PRELIMINARY RESULTS 2016

9 March 2017

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PRESENTATION AGENDA

2016 overview	Bruce Hemphill, Group CEO
Financial review	Ingrid Johnson, Group Finance Director
Business reviews	Paul Feeney, CEO Old Mutual Wealth Iain Williamson, Interim CEO OMEM Bruce Hemphill, Group CEO
Outlook & summary	Bruce Hemphill, Group CEO
Q&A	

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MEANINGFUL PROGRESS IN 2016

Significant delivery of key elements of the managed separation

Resilient operational performance by individual businesses

Good financial result

- AOP[1] £1.67bn (2015: £1.66bn) : IFRS profit pre-tax £1.2bn (2015: £1.2bn)
- AOP EPS 19.4 pence (2015: 19.3 pence)
- Adjusted NAV 228.6 pence/share (2015: 178.9 pence/share)

2016 second interim dividend 3.39 pence/share: total dividend for 2016 6.06 pence/share

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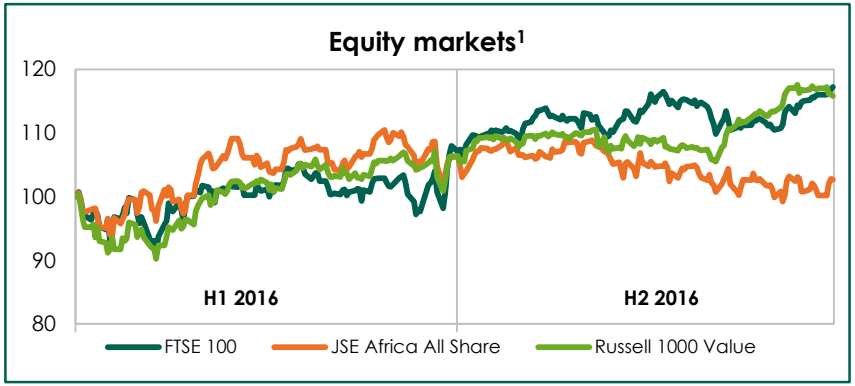
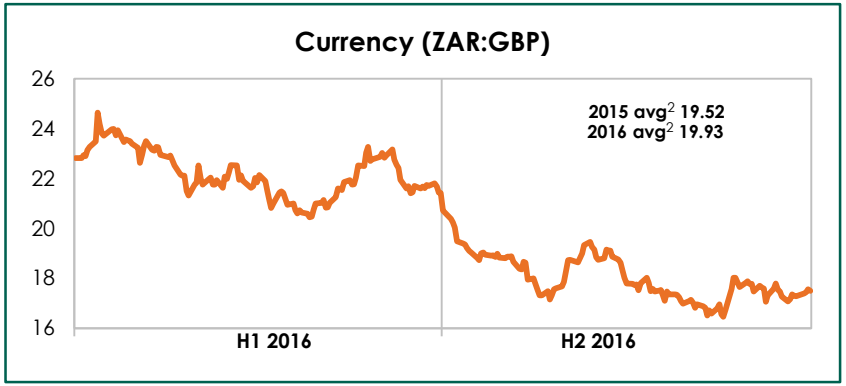
1. Core business AOP, pre-tax and NCI.

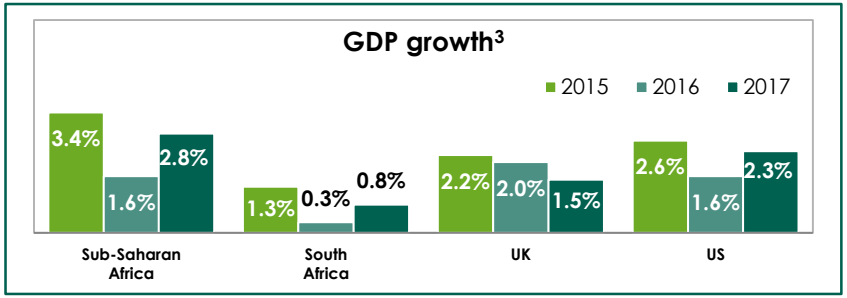
GOOD RESULTS DELIVERED AGAINST A VOLATILE MACRO





10 year government bond yields[2]

	31 Dec 15	31 Mar 16	30 Jun 16	30 Sep 16	31 Dec 16
UK	1.96	1.42	0.87	0.75	1.24
SA	9.76	9.11	8.82	8.66	8.91
US	2.27	1.77	1.47	1.60	2.45



1. Rebased to 1January 2016 = 100.
2. Source: Bloomberg.
3. Source: IMF World Economic Outlook update, January 2017: estimated 2016, projected 2017.

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DOING WHAT WE SAID WE WOULD DO

Ensuring business readiness for separation	• Review business portfolios for OMEM and OMW: completed. • Implement new target operating models: models agreed with businesses. • Strengthen governance: new OMW Chairman and NEDs, new OMEM Chairman.
Executing transactions	• Phased reduction of stake in OMAM: reduced from 66% to 51%. • Material reduction in holding company debt: £385m repaid since October 2016. • Sold OMW Italy which completed OMW exit from Continental Europe.
Winding-down plc Head Office	• Reposition from Group Head Office to holding company: completed. • Reduce plc Head Office costs: £10m operational & £21m interest cost savings in 2017. • Managing any further financial issues: seed capital, OM Bermuda risks addressed.

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FINANCIAL REVIEW

Ingrid Johnson

9 March 2017

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AGENDA

- Profit
- Cash
- Adjusted NAV
- Managed separation
- Capital management
- Looking ahead

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OPERATING PROFIT ANALYSIS (AOP)

£m	2015	2016	Δ (reported)	Δ (const. curr)
Old Mutual Emerging Markets	615	**619**	1%	3%
Nedbank	754	**799**	6%	8%
Old Mutual Wealth	307	**260**	(15%)	(15%)
OMAM & Rogge[1]	149	**141**	(5%)	(16%)
plc Head Office				
Finance costs	(83)	**(88)**		
LTIR on excess assets	21	**20**		
Other central activities[2]	(100)	**(84)**		
AOP pre-tax and NCI	1,663	**1,667**	-	1%
Taxation	(403)	**(398)**		
Non-controlling interests	(329)	**(341)**		
AOP post-tax and NCI	931	**928**	-	-
AOP earnings per share	19.3p	**19.4p**	0.1p	0.1p
IFRS profit after tax[3]	614	**570**	(7%)	n/a

1. Rogge was sold with effect from June 2016 (FY 2016 (£2m), FY 2015 (£1m)).
2. Includes corporate costs after recharges (2016 gross costs £79m, recharges £19m: 2015 gross costs £80m, recharges £23m), includes managed separation costs and other net shareholder income/(expenses) in 2016. 2015 includes interest expenses on Bermuda loan.
3. Profit after tax attributable to equity holders of the parent.

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SOURCES AND USES OF PLC CASH

£m	2015	2016
plc opening balance	**1,003**	**750**
Operational		
- SA remittances (OMEM & Nedbank)		
Rand	330	410
Hedging	17	(37)
Ordinary Dividend	(426)	(451)
	(79)	**(78)**
- Hard currency (OMW & OMAM)		
Sterling	163	84
Hedging	(2)	(6)
- plc Head Office cash movements[1]	(174)	(195)
	(13)	**(117)**
Capital flows[2]	**(161)**	**188**
plc closing balance	**750**	**743**

Post 2016 year end activity:
- Tier 1 instrument principal repaid of £273m
- Italy cash proceeds received of £210m

Capital flows, inter alia (£m):	**2015**	**2016**
Debt raised	450	
Debt (repaid)	(263)	(112)
Quilter Cheviot (purchase)	(566)	
OMAM proceeds	156	230

Supporting dual demands of existing group obligations and funding managed separation objectives[3]

1. Includes corporate costs (finance and other central activities), payments related to the funding of employee share plans and other plc operational inflows and outflows.
2. Includes net funding of £68m (2015: (£118m)) and net corporate activity inflows of £232m comprising proceeds from the secondary offering of shares in OMAM, the sale of Rogge and other corporate inflows and outflows. 2015 net corporate activity outflows of £230m included the acquisition of Quilter Cheviot, settlement of the litigation in respect of US Life, proceeds from the secondary public offering in OMAM and Old Mutual Wealth European divestments and other corporate flows.
3. Caters for an early warning threshold (EWT) of c.£500m, inclusive of £200m of support for OMW, contingencies and for downside scenarios. Part of the EWT to be transitioned to businesses as part of Day 1 balance sheet readiness to standalone.

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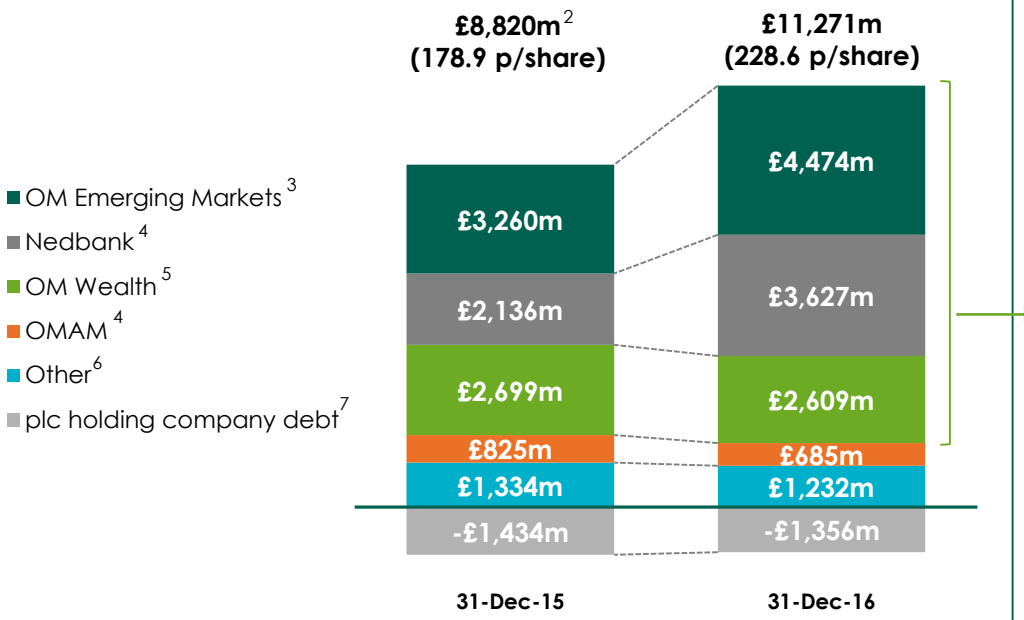
ADJUSTED GROUP NAV[1]



Movement year-on-year:

OMEM: rand strengthening of £1.1bn

Nedbank: rand strengthening of £0.7bn; increase in share price of £0.8bn.

OM Wealth: movement notably includes write down of Italy to realisable value in 2016 of £210m.

MS Base Case: For distribution to shareholders

OMAM: reduced stake following secondary offering (£230m net proceeds), strong dollar (£140m) offsetting fall in dollar share price (£50m).

plc holding company debt repayment of £112m in 2016; offset by increase in market value of £100m.

1. IFRS basis other than where stated.
2. Adjusted Group NAV at 31 December 2015 would have been £10,918 million (221.5 pence per share) if the value is restated using 31 December 2016 exchange rates.
3. Life business is included on an MCEV basis, subject to departures from MCEV Principles (Copyright © Stichting CFO Forum Foundation 2008) due to the use of the government bond yield curve in the majority of OMEM. Other business is included on an IFRS basis.
4. OM plc share of OMAM and Nedbank at market value and exchange rates (31 December 2015 and 31 December 2016).
5. UK Heritage is included on an MCEV basis. Other business is included on an IFRS basis. Includes capital funding from plc for the Quilter Cheviot acquisition.
6. OM Bermuda, BEE & ESOP scheme adjustment, and plc Head Office IFRS NAV (including cash) net of group adjustments and excluding external debt.
7. External debt held at plc Head Office and valued at market value.

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VALUE PROPOSITION OF THE MANAGED SEPARATION

Financial aspects	plc wind-down	Separation	Standalone businesses	plc Head Office pre-existing items
Recurring items	• Net run rate cost savings expected by 2019[1]	• N/A	• Free of plc constraints • Enhanced TOM to drive meaningful cost savings • Incremental operating costs	• MS potentially accelerates the crystallisation of asset and liabilities • Balancing value, cost, time and risk factors in the context of diverse stakeholders and market dynamics
One-offs	• One-off costs to unlock savings	• Transaction costs – advisory and listing[2]	• N/A	
Shareholder value	• Removal of plc central operational costs	• Unlock conglomerate discount / value trapped within Group structure	• Enhanced business performance • Valuation re-rating of businesses	

1. 2015 is the last full year prior to announcement of the managed separation and hence the reference year
2. Excludes transaction costs related to capital items

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REMOVING & TRANSITIONING PLC OPERATIONAL COSTS[1]

£m	2015 Historic plc HO eliminated	Future standalone recurring costs absorbed			
		OMW	OMEM	Total	OMEM (ZAR)[2]
Other central activities	**100**				
Add: recharges	23[3]				
Gross plc corporate costs and other net shareholder income/expenses	**123[4]**	**22**	**7**	**29**	126
Rent and Group corporate insurance	12	7	3	10	54
Listing related	11	7	4	11	72
Brand	8	8	-	8	-
Other	92	-	-	-	-

One-off costs to unlock net operational run rate savings of c.£95m[5] will be c.£130 million (including £50-65 million of plc wind-down one-off costs[6])

1. Illustrative / estimates and subject to change as circumstances, through execution, become clearer
2. At a rate of exchange of ZAR18:GBP1
3. Of which £11m was re-charged to OMW and £8m to OMEM
4. Includes £43m employment related costs
5. Based on 2015 gross corporate costs of £123m less £29m future standalone costs in the businesses
6. The remainder of the c.£130m represents the estimated one-off costs to be incurred in OMW and OMEM

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ILLUSTRATIVE VALUE CREATION[1]

Value driver	Removal of plc central operational costs	Unlocking the conglomerate discount	Enhanced business performance	plc Head Office pre-existing items
Benefit	• c.£95m[2] run rate cost savings	• 10-20% of market capitalisation[3]	• Faster earnings growth	• Impact on cash uncertain; dependent on value, cost, time and risk factors in the context of diverse stakeholders and market dynamics • c.£130m[8] of cash outflows to resolve plc HO pre-existing items
Cash outlay to achieve	• c.£130m one-off costs	• At least c£100m transaction advisory costs[4]	• £20m pa. incremental standalone cost (OMEM & OMW combined)	
Basis for calculation	• 10x costs saved less costs to deliver	• Uplift net of costs to achieve	• Close gap to median peer group PE at: • 15.5x for OMEM[5] peers • 18.7x for OMW[5] peers	
Value potential[7]	• NPV of c.£95m run rate cost savings	• 10-20% of market capitalisation[3]	• OMEM opportunity[6]: c.5 PE x • OMW opportunity[6]: c.6 PE x	

1. Illustrative / estimates and subject to change
2. Based on 2015 gross corporate costs of £123m less £29m future standalone costs in the businesses
3. Market Capitalisation as at 7 March 2017 was £11bn
4. Excludes transaction costs for capital items
5. OMEM peer group includes Sanlam, MMI, Liberty and Discovery. OMW peer group includes Standard Life, SJP, Jupiter, Rathbone and Brewin Dolphin (Source: Company Financials & FactSet as at 7th March 2017)
6. Based on the difference between historic 2016 OMEM PE (10.24x) and OMW PE (12.25x) and the median PE for the respective peer group
7. Excluding the impact of tax
8. Reflected in our liquidity buffers in excess of our EWT

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CAPITAL MANAGEMENT

Second interim dividend for 2016:

- 3.39 pence per share (2015: 6.25 pence per share)
- Total dividend for 2016 of 6.06 pence per share: cover of 3.2 times AOP earnings

Outlook for 2017:

- Maintaining conservatism and flexibility
- Full year dividend to reflect capacity for distributions from underlying businesses
- Rolling hedging of non-sterling remittances under review given the managed separation
- Rand dividend will be declared at the average effective exchange rate rather than based on the exchange rate at the date of declaration
- Targeting ordinary dividend cover of 2.5-3.5 times AOP earnings
- First interim dividend expected to be at a cover of 3.0 times AOP earnings for H1 2017.

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LOOKING AHEAD

Changing the shape of the financials of plc Head Office & underlying businesses by 2019[1]

- plc Head Office gross costs of £123m (from 2015 base) to be saved
- OMW and OMEM to directly incur the full £29m previously incurred at plc Head Office and £20m[2] of "new" incremental costs to standalone

Significant cash and liquidity demands as the managed separation is executed[1]

- One-off execution costs in IFRS but not in AOP[3] – at least £100m for advisory; c.£130m to achieve cost savings
- Meeting obligations and wind-down of existing plc Head Office structures as appropriate

Executing from a position of strength in volatile markets, cognisant of:

- value, cost, time and risk considerations in the interests of diverse stakeholders

Maintaining conservatism and flexibility whilst making appropriate returns to capital providers

1. Illustrative / estimates and subject to change
2. £12m for OMW and £8m for OMEM
3. The 2016 costs (£22m in plc, £9m in businesses) are included in AOP. Going forward these will be excluded from AOP.

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BUSINESS REVIEWS

Bruce Hemphill

9 March 2017

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OLD MUTUAL WEALTH

Paul Feeney

9 March 2017

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OLD MUTUAL WEALTH: SIGNIFICANT STRATEGIC PROGRESS

Progress in 2016

- **Progress made towards becoming the UK's leading wealth manager**
- **Strong performance in a challenging market**
- **Last European disposal completed**
- **Managed separation process progressing well**
- **Platform transformation continues**

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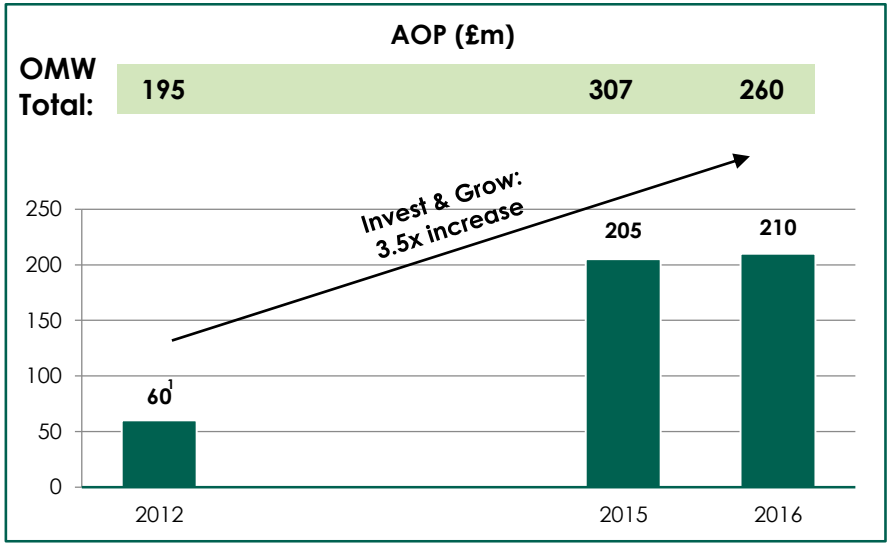
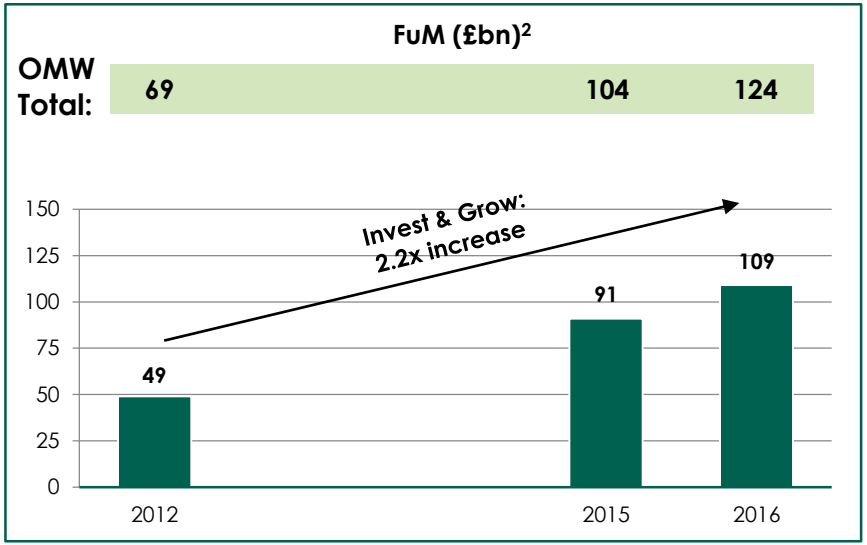
MATERIAL TRANSFORMATION OF BUSINESS ACHIEVED

Invest & Grow profits have grown 3.5 times in four years





1. Excluding Finland AOP pre-tax of £13m.
2. Figures shown excluding intra-group assets.

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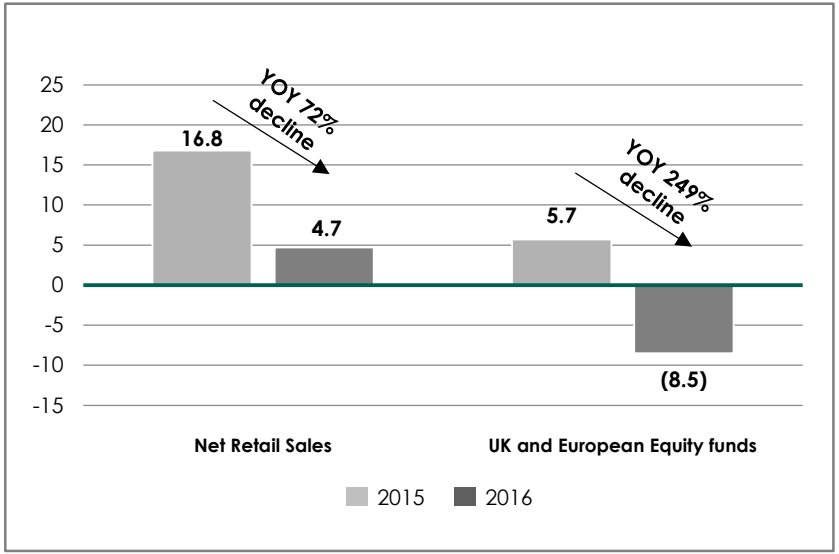
STRONG OPERATIONAL PERFORMANCE IN A DIFFICULT MARKET

Old Mutual Wealth Highlights

£bn	2015	**2016**	Δ
FuM	104.4	**123.5**	18%
- Assets under Management[1]	42.5	**52.1**	23%
- Assets under Administration[2]	61.9	**71.4**	15%
Gross sales	20.1	**21.1**	5%
NCCF	6.9	**5.2**	(25%)
Revenue margin (bps)	66	**63**	(3)bps
Selected Metrics: £bn			
Platform assets managed by OMGI[3]	4.75	**6.36**	34%
Intrinsic NCCF to OMGI	0.95	**1.04**	9%
Intrinsic NCCF to Platform	0.67	**0.87**	30%

- In 2016, Intrinsic delivered 42% of OMGI NCCF, 13% of QC NCCF and 32% of Platform NCCF

UK Market Flow Investment Association Statistics (£bn)



1. Includes OMGI and Quilter Cheviot.
2. Includes UK Platform, International, UK Heritage, Europe and UK Other. Excludes assets under management managed by OMGI and QC of £10.6bn in 2016 (2015: £8.7bn).
3. Including Cirilium and excluding UK Heritage assets.

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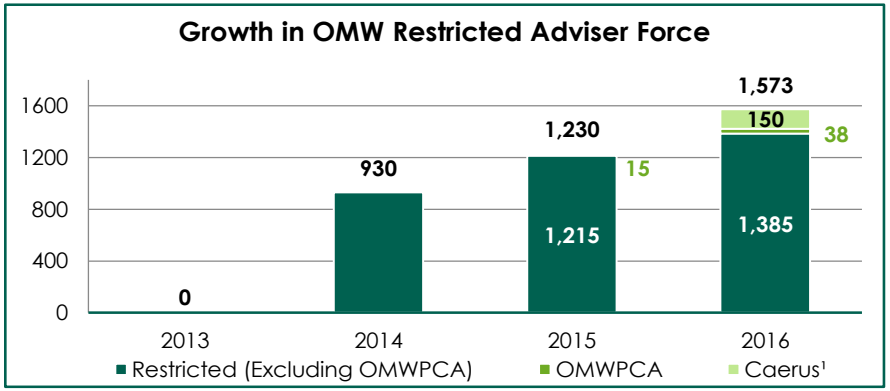
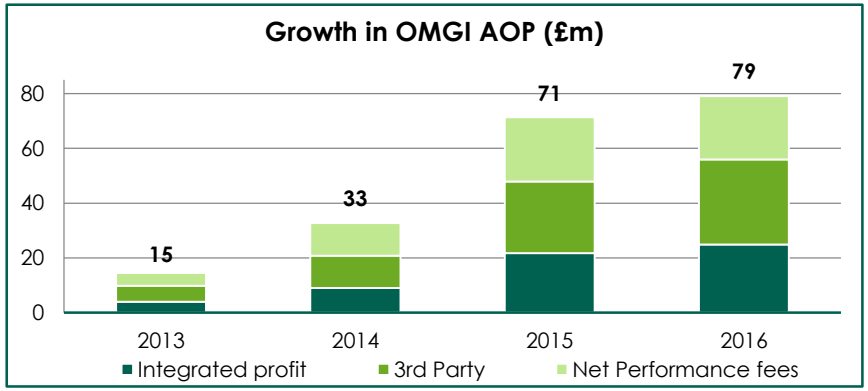
CONTINUED INVESTMENT IN FINANCIAL ADVICE AND ASSET MANAGEMENT DELIVERS MOMENTUM





- 2nd largest restricted advisory business in the UK
- Focus to grow further restricted adviser base
- Cirilium grew from £2.0bn at YE 2014[2] to £4.6bn at YE 2016

- Organic growth since 2012 continues
- Continued investment in desk builds
- Healthy contribution of third party flows and profits

1. Caerus restricted financial planners, subject to necessary approvals.
2. Acquisition of Intrinsic completed on 1 July 2014.

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FINANCIAL RESULTS REFLECT A YEAR OF TRANSITION

£m	2015	**2016**
Reported AOP (pre-tax)	307	**260**
Invest & Grow	205	**210**
- UK Platform	33	**27**
- OMGI	71	**79**
- Quilter Cheviot	34	**46**
- International	50	**52**
- UK Other	17	**6**
Manage for value	102	**57**
Other shareholder income & expenses	-	**(7)**

Reported AOP is after the costs of investments in:

	Impact on 2016:
• **One-off items:**	
• Heritage fee restructure	**£26m**
• Managed separation and standalone costs	**£7m**
• Changes to the executive management team	**£5m**
• **Revenue-related initiatives:**	
• Investment in new business initiatives, predominantly in distribution and OMGI desk builds	**£28m**
• Variable incentives as expected (flat on 2015 as a percentage of revenue)	**£15m**
• **As well as:**	
• Organic growth and inflation	**£20m**
	£101m

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ILLUSTRATIVE AOP ON GO-FORWARD PERIMETER

£m	2016	Go-forward illustrative
Reported AOP[1]	**260**	
Heritage fee restructure	26	
Managed separation and standalone costs	7	
Changes to the executive management team	5	
Underlying AOP	**298**	**298**
Italian business sold		(24)
SA branches transferred to OMEM		(10)
Estimated incremental costs on standalone basis[2]		(20)
Recurring listed entity costs as previously indicated (estimated £5-10m)		(7)
Illustrative AOP (on go-forward perimeter)		**237**

Note: Indicative only. Excludes OMW treasury costs of any debt that may exist in standalone business.

1. Includes net performance fees of £26m and £9m of plc recharges on current basis in 2016.
2. Approximately £8m of costs previously incurred by Old Mutual Group and £12m of incremental standalone costs (illustrative estimate and subject to change)

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OLD MUTUAL WEALTH: SIGNIFICANT STRATEGIC PROGRESS

Progress in 2016

- Progress made towards becoming the UK's leading wealth manager
- Strong performance in a challenging market
- Last European disposal completed
- Managed separation process progressing well
- Platform transformation continues

Business going forward

- Right strategy in place
- Resilient business model built for the future
  - 5%+ NCCF growth on Opening FuM in the Invest & Grow business
  - Targeting improved operating margin in medium term
- Building foundations for managed separation and independent future

➢ **Confidence in the future**

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OLD MUTUAL EMERGING MARKETS

Iain Williamson

9 March 2017

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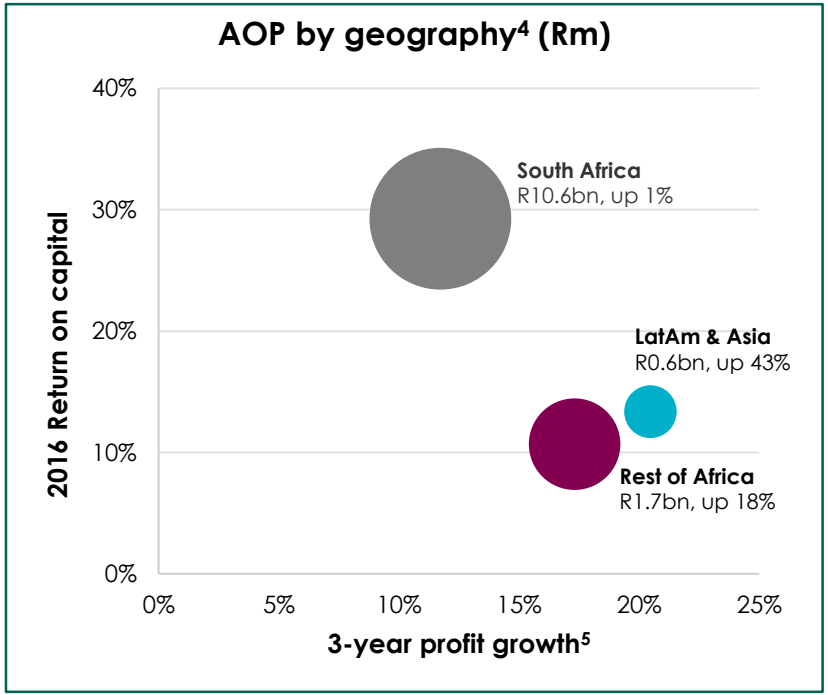
OMEM - OPERATIONAL PERFORMANCE

Rm	2015	**2016**	Δ
AOP (pre-tax)	12,001	**12,333**	3%
IFRS Return on Equity	17.3%	**16.6%**	(70 bps)
Gross sales (Rbn)	215.5	**213.0**	(1%)
NCCF (Rbn)	34.3	**17.0**	(50%)
FuM[1] (Rbn)	990	**1,009**	2%
AOP conversion to free surplus[2]	69%	**73%**	n/a
Cash remitted to the plc (Rbn)[3]	3.7	**4.7**	27%

Diversified financial services provider, offering life insurance, property & casualty, asset management, and banking & lending solutions, predominantly in sub-Saharan Africa.



1. FuM is on an end-manager basis
2. Free surplus as percentage of AOP post-tax and NCI
3. Excludes dividends of R3.0bn (2015: R2.9bn) remitted to plc in respect of the Nedbank shareholding
4. AOP by geography excludes debt costs of R529m (2015: R296m)
5. Pre-tax AOP, 2013-2016

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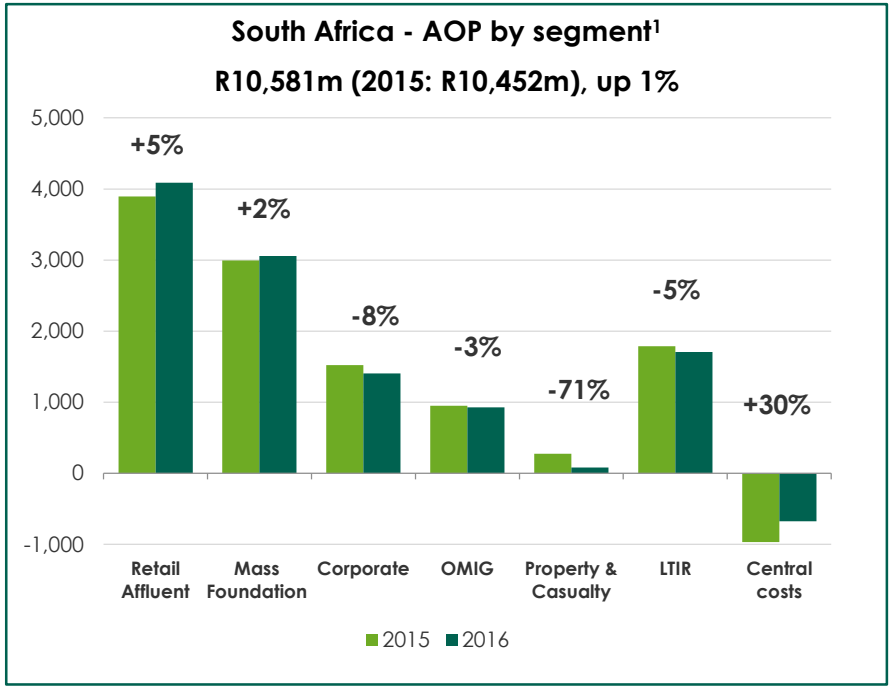
SOUTH AFRICA - REVIEW



Highlights

- Good momentum across all segments in H2
- Solid financial delivery by Retail businesses
- Corporate underwriting result under pressure
- Improved flows into OMIG
- Strong Listed Asset Management profits
- P&C turnaround a key focus
- Lower cost to income ratio
- Investment in IT to future-fit the business

1. AOP pre-tax and NCI by line of business excludes debt costs of R529m (2015: R296m).

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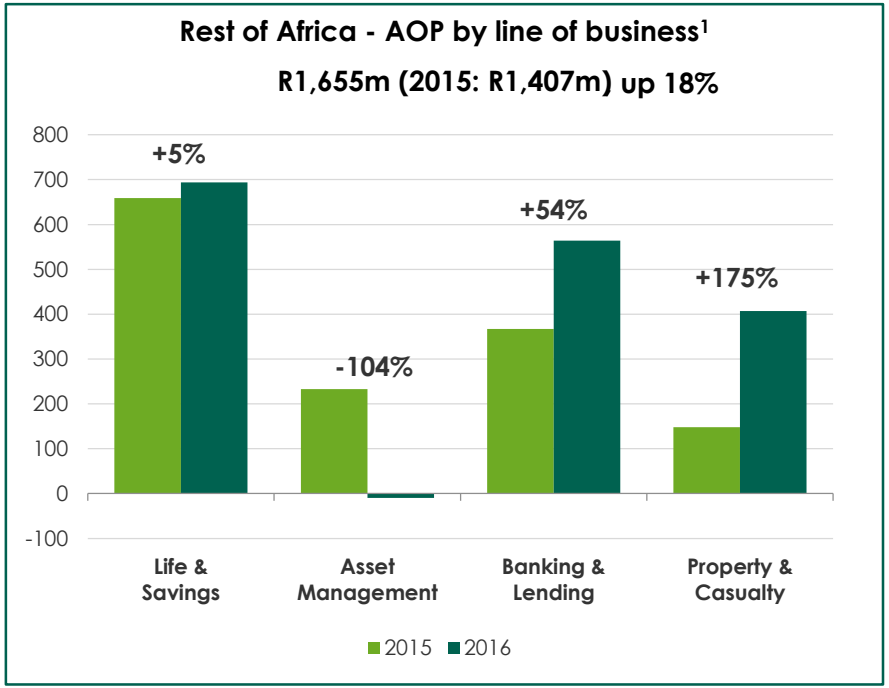
REST OF AFRICA – REVIEW



East Africa Update

- Restructure of combined UAP-OM
- On track to reach 20% RoE within 5 years
- Improved underwriting results
- "Fix, build, grow" strategy progressing
- Increased tenancy and occupation on property portfolio

Old Mutual Southern and East Africa

- Goodwill write-down of R1.3bn

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1. AOP pre-tax and NCI by line of business excludes debt costs of R529m (2015: R296m).

EMERGING MARKETS MCEV RESULTS

Rm	2015	2016	Δ
RoEV	13.5%	**14.9%**	140 bps
MCEV Operating Earnings[1]	7,529	**8,377**	11%
VNB	2,394	**2,173**	(9%)
PVNBP Margin	3.3%	**3.2%**	(10 bps)
PVNBP Sales	71 938	**68 848**	(4%)
MCEV[2,3]	56 311	**59 145**	5%

- Lower VNB due to yield curve movement, assumption and methodology changes
- Margin relatively stable

APE Sales up 6% from 2015

Contribution to RoEV (% opening EV)			
Expected return	8.0%	**9.9%**	190 bps
New business	4.3%	**3.9%**	(40 bps)
Experience variances[3]	(0.1%)	**0.3%**	40 bps
Assumption changes[4]	1.3%	**0.8%**	(50 bps)

- Higher expected returns due to increased risk-free rate
- Negative persistency and expense assumption changes
- Assumption changes include transfer of some protection business to the new tax fund

1. Post-tax.
2. Includes South Africa, Namibia, Zimbabwe, Colombia, Mexico and AIVA at MCEV; Rest of Africa at IFRS NAV and excludes India & China.
3. Includes "development cost variances" from MCEV statement, excluding investment variances.
4. Includes "methodology changes and management actions" from MCEV statement, excluding economic variances.

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OUR ROLE IN SOCIETY – SUSTAINABILITY THROUGH
DELIVERING VALUE TO ALL STAKEHOLDERS AND DRIVING POSITIVE CHANGE

RESPONSIBLE INVESTMENT

- **R21bn** invested in affordable housing
- **R59bn** invested in other infrastructure
- **R20bn** invested in renewable energy
- **R942m** spent on sustainable agriculture
- Old Mutual Responsible Investment Equity Index Fund launched
- **R2bn** in Small, Medium and Micro-sized Enterprises financing
- Futuregrowth named Imbasa Yegolide Bond Manager of the Year

CUSTOMERS

- Enabling positive futures for 10.9m customers
- **R10.0bn** risk and protection claims paid in OMEM
- **R7.2bn** P&C claims paid across OMEM
- **R13.6bn** pensions paid across OMEM
- **R1 trillion** total funds under management
- **44 472** Tax Free Savings Plans opened to date
- **215 000** My Money Accounts opened to date
- **No.1** brand in the Long-Term Insurance category of the Sunday Times Top Brand Awards for the 12th year in a row

EMPLOYEES

- **28 565** employees across 19 emerging markets
- **95.29** BBBEE score (level 2 status)
- 2016 Most Empowered Employment Equity Company
- **No. 1** Top Employer in Financial Services and Insurance for the sixth year in a row
- Certified **Top Employer** across Africa in **13** countries (up from 8 countries last year)

SOCIO-ECONOMIC DEVELOPMENT

- **155 000** attendees of financial education workshops
- **R40m** committed to the Small, Medium and Micro-sized Enterprises Fund as founded by the CEO Initiative
- **R142m** invested in community programmes:
  - **R27m** in financial education
  - **R76m** in education
  - **R39m** in skills and community development

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OMEM BUSINESS READINESS UPDATE

BUSINESS UNIT PERFORMANCE	• Deliver on target RoE in East Africa • M&F turnaround and underwriting margin of 4% - 6%
STRATEGIC REVIEW OF PORTFOLIO	• Focus on Sub-Saharan Africa • Optimisation opportunity of c.R3.4 billion in NAV
CAPITAL	• Appropriately capitalised • Resilient to stress scenarios
ENTERPRISE RISK MANAGEMENT	• Bolstering 2nd and 3rd line defence • Focus on credit risk management
TARGET OPERATING MODEL	• Managed separation one-off costs, recurring costs • Lower cost to income ratio, sub-inflation cost growth
BOARD AND EXECUTIVE MANAGEMENT	• Strong and highly experienced leadership team • Progress on CEO succession

Consistent focus on capital allocation and value creation

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OMEM: SUMMARY

Strong life results across our markets, underwriting profit under pressure
South Africa business continues to deliver superior results, consumer remains constrained
Delivering M&F turnaround, improved OMIG performance & East Africa execution
Focus on cost efficiency, simplifying governance structure
Clear strategy direction and commitment to Sub-Saharan Africa
Continue building capabilities and business readiness for separation

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BUSINESS REVIEWS

Bruce Hemphill

9 March 2017

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OLD MUTUAL WEALTH: WELL PLACED TO CAPITALISE ON OPPORTUNITIES IN A LARGE & GROWING MARKET

Market opportunity

- Large wealth management market
- Structural shift of assets towards leading investment platforms
- Savings & advice gaps present growth opportunities

2016 delivery

- Decent financial results in a tough macro: strong H2
- Building a strong Board for independence
- Continuing the IT transformation project

Business strengths

- Clear strategy
- Well positioned
- Access to margins across the value chain
- Strong discretionary, wholesale, retail and platform propositions

Areas being addressed

- Building operating leverage
  - Managing the cost base
  - Rationing allocation of investment resources
  - Delivering the target operating model
  - Improving operating margins over time

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OMEM: STRONG FRANCHISE AND WELL POSITIONED TO CAPTURE GROWTH IN SUB-SAHARAN AFRICA

Market opportunity

- Long-term structural shifts supporting GDP growth
- Significant financial services opportunity
- South Africa the most developed market in Africa
- Good growth prospects over longer term

2016 delivery

- Good resilience in South Africa
- H2 stronger than H1
- Building a strong Board
- Focus on cost management

Business strengths

- High-return and cash-generative businesses in SA
- A leader in African financial services
- Broad spectrum of customers and products
- Integrated offering

Areas being addressed

- Sustaining turnaround for East Africa and M&F
- Building future-proofing
- Delivering the target operating model

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NEDBANK: GOOD RETURNS AND WELL POSITIONED TO CAPTURE GROWTH IN SUB-SAHARAN AFRICA

Market opportunity

- Long-term structural shifts supporting GDP growth
- Significant financial services opportunity
- South Africa most developed market in Africa
- Good growth prospects over longer term

2016 delivery

- Headline earnings[2] up 6% to R11.5bn
- Non-interest revenue up 8% to R23.5bn
- Credit loss ratio improved by 9bps to 0.68%
- Tier 1 ratio 13.0%
- ROE (excluding goodwill) 16.5%

Business strengths

- 4th largest bank in Sub Saharan Africa[1]
- Corporate and Commercial strength
- Good risk-adjusted returns
- Well-run business

Areas being addressed

- Delivering value from ETI relationship
- Increasing market share in SA Retail
- Reducing cost to income ratio
- Continuing to invest in growth areas

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1. Measured by total assets. Source: The Africa Report, September 2016.
2. Headline earnings are stated post-tax and local minority interest.

OMAM: WELL POSITIONED FOR GROWTH IN THE US INVESTMENT MARKET

Market opportunity

- Largest asset pool in the world
- Good growth prospects
- Strong demand for active institutional asset management
- Multi-boutique model best placed to deliver consistent alpha generation

2016 delivery

- AOP (pre-tax)[1] $195m, AOP operating margin[2] 36%
- Annualised revenue impact of net flows[3] $11.0m
- Average AuM $223.1bn
- Landmark Partners accretive to earnings & flows

Business strengths

- Clear & tight strategy
- Multi-boutique institutional asset management
- Diversified leading investment affiliates
- Good organic & inorganic growth prospects
- Growing global distribution

Areas being addressed

- Further diversification into other asset classes
- Optimising the cost base
- Monetising growth initiatives

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1. AOP is after affiliate key employee distributions and after interest expense.
2. Operating margin is before affiliate key employee distributions and before interest expense.
3. Annualised revenue is calculated by multiplying the annual gross fee rate for the relevant account by the net assets gained/lost in the account.

OUTLOOK & SUMMARY

Bruce Hemphill

9 March 2017

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MANAGED SEPARATION IS THE OPTIMAL STRATEGY FOR **UNLOCKING VALUE**[1]

c. £95m[2] of plc Head Office operating costs removed

+ **Value uplift from removal of the conglomerate discount**

+ **Value uplift from enhanced business performance**

+ **Value uplift from re-rating when businesses are owned by the right shareholders**

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1. Illustrative / estimates and subject to change
2. Based on 2015 actuals.

IN 2017, PREPARING THE GROUND FOR **MATERIAL COMPLETION OF MANAGED SEPARATION BY END OF 2018**

Ensuring business readiness for separation	• Complete strengthening of Boards and governance • Strengthen management teams where needed • Appropriately prepare underlying balance sheets
Executing transactions	• Stakeholder approvals • Continue phased reduction of OMAM stake • Prepare for OMW and SA Topco listing in 2018
Winding-down plc Head Office	• Continue transition of activities & phased reduction in headcount • Managing the existing plc Head Office as appropriate

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SUMMARY

Meaningful progress on the managed separation
Resilient operational performance delivered against a continuing volatile macro
Good financial result : appropriate dividend to shareholders
Managed separation is the optimal strategy for unlocking value
On track for material completion by end-2018

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Q&A

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PRELIMINARY RESULTS 2016

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