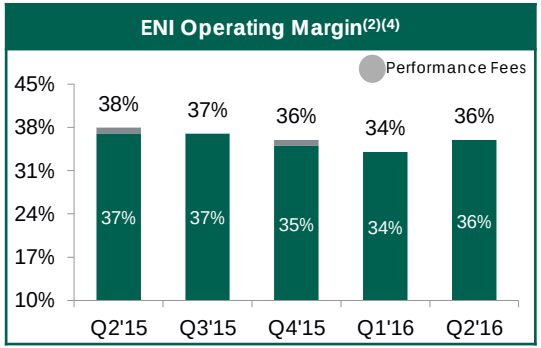
IMPROVING MARKETS AND FEE MIX BENEFITED Q2'16 RESULTS

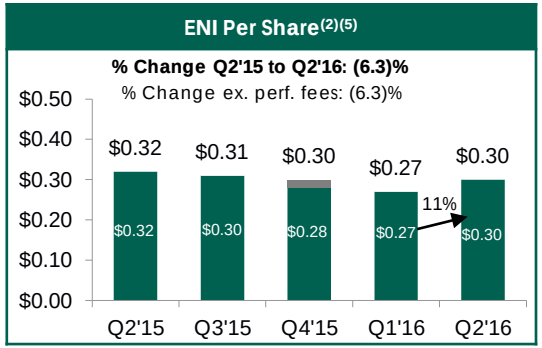












Please see Definitions and Additional Notes slides for a reconciliation of GAAP to ENI

1. ENI Revenue consists of management fees, performance fees, and other income, which primarily consists of earnings of our equity-accounted Affiliates
2. Excludes impact of non-recurring performance fee in Q2'15
3. Includes fees for equity-accounted Affiliates
4. ENI Operating Margin is calculated before Affiliate key employee distributions. This is a non-GAAP efficiency measure, calculated based on earnings after variable compensation divided by ENI Revenue
5. ENI per share is calculated as Economic Net Income divided by total diluted shares outstanding

ECONOMIC NET INCOME FINANCIALS

Overview	• Management uses ENI to reflect its view of the underlying economic earnings of the business and shareholder value creation • ENI used to determine resource allocation, dividend payout, appropriate balance sheet leverage and compensation
Types of Adjustments	• **Reclassification** of U.S. GAAP revenue and expense items to better reflect how OMAM manages the business (adjustments which have no impact on net income) • **Exclusion** of certain non-cash, non-economic expenses or revenue, or inclusion of cash benefits not recognized under U.S. GAAP (which impacts net income)
Reclassifications	• **Funds**: Prior to the 2015 adoption of the new funds consolidation accounting rules, OMAM excluded the economics not attributable to OMAM shareholders, and included Fund management fees in management fee revenue • **Revenue**: Shift earnings from equity-accounted Affiliates into revenue • **Compensation**: Identify variable compensation and Affiliate key employee distributions separately from the aggregate compensation line; reclassify commissions to operating expenses from compensation

ECONOMIC NET INCOME FINANCIALS (CONT'D)

Exclusions

- **Legacy Items**: Exclusion of certain legacy expenses and revenues no longer applicable following IPO
- **Non-Cash Revaluations of Affiliate Equity**: Exclusion of non-cash expenses related to revaluation of Affiliate employee-owned equity
- **Acquisition-Related Amortization**: Exclusion of acquisition-related amortization and impairments
- **Discontinued Operations**: Exclusion of discontinued operations and restructuring costs related to exit of a distinct product or line of business
- **Capital Transaction Costs:** Excludes the costs of raising debt or equity, gains or losses realized as a result of redeeming debt or equity and direct incremental costs associated with acquisitions of businesses or assets
- **Tax**: Tax impact of above items and other one-off tax adjustments unrelated to current operations

Future Adjustments

- Exclusion of seed capital and co-investment gains and losses and related financing
- Exclusion of non-cash interest expense related to unwinding of discounts
- Inclusion of tax benefits related to tax amortization of acquired intangibles or NOLs

RECONCILIATION: GAAP TO ENI AND ADJUSTED EBITDA

$m	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
U.S. GAAP net income	**$ 36.3**	**$ 49.4**	**$ 67.1**	**$ 83.6**
Adjustments to reflect the economic earnings of the Company:				
1 Non-cash key employee-owned equity and profit interest revaluations[1]	(1.1)	6.5	(2.4)	11.3
2 Amortization and impairment of goodwill and acquired intangible assets[1]	—	0.1	0.1	0.1
3 Capital transaction costs[1]	1.6	—	1.7	—
4 Discontinued operations and restructuring costs	(1.4)	(0.7)	(1.6)	(0.9)
Total adjustment to reflect earnings of the Company	**$ (0.9)**	**$ 5.9**	**$ (2.2)**	**$ 10.5**
Less: Tax effect of above adjustments[1]	(0.2)	(2.7)	0.3	(4.6)
5 Less: ENI tax normalization	1.0	(3.2)	3.0	(2.8)
Economic net income (including non-recurring performance fee)	**$ 36.2**	**$ 49.4**	**$ 68.2**	**$ 86.7**
Non-recurring performance fee	—	(11.4)	—	(11.4)
Economic net income excluding non-recurring performance fee	**$ 36.2**	**$ 38.0**	**$ 68.2**	**$ 75.3**
Net interest expense to third parties	0.1	0.6	0.4	1.5
Depreciation and amortization	2.3	1.6	4.4	3.2
Tax on Economic Net Income	11.7	14.2	22.6	27.9
Adjusted EBITDA excluding non-recurring performance fee	**$ 50.3**	**$ 54.4**	**$ 95.6**	**$ 107.9**

ENI Adjustments

1. Exclude non-cash expenses representing changes in the value of Affiliate equity and profit interests held by Affiliate key employees
2. Exclude non-cash amortization or impairment expenses related to acquired goodwill and other intangibles as they represent non-cash charges that do not result in an outflow of tangible economic benefits from the business
3. Exclude capital transaction costs including the costs of raising debt or equity, gains or losses realized as a result of redeeming debt or equity and direct incremental costs associated with acquisitions of businesses or assets
4. Exclude results of discontinued operations as they are not part of the ongoing business, and restructuring costs incurred in continuing operations which represent an exit from a distinct product or line of business
5. Exclude one-off tax benefits or costs unrelated to current operations

1. Tax-affected items for which adjustments are included in "Tax effect of above adjustments" line; taxed at 40.2% U.S. statutory rate (including state tax)

RECONCILIATION: GAAP TO ENI AND COMPONENTS OF ENI

Components of ENI revenue

($m)	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Management fees[1]	$ 157.1	$ 164.9	$ 306.7	$ 321.8
Performance fees[2]	(0.8)	0.5	(0.8)	4.1
Other income, including equity-accounted Affiliates[3]	3.7	2.4	7.0	5.2
ENI revenue	**$ 160.0**	**$ 167.8**	**$ 312.9**	**$ 331.1**

U.S. GAAP revenue to ENI revenue

($m)	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
U.S. GAAP revenue	$ 156.5	$ 213.5	$ 306.1	$ 374.1
Include investment return on equity-accounted Affiliates	3.5	2.4	6.8	5.1
Exclude the non-recurring performance fee	—	(48.1)	—	(48.1)
ENI revenue	**$ 160.0**	**$ 167.8**	**$ 312.9**	**$ 331.1**

Components of ENI operating expense

($m)	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Fixed compensation & benefits	$ 34.0	$ 31.4	$ 69.4	$ 64.9
General and administrative expenses	25.5	28.1	52.0	52.5
Depreciation and amortization	2.3	1.6	4.4	3.2
ENI operating expense	**$ 61.8**	**$ 61.1**	**$ 125.8**	**$ 120.6**

1. ENI management fees correspond to U.S. GAAP management fees
2. Excludes the impact of non-recurring performance fee in 2015
3. ENI other income is comprised of other revenue under U.S. GAAP, plus our earnings from equity-accounted Affiliates of $3.5m and $6.8m for the three and six months ended June 30, 2016, respectively, and $2.4m and $5.1m for the three and six months ended June 30, 2015, respectively

RECONCILIATION: GAAP TO ENI

U.S. GAAP operating expense to ENI operating expense

($m)	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
U.S. GAAP operating expense	$ 112.5	$ 150.6	$ 221.1	$ 266.8
Less: items excluded from economic net income				
Affiliate key employee equity revaluations	1.1	(6.5)	2.4	(11.3)
Amortization of acquired intangible assets	—	(0.1)	(0.1)	(0.1)
Capital transaction costs	(1.6)	—	(1.7)	—
Other items excluded from ENI[1]	—	(0.1)	—	(0.1)
Less: items segregated out of U.S. GAAP operating expense				
Variable compensation and other adjustments[2]	(41.0)	(72.6)	(78.4)	(116.0)
Affiliate key employee distributions	(9.2)	(10.2)	(17.5)	(18.7)
ENI operating expense	**$ 61.8**	**$ 61.1**	**$ 125.8**	**$ 120.6**

U.S. GAAP compensation expense to ENI fixed compensation and benefits expense

($m)	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Total U.S. GAAP compensation expense	$ 87.5	$ 126.0	$ 172.1	$ 220.8
Non-cash affiliate key employee equity revaluations excluded from ENI	1.1	(6.5)	2.4	(11.3)
Sales-based compensation reclassified to ENI general & administrative expenses	(4.4)	(5.3)	(9.2)	(9.9)
Affiliate key employee distributions	(9.2)	(10.2)	(17.5)	(18.7)
Variable compensation and other adjustments excluded from fixed compensation[2]	(41.0)	(72.6)	(78.4)	(116.0)
ENI fixed compensation and benefits	**$ 34.0**	**$ 31.4**	**$ 69.4**	**$ 64.9**

1. Other items include expenses (excluding compensation) associated with the non-recurring performance fee in 2015
2. For the three and six months ended June 30, 2015, $43.7m and $87.1m, respectively, of variable compensation expense (of the $72.6m and $116.0m above) is included within economic net income, which excludes the revenue and compensation attributable to the non-recurring performance fee and also includes fixed compensation and benefits associated with the non-recurring performance fee in 2015 of $0.4m

RECONCILIATION: GAAP TO ENI

U.S. GAAP general and administrative expense to ENI general and administrative expense

($m)	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
U.S. GAAP general and administrative expense	$ 22.7	$ 22.9	$ 44.5	$ 42.7
Sales-based compensation	4.4	5.3	9.2	9.9
Capital transaction costs	(1.6)	—	(1.7)	—
Other items excluded from ENI[1]	—	(0.1)	—	(0.1)
ENI general and administrative expense	**$ 25.5**	**$ 28.1**	**$ 52.0**	**$ 52.5**

U.S. GAAP operating income to ENI operating earnings and ENI earnings after Affiliate key employee distributions

($m)	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
U.S. GAAP operating income	$ 44.0	$ 62.9	$ 85.0	$ 107.3
Include investment return on equity-accounted Affiliates	3.5	2.4	6.8	5.1
Exclude the impact of:				
Non-recurring performance fee	—	(48.1)	—	(48.1)
Affiliate key employee equity revaluations	(1.1)	6.5	(2.4)	11.3
Amortization of acquired intangible assets	—	0.1	0.1	0.1
Capital transaction costs	1.6	—	1.7	—
Other items excluded from ENI[1]	—	0.1	—	0.1
Affiliate key employee distributions	9.2	10.2	17.5	18.7
Variable compensation and other adjustments[2]	41.0	72.6	78.4	116.0
ENI earnings before variable compensation	**98.2**	**106.7**	**187.1**	**210.5**
Less: ENI variable compensation[3]	(41.0)	(43.7)	(78.4)	(87.1)
ENI operating earnings	**57.2**	**63.0**	**108.7**	**123.4**
Less: ENI Affiliate key employee distributions	(9.2)	(10.2)	(17.5)	(18.7)
ENI earnings after Affiliate key employee distributions	**$ 48.0**	**$ 52.8**	**$ 91.2**	**$ 104.7**

1. Other items include expenses (excluding compensation) associated with the non-recurring performance fee in 2015
2. For the three and six months ended June 30, 2015, $43.7m and $87.1m, respectively, of variable compensation expense (of the $72.6m and $116.0m above) is included within economic net income, which excludes the revenue and compensation attributable to the non-recurring performance fee and also includes fixed compensation and benefits associated with the non-recurring performance fee in 2015 of $0.4m
3. Excludes the impact of the non-recurring performance fee in 2015

CALCULATION OF ENI EFFECTIVE TAX RATE

Calculation of ENI Effective Tax Rate

($m)	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Pre-tax economic net income[1]	$ 47.9	$ 52.2	$ 90.8	$ 103.2
Intercompany interest expense deductible for U.S. tax purposes	(17.7)	(17.7)	(35.4)	(35.2)
Taxable economic net income	**30.2**	**34.5**	**55.4**	**68.0**
Taxes at the U.S. federal and statutory rates[2]	(12.2)	(13.8)	(22.3)	(27.3)
Other reconciling tax adjustments	0.5	(0.4)	(0.3)	(0.6)
Tax on economic net income	**(11.7)**	**(14.2)**	**(22.6)**	**(27.9)**
Add back intercompany interest expense previously excluded	17.7	17.7	35.4	35.2
Economic net income	**$ 36.2**	**$ 38.0**	**$ 68.2**	**$ 75.3**
Economic net income effective tax rate[3]	24.4%	27.2%	24.9%	27.0%

1. Pre-tax economic net income is shown before intercompany interest and tax expense
2. Calculated using a 40.2% tax rate
3. The economic net income effective tax rate is calculated by dividing the tax on economic net income by pre-tax economic net income

DEFINITIONS AND ADDITIONAL NOTES

References to "OMAM" or the "Company" refer to OM Asset Management plc; references to the "Parent" or "Old Mutual" refer to Old Mutual plc. OMAM operates its business through eight boutique asset management firms (the "Affiliates"). OMAM's distribution activities are conducted in various jurisdictions through affiliate companies in accordance with local regulatory requirements.

The Company uses a non-GAAP performance measure referred to as economic net income ("ENI") to represent its view of the underlying economic earnings of the business. ENI is used to make resource allocation decisions, determine appropriate levels of investment or dividend payout, manage balance sheet leverage, determine Affiliate variable compensation and equity distributions, and incentivize management. The Company's ENI adjustments to U.S. GAAP include both reclassifications of U.S. GAAP revenue and expense items, as well as adjustments to U.S. GAAP results, primarily to exclude non-cash, non-economic expenses, or to reflect cash benefits not recognized under U.S. GAAP.

The Company re-categorizes certain line items on the income statement to:

- include the Company's share of earnings from equity-accounted Affiliates within other income, rather than investment income;
- treat sales-based compensation as a general and administrative expense, rather than part of fixed compensation and benefits;
- identify separately from operating expenses, variable compensation and Affiliate key employee distributions, which represent Affiliate earnings shared with Affiliate key employees.

The Company also makes the following adjustments to U.S. GAAP results to more closely reflect its economic results by excluding:

i. non-cash expenses representing changes in the value of Affiliate equity and profit interests held by Affiliate key employees. These ownerships interests may in certain circumstances be repurchased by OMAM at a value based on a pre-determined fixed multiple of trailing earnings and as such this value is carried on the Company's balance sheet as a liability. Non-cash movements in the value of this liability are treated as compensation expense under U.S. GAAP. However, any equity or profit interests repurchased by OMAM can be used to fund a portion of future variable compensation awards, resulting in savings in cash variable compensation that offset the negative cash effect of repurchasing the equity.
ii. non-cash amortization or impairment expenses related to acquired goodwill and other intangibles as these are non-cash charges that do not result in an outflow of tangible economic benefits from the business.
iii. capital transaction costs, including the costs of raising debt or equity, gains or losses realized as a result of redeeming debt or equity and direct incremental costs associated with acquisitions of businesses or assets.
iv. the results of discontinued operations since they are not part of the Company's ongoing business, and restructuring costs incurred in continuing operations which represent an exit from a distinct product or line of business.
v. deferred tax resulting from changes in tax law and expiration of statutes, adjustments for uncertain tax positions, deferred tax attributable to intangible assets and other unusual items not related to current operating results to reflect ENI tax normalization.

The Company adjusts its income tax expense to reflect any tax impact of its ENI adjustments. Please see Slide 133 for a reconciliation of U.S. GAAP net income to economic net income.

Adjusted EBITDA

Adjusted EBITDA is defined as economic net income before interest, income taxes, depreciation and amortization. The Company notes that its calculation of Adjusted EBITDA may not be consistent with Adjusted EBITDA as calculated by other companies. The Company believes Adjusted EBITDA is a useful liquidity metric because it indicates the Company's ability to make further investments in its business, service debt and meet working capital requirements. Please see Slide 133 for a reconciliation of economic net income to Adjusted EBITDA.

DEFINITIONS AND ADDITIONAL NOTES

Methodologies for calculating investment performance[1]*:*

Revenue-weighted investment performance measures the percentage of management fee revenue generated by Affiliate strategies which are beating benchmarks. It calculates each strategy's percentage weight by taking its estimated composite revenue over total composite revenues in each period, then sums the total percentage of revenue for strategies outperforming.

Equal-weighted investment performance measures the percentage of Affiliates' scale strategies (defined as strategies with greater than $100m of AUM) beating benchmarks. Each outperforming strategy over $100m has the same weight; the calculation sums the number of strategies outperforming relative to the total number of composites over $100m.

Asset-weighted investment performance measures the percentage of AUM in strategies beating benchmarks. It calculates each strategy's percentage weight by taking its composite AUM over total composite AUM in each period, then sums the total percentage of AUM for strategies outperforming.

ENI Operating Earnings

ENI operating earnings represents ENI earnings before Affiliate key employee distributions and is calculated as ENI revenue, less ENI operating expense, less ENI variable compensation. It differs from economic net income because it does not include the effects of Affiliate key employee distributions, net interest expense or income tax expense.

ENI Operating Margin

The ENI operating margin, which is calculated before Affiliate key employee distributions, is used by management and is useful to investors to evaluate the overall operating margin of the business without regard to our various ownership levels at each of the Affiliates. ENI operating margin is a non-GAAP efficiency measure, calculated based on ENI operating earnings divided by ENI revenue. The ENI operating margin is most comparable to our U.S. GAAP operating margin.

ENI management fee revenue

ENI Management fee revenue corresponds to U.S. GAAP management fee revenue.

ENI operating expense ratio

The ENI operating expense ratio is used by management and is useful to investors to evaluate the level of operating expense as measured against our recurring management fee revenue. We have provided this ratio since many operating expenses, including fixed compensation & benefits and general and administrative expense, are generally linked to the overall size of the business. We track this ratio as a key measure of scale economies at OMAM because in our profit sharing economic model, scale benefits both the Affiliate employees and OMAM shareholders.

ENI earnings before variable compensation

ENI earnings before variable compensation is calculated as ENI revenue, less ENI operating expense.

1. Barrow Hanley's Windsor II Large Cap Value account AUM and return are separated from Barrow Hanley's Large Cap Value composite in revenue-weighted, equal-weighted and asset-weighted outperformance percentage calculations

DEFINITIONS AND ADDITIONAL NOTES

ENI variable compensation ratio

The ENI variable compensation ratio is calculated as variable compensation divided by ENI earnings before variable compensation. It is used by management and is useful to investors to evaluate consolidated variable compensation as measured against our ENI earnings before variable compensation. Variable compensation is usually awarded based on a contractual percentage of each Affiliate's ENI earnings before variable compensation and may be paid in the form of cash or non-cash Affiliate equity or profit interests. Center variable compensation includes cash and OMAM equity. Non-cash variable compensation awards typically vest over several years and are recognized as compensation expense over that service period. The variable compensation ratio at each Affiliate will typically be between 25% and 35%.

ENI Affiliate key employee distribution ratio

The Affiliate key employee distribution ratio is calculated as Affiliate key employee distributions divided by ENI operating earnings. The ENI Affiliate key employee distribution ratio is used by management and is useful to investors to evaluate Affiliate key employee distributions as measured against our ENI operating earnings. Affiliate key employee distributions represent the share of Affiliate profits after variable compensation that is attributable to Affiliate key employee equity and profit interests holders, according to their ownership interests. At certain Affiliates, OMUSH, (as defined in the Company's most recent Quarterly Report on Form 10-Q), is entitled to an initial preference over profits after variable compensation, structured such that before a preference threshold is reached, there would be no required key employee distributions, whereas for profits above the threshold the key employee distribution amount would be calculated based on the key employee ownership percentages, which range from approximately 15% to 40% at our consolidated Affiliates.

U.S. GAAP operating margin

U.S. GAAP operating margin equals operating income from continuing operations divided by total revenue.

Annualized Revenue Impact of Net Flows ("NCCF")

Annualized revenue impact of net flows represents the difference between annualized management fees expected to be earned on new accounts and net assets contributed to existing accounts, less the annualized management fees lost on terminated accounts or net assets withdrawn from existing accounts, including equity-accounted Affiliates. Annualized revenue is calculated by multiplying the annual gross fee rate for the relevant account by the net assets gained in the account in the event of a positive flow or the net assets lost in the account in the event of an outflow.

Hard asset disposals

Net flows include hard asset disposals made by OMAM's Affiliates. This category is made up of investment-driven asset dispositions made by Heitman, a real estate manager, or Campbell, a timber manager.

Derived average weighted NCCF

Derived average weighted NCCF reflects the implied NCCF if annualized revenue impact of net flows represents asset flows at the weighted fee rate for OMAM overall (i.e. 35.0 bps in Q2 '16). For example, NCCF annualized revenue impact of $(3.4)m divided by the average weighted fee rate of OMAM's overall AUM of 35.0 bps equals the derived average weighted NCCF of $(1.0)b.

n/m

"Not meaningful."