AFRICA INVESTOR ROADSHOW

22 – 24 June 2015

INVESTMENT | SAVINGS | INSURANCE | BANKING

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AGENDA

Monday, 22 June	**Old Mutual West Africa**
Tuesday, 23 June	**Old Mutual West Africa**
Wednesday, 24 June	**Old Mutual East Africa**
Biographies	

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WEST AFRICA
22 & 23 JUNE 2015

22 June 2015

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WEST AFRICA AGENDA

- Our Rest of Africa Footprint
- Country Overviews – Nigeria, Ghana
- Old Mutual West Africa – Structure, Key Success Factors
- Progress to date – Products, Distribution
- Looking Ahead
- Appendices

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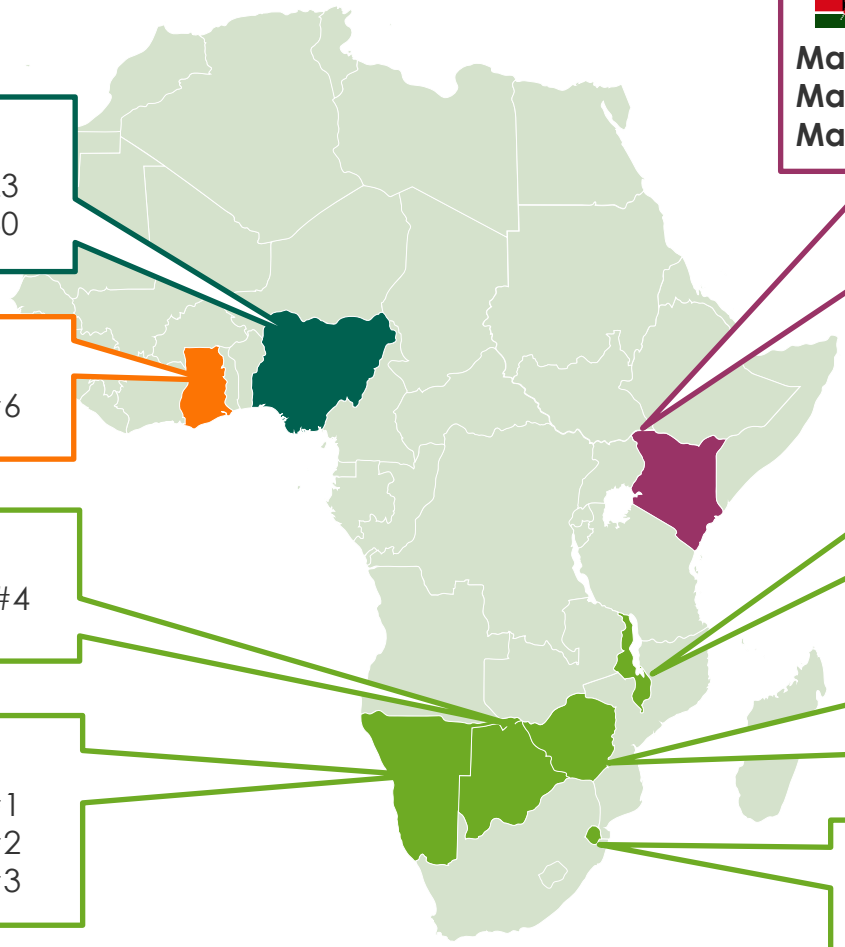
OUR REST OF AFRICA FOOTPRINT

OUR REST OF AFRICA FOOTPRINT



Nigeria: Pop: 174m

Market position: Life #23
Market position: General #30

Ghana: Pop: 26m

Market position: Life #6

Botswana: Pop: 2m

Market position: P&C #4

Namibia: Pop: 2m

Market position: Life #1
Market position: P&C #2
Market position: Asset Mgmt #3

Kenya: Pop: 45m

Market position: Life #9
Market position: Asset Mgmt #3
Market position: Banking[1] #2

Malawi: Pop: 18m

Market position: Life #1
Market position: Asset Mgmt #1

Zimbabwe: Pop: 13m

Market position: Life #1
Market position: P&C #1
Market position: Asset Mgmt #1
Market position: Banking #2

Swaziland: Pop: 1m

Market position: Life #2
Market position: P&C #1

Source: IMF Database, OMEM Competitor Landscape as at December 2014

1. Based on deposit-taking microfinance institutions composite index rather than full banking sector
2. Does not include UAP data

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NIGERIA & GHANA COUNTRY OVERVIEWS

INVESTMENT | SAVINGS | INSURANCE | BANKING

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NIGERIA: MARKET OVERVIEW

ECONOMIC AND SOCIO-POLITICAL UPDATE

Financial

- **Naira exchange rate**[1]: 17% decline YTD currently N199/$
- **Brent crude price**[2]: 9% increase YTD
- **All Share Index**[3]: 6.4% increase YTD
- **Inflation**[1]: 8.5% in Mar. 2015, up 0.1% from previous month
- **Monetary Policy Rate**: 13%

Regulatory

- **Guidelines issued by the Central Bank of Nigeria (CBN) in March '15 on Bancassurance**, NAICOM issued clarification note that is still to advise Insurance companies of its' position on Bancassurance
- Circular issued in May '15 focussed on **"Facultative Reinsurance with the African Reinsurance Corporation" which** establishes standards to guide the practice of facultative insurance between insurance companies and reinsurers in Nigeria

Socio-Political

- Following a tightly contested and peaceful election / transition period, the new government under the leadership of **President Muhammadu Buhari has assumed office**
- **Population –** 174 million, **almost 78% below age 35**
- **Urban** population **– 46% in 2013**
- **Religion – even spread between Christianity and Islam**
- **Life expectancy – 52 years**

1. www.cbn.gov.ng
2. www.opec.org
3. www.nse.org.ng

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GHANA: MARKET OVERVIEW

ECONOMIC AND SOCIO-POLITICAL UPDATE

Financial

- **Cedi exchange rate[1]:** Sharp decline in Cedi recently
- **Inflation[2]: 16.9%** in May '15 **up** from 16.8% in April '15
- US$400 million International Bond issued in April '15
- **BOG Monetary Policy Rate[1] :** Currently 22% vs 19% in Nov '14
- Insurance penetration less than 1.5%
- Insurance **premium growth** since 2010 - **35% CAGR**
- **Top 6 Insurance players** hold 2/3 of market
- 45 domestic and foreign insurance companies operating
- Oil reserves boosting energy sector growth

Regulatory

- **New Solvency Framework** introduced in Jan '15 , implementation in 2016
- The new regime includes a risk adjusted approach to the determination of Capital Adequacy requirements of both Life and Non-Life insurance companies
- **Anti-money laundering** – Key focus for The National Insurance Commission and the Financial Intelligence Centre
- **Pension fund reforms** driving growth in premiums

Socio-Political

- **Population – 27 million,** 75% under age 35 in 2010
- **Religion – 71%** Christian, **18%** Muslim
- **Life expectancy –** 61 years
- **Political system –** Multi-party democracy
- **Urban population – 51%** (2010 Census)

1. www.bog.gov.gh
2. www.reuters.com

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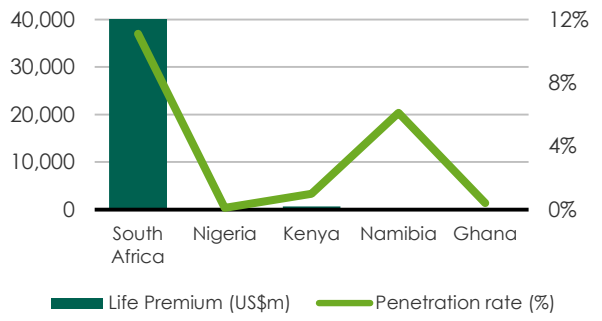
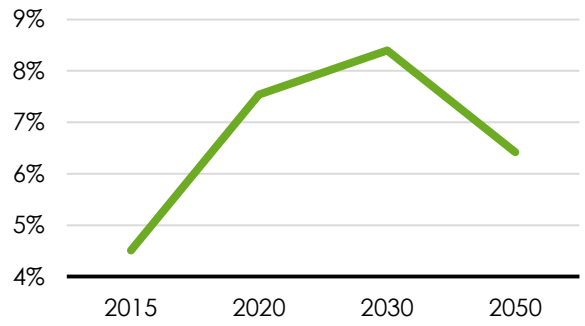
INSURANCE OPPORTUNITY IN NIGERIA

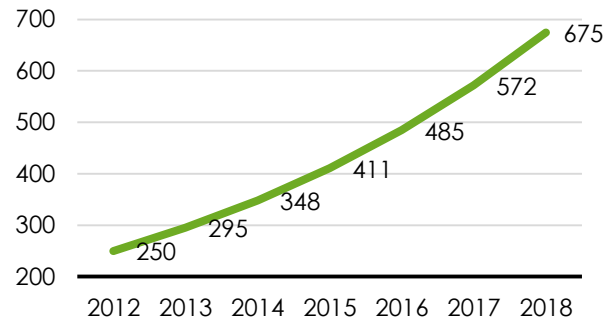
Insurance penetration



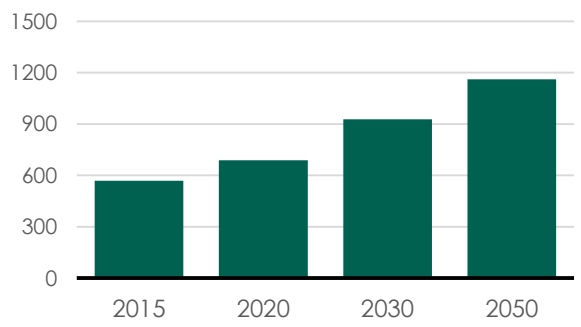
GDP Growth (%)



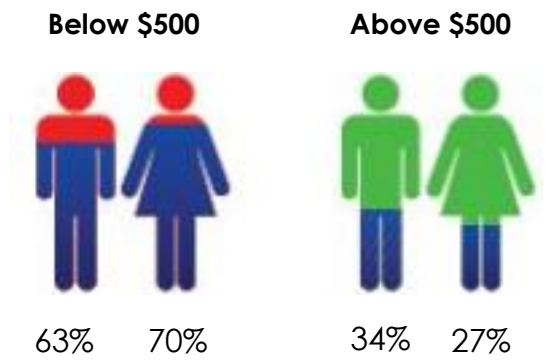
GWP Growth Trends (N bn)



Nigeria GDP per capita Forecast



Income distribution by gender[1]



- Gross written premium expected to increase 2.7x by 2018
- Strong GDP growth trends
- Approximately 174m People with a GDP of over $509bn
- Insurance penetration below 1% providing catalyst for investment

1. Income per month

Source: http://www.tradingeconomics.com/nigeria/forecast

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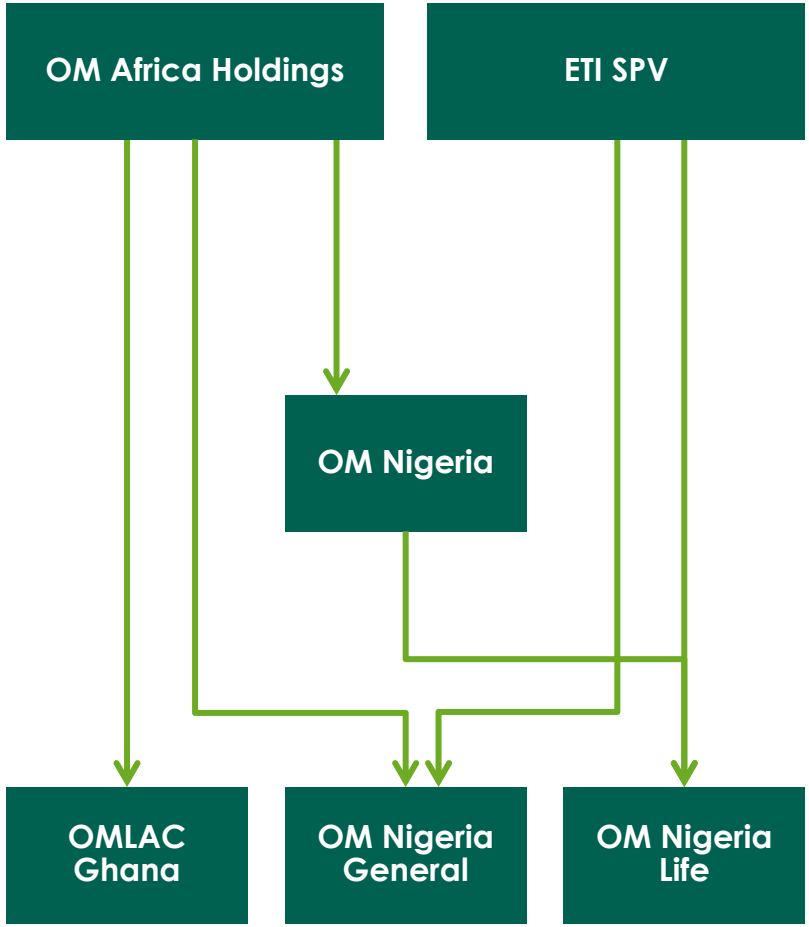
HOW WE ARE STRUCTURED

OLD MUTUAL WEST AFRICA'S BRIEF HISTORY



In March 2013, Old Mutual completed the acquisition of a majority interest in **Oceanic Life Insurance**. The existing operations of Old Mutual Nigeria Life Insurance Company Limited were merged with those of Oceanic Life Assurance Limited

In November 2013, Old Mutual acquired a majority stake in **Oceanic General Insurance** in Nigeria from Ecobank Transactional Incorporated (ETI)

Oceanic Insurance is a small but profitable short-term insurance business, with its head office in Lagos and a presence in 18 branches of Ecobank Nigeria.

In September 2013, Old Mutual acquired a majority shareholding in **Provident Life Assurance Company Limited** from Provident Insurance Company Limited.

Provident is the sixth largest life company in Ghana, and provides life insurance and investment products' mainly via an agency force, growing aggressively and exceeded insurance sector growth in Ghana (c.37% in 2012/2013), growing by c.70% in 2011

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OLD MUTUAL WEST AFRICA (OMWA) TEAM

OMEM CEO
Ralph Mupita

Regional CEO: OMWA
Zomunoda Chizura

Group CEO Ghana
Chris Kapanga

- **Head of Distribution** Linda Mariwande
- **CFO** Mark Thompson
- **COO** Vacant
- **Actuary** Erich Gariseb
- **Marketing** Vacant

Group CEO Nigeria
Zomunoda Chizura

- **MD Life** Keith Alford
- **MD General** Rachel Emenike
- **CFO** Morounke Olufemi
- **COO** Renette Rheeder
- **Actuary** Yeside Kazeem
- **Marketing** Chike Ogwo

OMWA Head of Strategy
Stanley Gabriel

- **Strategy Manager** Rewa Umunna
- **Bancassurance** Toyosi Olatunji

OMWA Finance Director
Louis Jordaan

OMWA Corporate Governance
Oluwasola Mabadeje

The West Africa business benefits from global experience which is also local with a functioning blend of expatriates, repatriates from the diaspora and local talent.

- Local Hires
- Expatriates
- Repatriates

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CRITICAL SUCCESS FACTORS

CRITICAL SUCCESS FACTORS FOR OUR BUSINESS

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PROGRESS TO DATE
-PRODUCTS & DISTRIBUTION

OLD MUTUAL WEST AFRICA PROGRESS

STRATEGIC INTENT

To build scale across our product offering and distribution in our chosen markets

KEY DELIVERIES TO DATE

Nigeria

- Launched **March 2013** with the acquisition of a Life company and November 2013 with P&C acquisition
- Commenced P&C and Life operations in 2013 in **partnership with Ecobank**
- **Launched the Retail Mass Market** worksite model & trained tied advisers
- **New products** - Retail Mass Risk and Savings products
- **Enhanced the Group Life corporate product**
- Three Banking Partnerships (Ecobank, Mainstreet Bank & Wema Bank)
- Identified 20 Ecobank branches to pilot retail bancassurance distribution ahead of regulatory changes

Ghana

- Launched **September 2013** with the acquisition of Life company
- **Provident Life rebranded** to Old Mutual Ghana in Nov 2014
- Tied advisors reached **428** in Q1'15
- **Nine branches** and two agency offices
- **Launched bancassurance with Ecobank** in 35 branches
- **Revamped** and enhanced the existing Funeral and Credit Life products
- **Successful pilot in 35 Ecobank branches** with 16 Advisors
- **Expanding** this to the full branch network by 2016

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STRATEGIC BANCASSURANCE PARTNERSHIP

Ecobank
The Pan African Bank

Ecobank is **Old Mutual Nigeria's** banking partner of choice. Although we currently offer Credit Life we are engaging with Ecobank to provide additional segmented offerings to their customer base.

Ecobank is **Old Mutual Ghana's** banking partner of choice. OM Ghana is currently working to increase its corporate distribution and bancassurance capabilities by introducing innovative offerings.

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NIGERIA RETAIL MASS MARKET (RMM)

Products

Our RMM model is unique in the Nigerian market; both West African businesses are leveraging off Old Mutual capabilities to enable success. In Nigeria we currently offer the Family Plan and the Savings Plan in and are exploring avenues of direct client marketing.

Distribution

Positive market response since inception in late 2014 will be industrialised through:

- Regulatory engagements to expand Bancassurance
- Grow tied **advisors to 150** by year end
- **Accelerating investment** in branch infrastructure and advisor mobility
- **Leveraging SA retail mass expertise**
- Use of technology to improve productivity
- **Expanding our worksite mode**l from 53 to 160 worksites
- **Average premium** size per policy to date is **double** the business case expectations
- Developing relevant and innovative **digital platforms**

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GHANA RETAIL MASS MARKET (RMM)

Products

- Old Mutual acquired provident life with an existing retail mass portfolio. There are 8 retail products in existence: **2 savings products and 6 risk products**.
- 80% of sales are from the 2 savings products; Special Investment Plan (SIP) and educator plan.

How do I save for a better future for my family?

LET'S TALK **SPECIAL INVESTMENT PLANS**

Don't take chances, guarantee your retirement income. Let Old Mutual Life Company make your dream a reality. Our Special Investment Plan policy provides the opportunity for you to comfortably set up a retirement fund, which is inflation friendly and in addition has a secure Life Assurance protection.

Benefits of the plan

- Total financial security when you retire: It provides you a substantial cash sum of GH¢120,000 or more at your disposal when you retire.
- Interest-free policy loans: A plan gains value after 2 years of coming into force. After this period, the insured can apply for a policy loan. You can borrow up to 70% of the cash value of the plan.
- Life Assurance: The plan gives you and your family the total protection of the Life Assurance should the unespected happen.

How do I give my child the education he deserves?

LET'S TALK **EDUCATION PLAN**

The Old Mutual Educator Plan helps to meet your child's education needs. The policy is inflation friendly with high yielding investment that enables you to put aside some money over time to take care of your child's education. The policy offers protection even after the Life Assured (Parent) passes on.

Benefits of the policy

- Life Assurance Protection (LAP) for the child: In the event of untimely death of the parent,the policy will to the child will be the sum assured.
- Disability protection for parent: In the event of Total Permanent Disability (TPD), premium payment shall cease,however,the life cover will continue to be provided by Old Mutualuntil maturity of the policy.
- Policy loans available to pay fees: Parents may borrow from the policy after three; (3)years of being in force. You may also decide to cash-in after the same three year period if you so wish.
- Demise of Child: In the event of the death of the child prior to the end of the specified or agreed period,the cash value or investment fund is refunded to the parent and could be used as a retirement plan.

Distribution

- **Growing retail Sales Advisors in Ghana to 500 by 2015 including hiring of 42 sales managers, 10 branch managers and 2 regional managers**; currently have 438 Sales Advisers and 24 Sales Managers and 1 regional manager.
- Improving adviser mobility by investing in local branch infrastructure.
- **Official launch of bancassurance partnership with Ecobank on 14th May 2015**. Selling through **35 branches** and looking to roll out in all 79 branches by end of July 2015. Partnership with 3 other major banks are being explored to expand distribution outlets.

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GENERAL INSURANCE BUSINESS – NIGERIA

Products

1. Motor Insurance
2. Oil & Gas
3. Aviation & Special Risks
4. Marine
5. Fire & Special Risks
6. Home Owners Insurance
7. Others

Distribution initiatives by channel

Brokers

A Broker Value Proposition initiated to increase our wallet share amongst the industry brokers from 1% up to 5% via training programmes to assist them with their regulatory requirements

Bancassurance

We continue to leverage our Ecobank relationship and bolstering distribution by offering effective bundling and flexibility of product / pricing and mining their corporate database

Direct

Targeted approach to direct business leveraging the Old Mutual brand e.g. listed companies, South African Chambers. Products are also sold to retail customers

Alternative

Distribution partnerships with Mobile Network Operator's, premium collection solutions for products and distribution partnerships with retailers (Shoprite, Game etc)

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LOOKING AHEAD

LOOKING AHEAD

1. **Clear strategy:**
   Building a West African financial services champion by 2020
2. **Well positioned for growth in West Africa with competitive advantage**
3. **Focusing on meeting customer needs and enhancing our brand**
4. **Expanding distribution network including Bancassurance partnerships**
5. **Broaden capabilities to include Corporate Pensions Management and Asset Management in the near term**

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Q & A

APPENDICES

1. ADVERTISING CAMPAIGN - NIGERIA

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2. ADVERTISING CAMPAIGN - GHANA

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EAST AFRICA
24 JUNE 2015

24 June 2015

Peter Mwangi, CEO Old Mutual Kenya

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EAST AFRICA AGENDA

- Old Mutual Emerging Markets – At a glance
- Kenya Overview
- Old Mutual Kenya
- Strategy for Growth
- Outlook
- Appendices

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OLD MUTUAL EMERGING MARKETS

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EMERGING MARKETS AT A GLANCE - FY 2014

South Africa[1]

Customer # **5.9m**

FuM **R716bn**

Rest of Africa

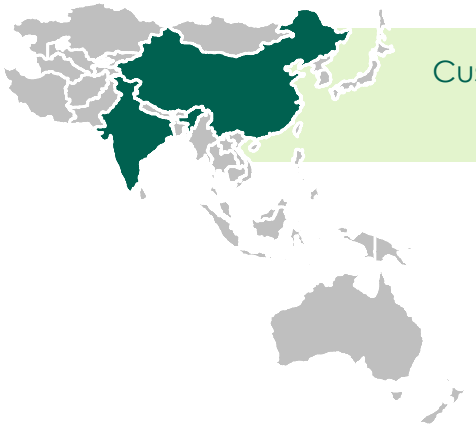
3.1m Customer #

R62bn FuM

Latin America

456k Customer #

R111bn FuM



Asia[2]

Customer # **69k**

FuM **R16bn**

FUM
R904.9bn

NCCF
R21.3bn

IFRS AOP
R11.0bn

Customers
c. 9m

Employees
c. 25k

1. Includes retail and corporate customers
2. Excludes customers in India
3. Note: Figures do not include Nedbank

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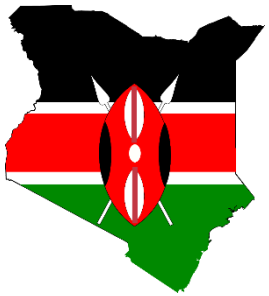
KENYA OVERVIEW

COUNTRY OVERVIEW



ECONOMICS

GDP	$55.24bn
GDP per capita	$1,246
GDP Growth 2014	5.3%
Central Bank Rate	8.5%
Inflation Rate May 2015	6.87%
KES/$ May 2015	97.78

2015 GDP growth estimates of 6 – 7% driven by private sector credit growth, growing FDI & accelerated pace of implementation of infrastructure projects (Standard Gauge Railway, LAPPSET)

DEMOGRAPHICS

National languages	Swahili and English
Religion	Christian 82.5%; Muslim 15%; Other 2.5%
Population[1] 2013 est	44 million (75% below the age of 35)
Life expectancy	62 years

Political System:
Multi-party democracy. General elections held every 5 years. New constitution promulgated in 2010 establishing a devolved system of government.

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1. 2009 census put the Kenya population at about 39m. The 2013 estimate is based on World Bank data.

OM MARKET POSITIONING IN KENYA

Banking 31/12/2014

- 44 banking institutions, 9 MFBs
- Net assets - KES 3,200B ($35.3b)
- Customer deposits – KES 2,290b ($25.3b)
- Branch Network – 1,443
- Agency Network – 35,847

Faulu

#2 DTM in Kenya

Insurance 31/12/2014 (KE) 31/12/2013 (UG & SS)

- 48 insurance companies
- Gross written premiums – KES 158b ($1.7b) (64% short-term business, 36% long-term business)
- Total assets KES 386b ($4.3b)
- Insurance penetration at 3%
- Agency network – 4,631

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UAP Better. Simple. Life.

#7 combined Life insurer in Kenya

#5 P & C insurer in Kenya

#4 Health insurer in Kenya

#2 P & C and Health insurer in Uganda

#3 Life insurer in Uganda

#1 P & C and Health insurer in South Sudan

Asset Management 30/06/2014

- 16 registered fund managers
- Pension assets under management KES 750b ($8.6b)

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UAP Better. Simple. Life.

#4 Asset Manager in Kenya

Source: Central Bank of Kenya, Insurance Regulatory Authority in Kenya & Uganda

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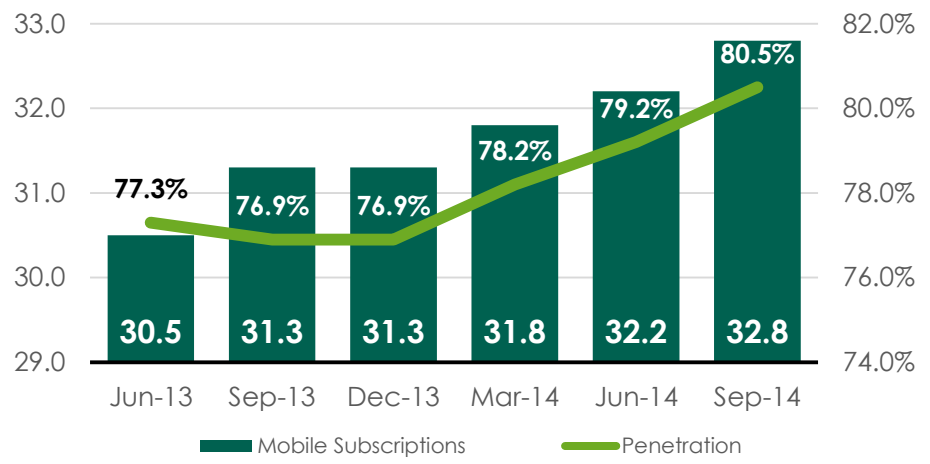
DIGITAL DISTRIBUTION – KEY TO ACHIEVING OUR OBJECTIVES

MOBILE SUBSCRIPTIONS



MOBILE MONEY

Provider	Agents	Subscriptions (m)
Safaricom	80,330	19,9
Airtel	12,438	3,3
Essar	284	2,1
Orange	12,137	0,2
Mobikash	9,799	1,4
Total	**114,988**	**27**

- High mobile penetration based on subscriptions
- Mobile money penetration based on subscriptions also high – c60%
- Huge agency network – c3x banking sector agency network
- Mobile financial services predominantly in the banking sector driven by M-PESA. KES 2,400B transacted through mobile phones in 2014 which is more money than is held as deposits in the banking sector

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Source: Communications Authority of Kenya

OLD MUTUAL KENYA

INVESTMENT | SAVINGS | INSURANCE | BANKING

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OM HISTORY IN KENYA

1930

Old Mutual launches life operations in Kenya

1973 - 1994

Old Mutual closes to New Business – Government of Kenya changes income legislation – abolishes / reduces concessions on life assurance premiums and increases taxation of non-domestic life offices.

1997

Old Mutual Investment Services (Kenya) Limited is formed

2002

Old Mutual Asset Management becomes the largest private asset management company in Kenya with Ksh 30b AUM following acquisition of Barclays trust.

2010

Old Mutual acquires a controlling stake in the stock broker Reliable Securities

2014

Old Mutual acquires a controlling stake Faulu Microfinance Bank – the No.2 DTM in Kenya

2015

Old Mutual acquires controlling stake in UAP holdings

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OLD MUTUAL KENYA TEAM

OMEM CEO Ralph Mupita

REGIONAL CEO: SEA Tavaziva Madzinga

Group CEO Peter Mwangi

- **Life MD:** Chris Nyokangi
- **OMIG ED:** Patricia Kiwanuka
  - **OMIG CIO:** Peter Anderson CFA
- **FAULU MD:** Charles Njuguna
- **OMK Head of Strategy:** Martin Karenju FIA
- **Head of Stock Brokerage:** Samwel Kiraka
- **Ag. Group CFO:** Joseph Kahenya
  - **Actuarial Executive:** Joseph Birundu
- **Deputy CEO:** Kevin Terry
  - **Group HR Manager** William Wambugu
  - **Group Head of Risk & Compliance:** Pauline Ngonyo
  - **Group Marketing Executive:** Charity Wainaina
  - **Head of Operations:** Asman Mugambi
  - **Ag. ICT Executive:** Patrick Mutisya

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UAP TEAM

GROUP MD: DOMINIC KIARIE

Group Executive Committee

UAP Insurance Kenya MD: James Wambugu	**UAP Insurance Tanzania MD:** Nick Itunga
UAP Life Insurance Kenya Ag MD: Mwanzo Moseti	**UAP Insurance South Sudan MD:** David Kuria
UAP Insurance Uganda MD: Zipporah Mungai	**UAP RDC SPRL MD:** Rosemary Brainerd
UAP Life Assurance Uganda MD: Anthony Githuka	**UAP Insurance Rwanda MD:** Pauline Wanjohi
UAP Financial Services Uganda GM: Patrick Ndonye	**UAP Investments Ltd GM:** Peter Ngeno

Group Management Team

Group CFO: Jackson Theuri	**Group Facilities Manager:** Jackson Theuri
Group Company Secretary: Nkirote Mworia	**Group Marketing Manager:** Catherine Obwino
Group CIO: Thomas Kong'ong'o	**Group HR Manager:** Winnie Pertet
Group Internal Audit Manager: Gerishon Mwangi	**Group Risk & Compliance Manager:** Eric Kisaka
Group Properties Manager: Sophia Muoni	**Group Actuarial Manager:** Amy Mokaya

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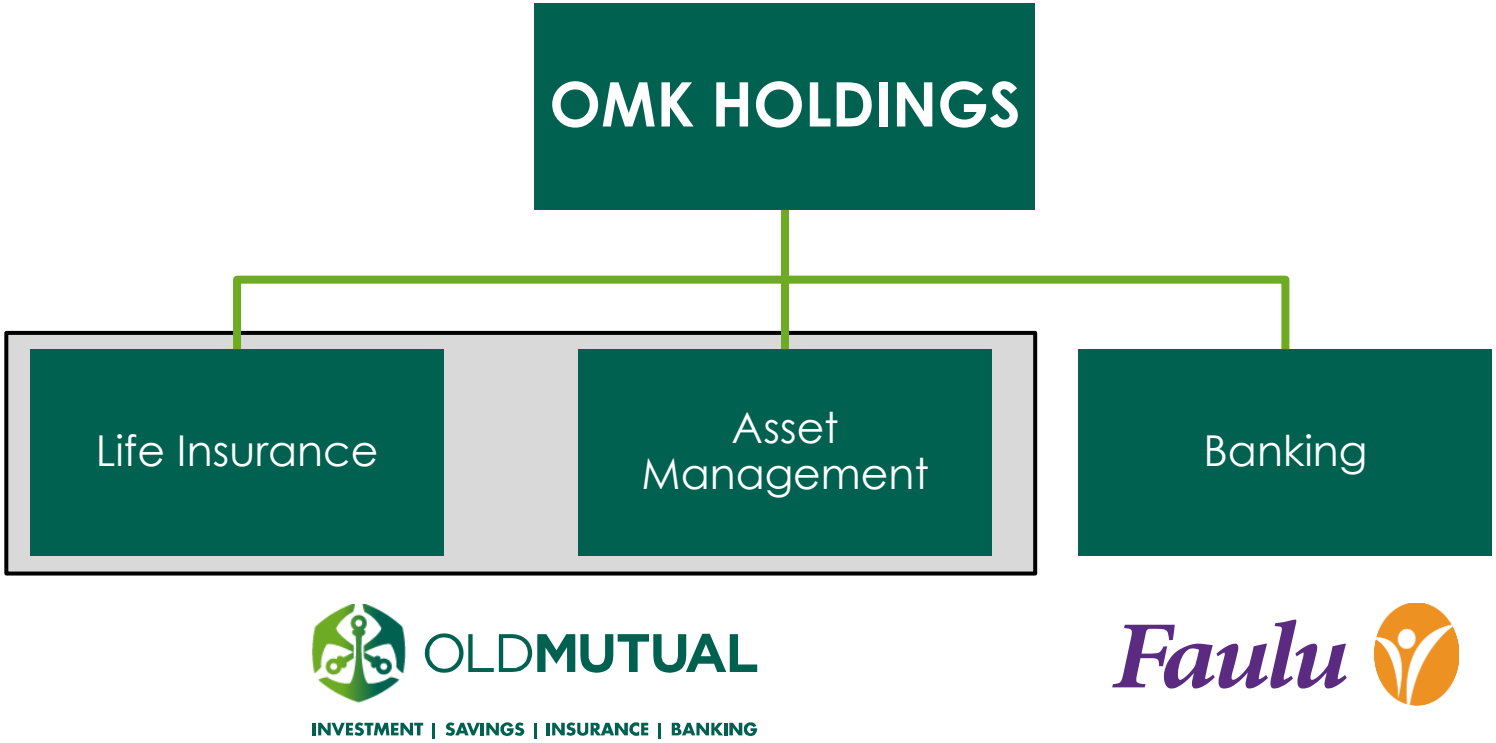
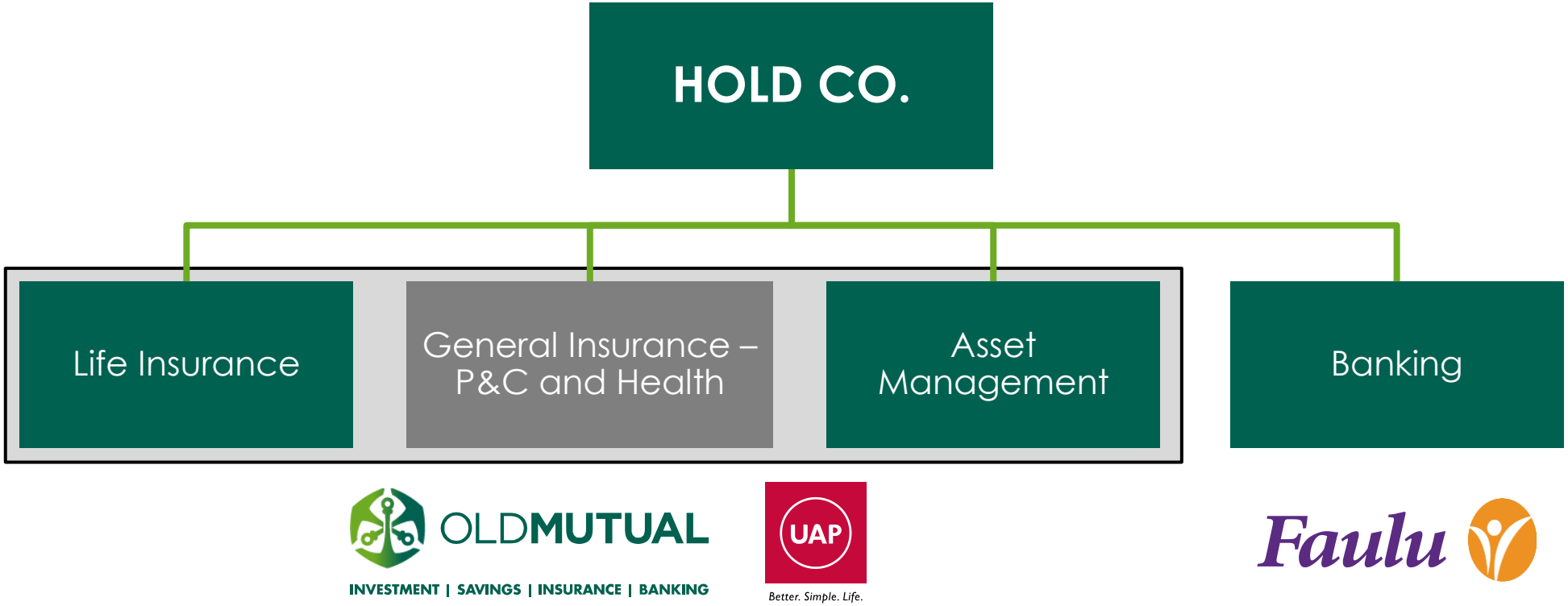
OMK BUSINESS LINES (CURRENT)



OMK BUSINESS LINES (POST UAP TRANSACTION)



Note: UAP also manages a significant property portfolio which further diversifies OMK revenue sources

DISTRIBUTION

CHANNEL		CUSTOMER SEGMENTS	PRODUCTS
Tied agents	Retail Affluent	Affluent	**Life insurance** Life Cover Severe Illness Disability **Savings** Education Plans Investment Plans
	Retail Mass	Mass	**Life insurance** Life Cover **Savings** Education Plans Investment Plans
Bancassurance	Faulu Ecobank Others	**Retail** Informal Mass **Corporate** MSMEs SMEs	**Retail** Funeral Life Cover Severe Illness Disability **Corporate** Credit Life Group Life Retirement solutions
Brokers	Alexander Forbes Others	**Corporates** Parastatals Large Private Organisations	**Corporate** Group Life Retirement solutions
Digital[1]		Informal	Savings

1. Digital channel allows any MPESA user to invest in our Unit Trust offerings. UAP use similar channels but with the broker channel being their most dominant. Merger will thus expand OMK's distribution reach.

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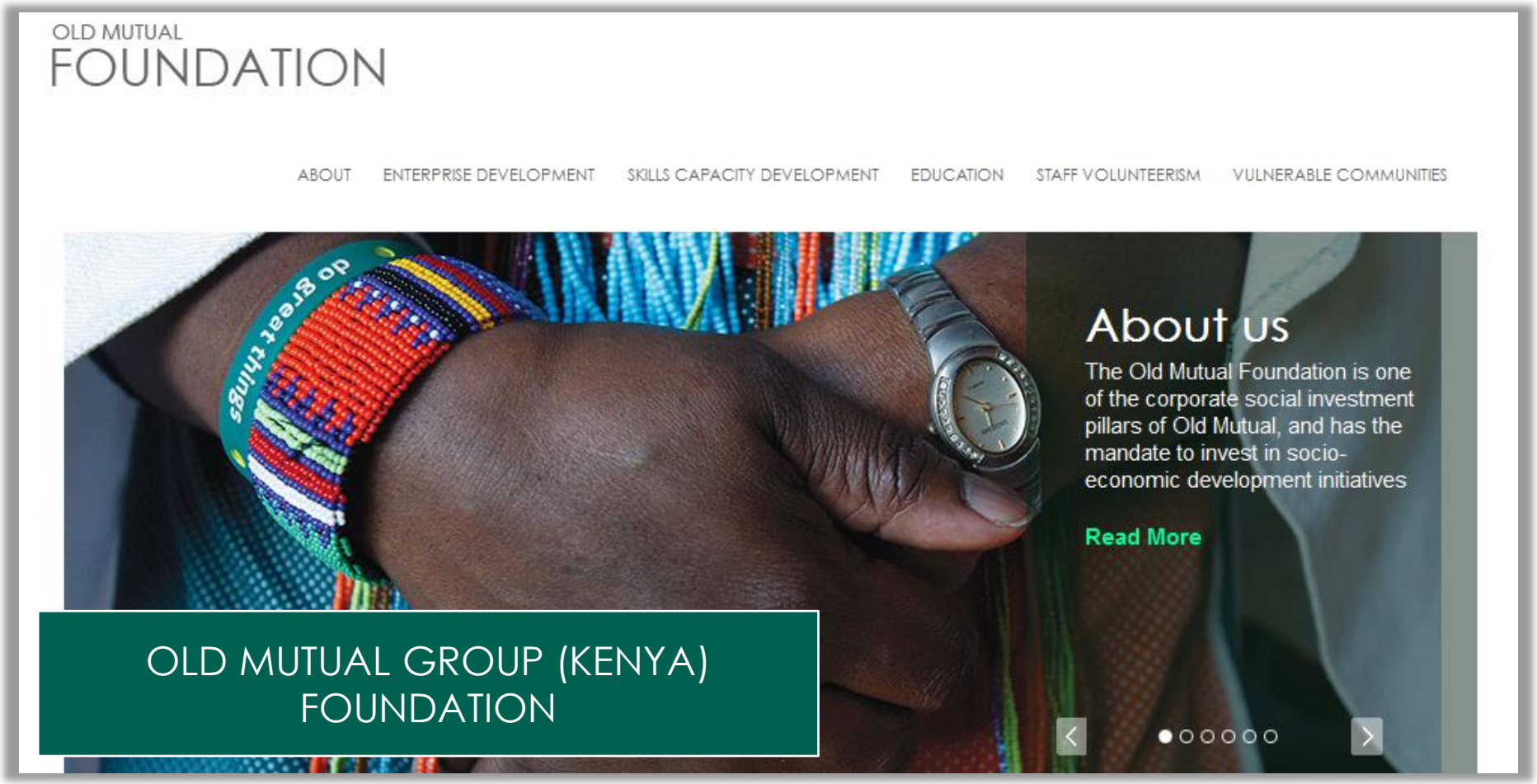
COMMUNITY INVOLVEMENT



OLD MUTUAL GROUP (KENYA) FOUNDATION

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STRATEGY FOR GROWTH

INVESTMENT | SAVINGS | INSURANCE | BANKING

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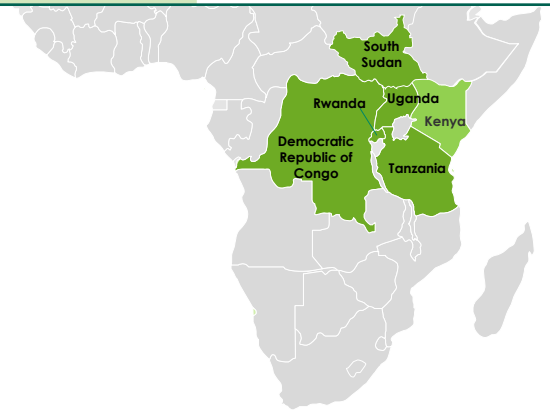
EXPANSION STRATEGY: EAST AFRICA

- Acquisition of 60.7% of UAP Holdings Limited:
  - Announced in January 2015.
  - All regulatory approvals received.
  - Completion expected in Q3.

- In line with our stated expansion strategy.
  - Provides a platform to grow in East Africa.
  - Will integrate with Old Mutual Kenya.
  - Joint life business will be no. 4 in market share.

UAP profile[1]

Country	Business	Market share	Market position
Kenya (2014)	• General • Health • Life	6% 12% 5%	5th 4th 7th
Uganda (2013)	• General • Health • Life	15% 21% 12%	2nd 2nd 3rd
South Sudan (2013)	• General • Health	~90% (est.)	1st
Tanzania (2013)	• General • Health	Small player acquired in 2013.	
DRC (2013)	• Brokerage	-	-
Rwanda (2013)	• General • Health	Established in 2013	



1. South Sudan market share based on expert opinion.
   Source: IRA Kenya Q4 2014 report; AXCO; IRA Uganda annual report 2013.

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OLD MUTUAL EAST AFRICA STRATEGY

EA Vision	To be our customers' most trusted partner, passionate about helping them achieve their lifetime financial goals
EA Strategy	Build an INTEGRATED FINANCIAL SERVICES CHAMPION in East Africa by leveraging the strength of our capabilities in the Global group

Market Needs		**Distribution**	
Retail clients	Insurance solutions Banking solutions Investment solutions Retirement solutions	**Retail clients**	OMLAC, OMIS, OMIG, OMS, FAULU, UAP
Corporate clients	Insurance solutions Banking solutions Investment solutions Retirement solutions	**Corporate clients**	

Key enablers	Strong brands in the region People and capability	Technology Superior customer service

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OLD MUTUAL KENYA OUTLOOK

1. **Clear strategy: Building an African financial services champion by 2020**
2. **Well positioned for growth in East Africa with competitive advantage via the Integrated Financial Services Construct**
3. **Favourable political & Macro-economic environment**
4. **Diversified distribution:**
   Tied agents, Broker Relationships, Bancassurance, Direct digital
5. **Strong Brands in the region**

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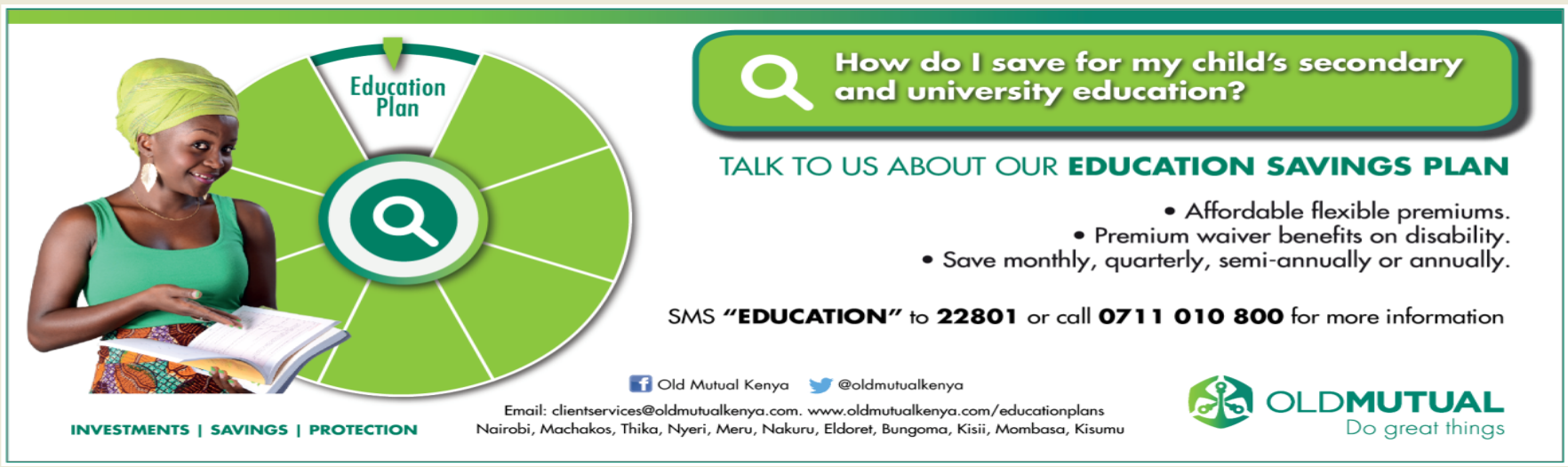
APPENDICES

1. PRODUCTS – SAVINGS



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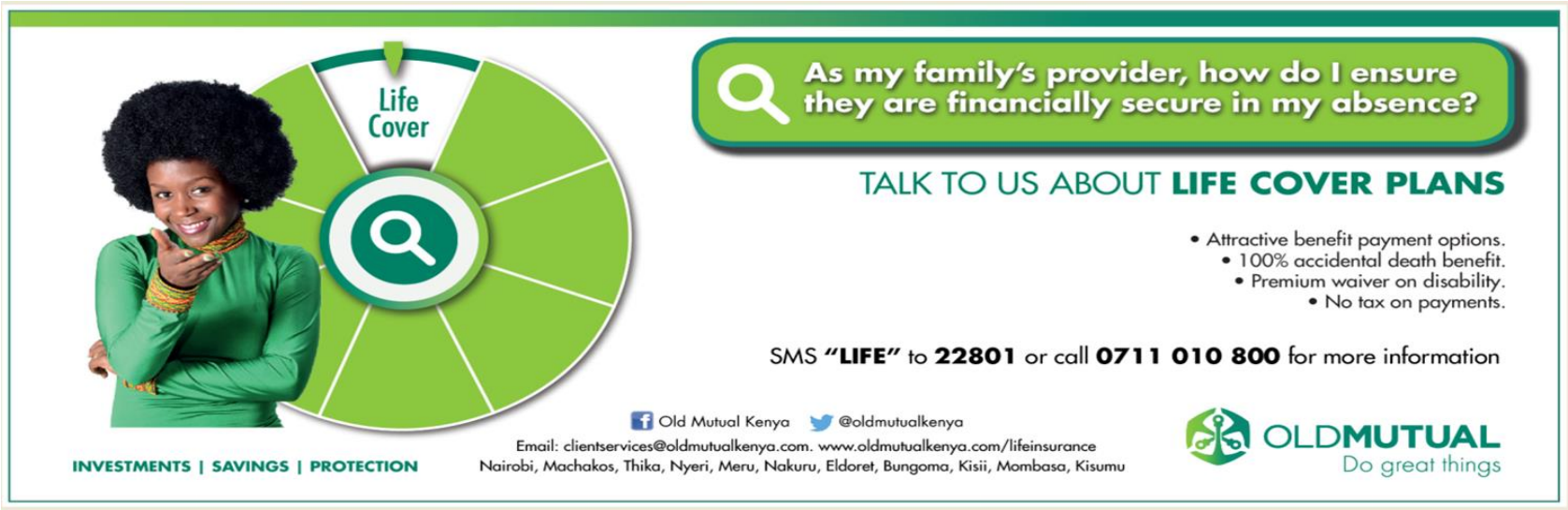
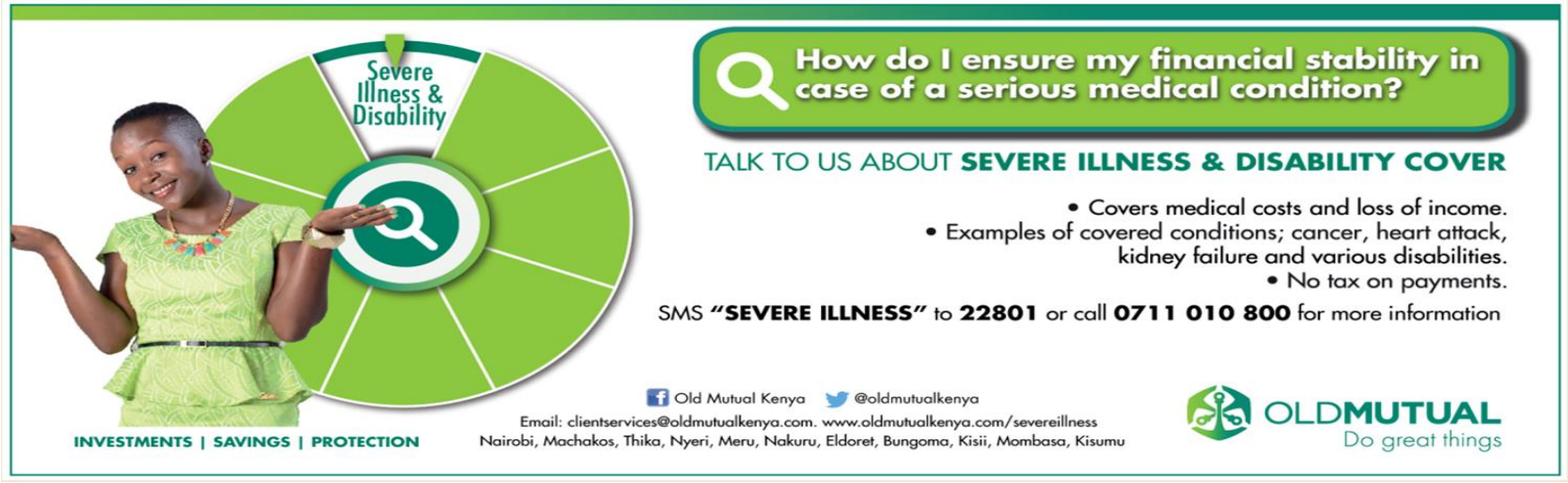
2. PRODUCTS – RISK





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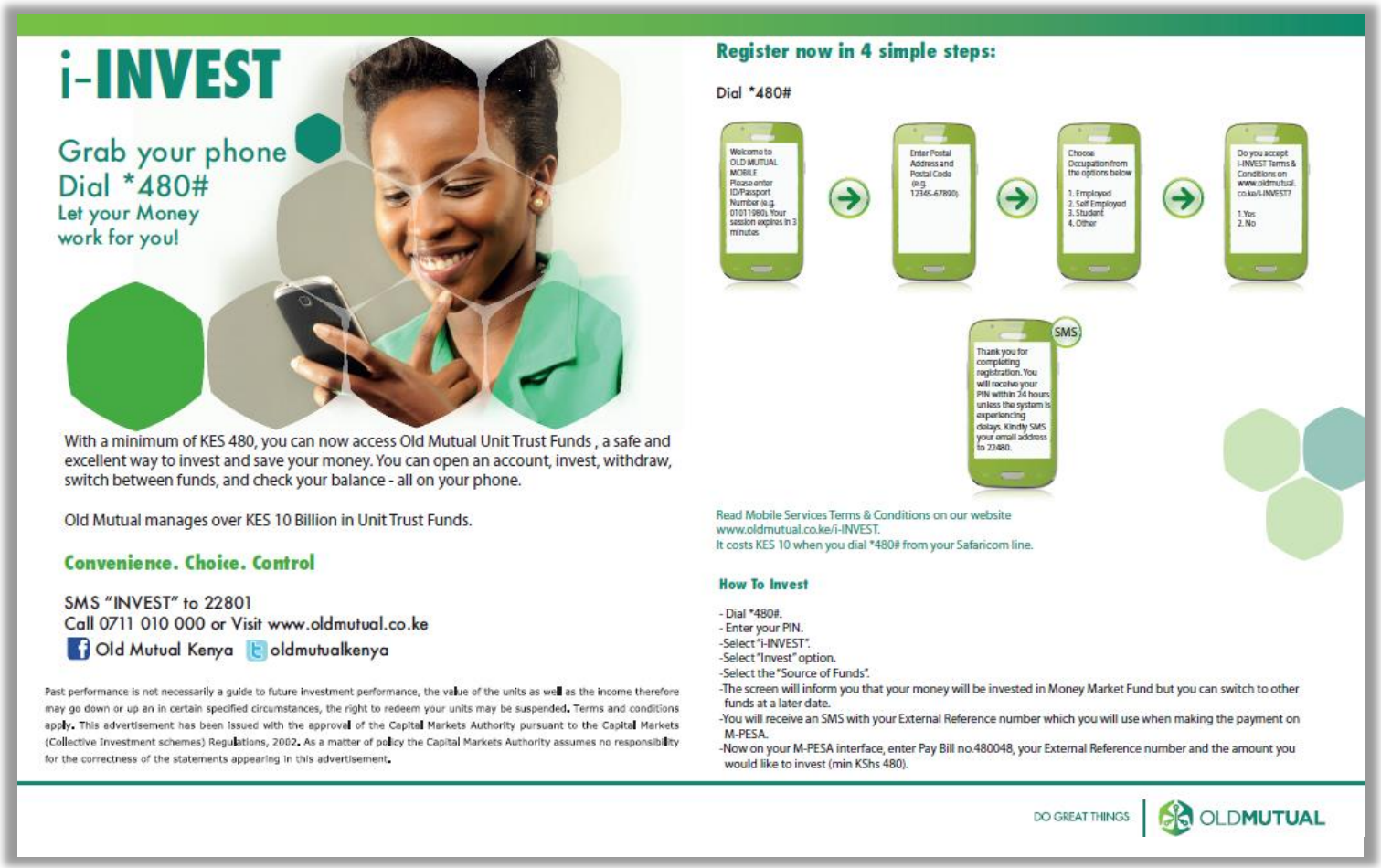
3. DIGITAL OFFERING



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4. FAULU KENYA FINANCIALS 2014

Faulu Microfinance Bank Limited

Audited Financial Statements as at 31 December 2014

A) STATEMENT OF COMPREHENSIVE INCOME

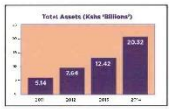
		AUDITED 31st December, 2014 KSh. '000'	AUDITED 31st December, 2013 KSh. '000'
1.0	**INCOME**		
1.1	Interest on Loan Portfolio	2,753,204	1,673,255
1.2	Fees and Commission on Loan Portfolio	596,929	376,265
1.3	Government Securities	78,871	55,208
1.4	Deposit and Balances with Banks and Financial Institutions	363,903	101,516
1.5	Other Investments	-	-
1.6	Other Operating Income	87,383	196,802
1.7	Non-Operating Income	4,719	7,735
1.8	**Total Income**	**3,883,009**	**2,361,401**
2.0	**EXPENSES**		
2.1	Interest and Fee Expense on Deposits	919,074	577,754
2.2	Other Fees and Commissions Expense	163,737	100,325
2.3	Provision for Loan Impairment	132,451	69,508
2.4	Staff Costs	1,056,393	605,795
2.5	Directors' Emoluments	8,387	2,940
2.6	Rental Charges	113,456	89,811
2.7	Depreciation Charges	80,180	80,253
2.8	Amortization Charges	22,226	16,817
2.9	Other Administrative Expense	637,682	557,434
2.10	**Total Expenses**	**3,134,318**	**1,905,630**
3.0	**OPERATING PROFIT**	**747,691**	**455,771**
4.0	Interest and Fee Expense on Borrowings (Finance Costs)	316,120	218,167
5.0	**PROFIT/(LOSS) BEFORE TAX**	**431,571**	**237,604**
6.0	Current Tax	132,625	71,922
7.0	**NET PROFIT (AFTER TAXES AND BEFORE DONATIONS)**	**298,946**	**165,682**
8.0	Donations for Operating Expense	-	-
9.0	**NET PROFIT AFTER TAXES**	**298,946**	**165,682**
10.0	**OTHER COMPREHENSIVE INCOME**		-
10.1	Surplus on Revaluation of Property	145,297	25,000
10.2	Deferred Tax on Revaluation Surplus	-43,589	-7,500
10.3	**TOTAL COMPREHENSIVE INCOME**	**400,654**	**183,182**

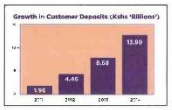
B) STATEMENT OF FINANCIAL POSITION

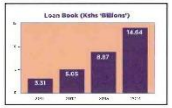
1.0	**ASSETS**		
1.1	Cash and Bank Balances	297,155	480,173
1.2	Short Term Deposits with Banks	2,544,007	971,413
1.3	Government Securities	779,999	737,887
1.4	Advances to Customers	14,488,587	8,724,915
1.5	Due from Related Organisations	-	-
1.6	Other Receivables	634,413	556,609
1.7	Tax Recoverable	12,594	1,803
1.8	Other Investment	46	46
1.9	Investment in Associate Companies	42,086	38,757
1.10	Intangible Assets	155,633	177,606
1.11	Property and Equipment	1,365,638	729,827
1.12	**Total Assets**	**20,319,958**	**12,419,216**
2.0	**LIABILITIES**		
2.1	Cash Collaterals held	1,341,181	1,485,650
2.2	Customer Deposits	12,646,278	7,198,184
2.3	Borrowings	1,339,477	2,069,975
2.4	Deferred Income	-	-
2.5	Deferred Tax Liability	69,452	-
2.6	Due to Related Organisations	-	1,362
2.7	Other Liabilities	1,136,167	820,883
2.8	Tax Payable	-	25,568
3.0	**Total Liabilities**	**16,532,575**	**11,621,422**
4.0	**SHARE CAPITAL & RESERVES**		
4.1	Share Capital	480,000	120,000
4.2	Share Premium	2,503,059	274,125
4.3	Retained Earnings	257,337	58,407
4.4	Revaluation Reserve	205,472	103,589
4.5	Statutory Reserve	341,315	241,673
4.6	Total Shareholders' Funds	**3,787,183**	**797,794**
5.0	**TOTAL LIABILITIES AND EQUITY**	**20,319,958**	**12,419,216**

C) OTHER DISCLOSURES

		AUDITED 31st December, 2014 KSh. '000'	AUDITED 31st December, 2013 KSh. '000'
1	**NON-PERFORMING LOANS AND ADVANCES**		
(a)	Gross Non-Performing Loans and Advances	606,222	466,848
	Less:		
(b)	Interest in Suspense	107,970	134,506
(c)	Total Non-Performing Loans and Advances (a-b)	498,252	332,342
(d)	Impairment Loss Allowance	154,610	141,483
(e)	Net Non-Performing Loans (c-d)	343,642	190,859
(f)	Realizable Value of Securities	343,642	190,859
(g)	**Net NPLs Exposure (e-f)**	-	-
2	**INSIDER LOANS AND ADVANCES**		
(a)	Directors, Shareholders and Associates	-	4,549
(b)	Employees	263,391	110,443
(c)	**Total Insider Loans, Advances and Other Facilities**	**263,391**	**114,992**
3	**OFF-BALANCE SHEET ITEMS**		
(a)	Guarantees and Commitments	22,000	300,000
(b)	Other Contingent Liabilities	600,000	10,000
(c)	**Total Contigent Liabilities**	**622,000**	**310,000**
4	**CAPITAL STRENGTH**		
(a)	Core Capital	3,240,397	432,932
(b)	Minimum Statutory Capital	60,000	60,000
(c)	Excess/(Deficiency) (a-b)	**3,180,397**	**372,932**
(d)	Supplementary Capital	243,449	374,690
(e)	Total Capital (a+d)	**3,483,846**	**827,222**
(f)	Total Risk Weighted Assets	15,526,505	8,541,269
(g)	Core Capital/Total Deposit Liabilities	23%	5%
(h)	Minimum Statutory Ratio	8%	8%
(i)	Excess/(Deficiency) (g-h)	15%	-3%
(j)	Core Capital/Total Risk Weighted Assets	21%	5%
(k)	Minimum Statutory Ratio	10%	10%
(l)	Excess/(Deficiency) (j-k)	11%	-5%
(m)	Total Capital/Total Risk Weighted Assets	22%	10%
(n)	Minimum Statutory Ratio	12%	12%
(o)	Excess/(Deficiency) (m-n)	10%	-2%
5	**LIQUIDITY**		
(a)	Liquidity Ratio	24%	23%
(b)	Minimum Statutory Ratio	20%	20%
(c)	Excess/(Deficiency) (a-b)	4%	3%







Message from the Directors

1. The above statements of comprehensive income, statement of financial position and other disclosures are extracts of the bank's Financial statements which have been audited by Deloitte & Touche and an unqualified opinion received.
2. The Financial statements were approved by the Board of Directors on 5th March 2015 and were signed on its behalf by:

Dr. Peter W. Muthoka EBS, MBS - Chairman

Charles K. Ngugna - Managing Director

Required by the Central Bank of Kenya

Affiliate of OLDMUTUAL

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5.UAP HOLDINGS FINANCIALS 2014

UAP HOLDINGS LIMITED - AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

UAP
Better. Simple. Life.

Consolidated Income Statement

	2014 Ksh'000	2013 Ksh'000
Gross written premium	**14,832,755**	**12,737,266**
Gross earned premium	16,158,444	11,559,860
Reinsurance ceded	(4,894,911)	(2,545,478)
Net earned premium	**11,263,533**	**9,014,382**
Investment income	4,509,772	2,865,255
Commissions earned	790,499	790,121
Other income	82,199	70,578
Total income	**16,606,003**	**12,741,336**
Net claims and policyholder benefits payable	(6,374,736)	(5,754,811)
Operating and other expenses	(4,575,071)	(3,299,958)
Commissions payable	(1,568,930)	(1,454,386)
Finance costs	(290,330)	(60,341)
Profit before tax	**2,296,229**	**2,211,740**
Income tax expense	(628,912)	(401,339)
Profit for the year	**1,667,187**	**1,810,401**
Profit attributable to:		
Owners of the parent	1,485,976	1,657,576
Non-controlling interest	181,211	152,825
Profit for the year	**1,667,187**	**1,810,401**
Basic and diluted EPS	7.63	7.84

Consolidated Statement of Other Comprehensive Income

	2014 Ksh'000	2013 Ksh'000
Profit for the year	**1,667,187**	**1,810,401**
Other comprehensive income		
Items that will be recycled to profit or loss		
Exchange differences on translating foreign operations	(35,418)	56,970
Total items that will be recycled to profit or loss	**(35,418)**	**56,970**
Items that will not be recycled to profit or loss		
Gains/(losses) on revaluation of equity investments:		
Listed ordinary shares	1,111,897	1,752,893
Unlisted ordinary shares	1,317	(336)
Remeasurement of retirement benefit obligations	70,803	(78,731)
Total items that will not be recycled to profit or loss	**1,184,043**	**1,673,825**
Total other comprehensive income for the year, net of tax	**1,128,625**	**1,730,955**
Total comprehensive income for the year	**2,795,812**	**3,541,356**
Total comprehensive income attributable to:		
Owners of the parent	2,643,935	3,357,627
Non-controlling interests	151,877	183,729
Total	**2,795,812**	**3,541,356**

Comments on 2014 Performance

The group's insurance premium grew by 16% due to growth in all our key markets. Our long-term business grew by 24% while our short-term business grew by 11%. The faster growth in the long-term business is in line with our strategy to diversify our earnings from spread insurance. Our net insurance premium increased by 25% refer, in our ability to retain more risks due to our strengthened capital base.

Our investment income increased by 61% to Kes 4.6 billion driven by strong performance of the group's investment portfolios. This was as a result of our enhanced investment management capacity and the completion of some of the Group's projects in Uganda and South Sudan. We expect the rent income from our property portfolio to continue to increase as ongoing large scale projects in Kenya, UAP Tower and South Sudan UAP Equatoria Tower are completed during 2015.

Total income increased by 31% to Kes 16.6 billion while our regional business contribution to income increased to 36% from 30% in 2013.

Our claims and policyholder benefits payable increased by 10% due to the impact of growth in the life business reserves mainly as a result of growth in annuity business where reserves increased by Kes 1 billion.

Expense of management increased due to capacity investments in new subsidiaries including the rollout of enlarged branch network in Tanzania and Rwanda. We also invested in additional capacity at the holdings level to enable us better control the enlarged business. We expect to reap the benefits of this investment in future years based on our planned growth. Finance costs increased due to UAP Corporate Bond interest cost and bank interest on our Uganda property.

Profit before tax increased by 1%. Our net profit however reduced by 8% as a result of a 14% increase in our tax expense as a result of deferred tax charge of Kes 1.0 billion on cumulative gain on investment properties recognised in 2014 following the introduction of Capital Gains Tax in Kenya.

Total comprehensive income was Kes 2.7b including Kes 1.0 billion tax was realised from the sale of equity investments resulting in a 21% increase in shareholders' funds.

The group's assets increased by 27% to Kes 42 billion as a result of growth in our investments and the receipt of the proceeds from the UAP corporate bond to fund growth were of our business.

Our liabilities increased by 30% to Kes 25 billion as a result of the corporate bond and growth in policyholder reserves and insurance premium as a result of the business growth.

Outlook

Our business growth prospects look very good. We intend to allocate adequate resources to the human capital and distribution capacity that we have invested in to improve our distribution across all geographies.

The group continues to avoid regulatory approvals for the acquisition of a controlling stake of 60.06% by Old Mutual, who are set to become our strategic investor in UAP. Old Mutual is a leader in African LAPS, and its growth plans for the benefit of the consumer, and the advancement of the sector. Company approaches. The UAP-OLD Mutual partnership will also create a larger Organisation and thus a better opportunity for consolidation and development of our employees within the enlarged group.

Consolidated Statement of Financial Position

	2014 Ksh'000	2013 Ksh'000
CAPITAL EMPLOYED		
Share capital	1,057,069	1,057,069
Share premium	6,612,626	6,612,626
Fair value reserve for equity investments	2,297,265	1,091,717
Retained earnings	7,619,816	6,815,259
Proposed dividend	350,814	350,814
Translation reserve	(192,373)	(127,888)
Statutory reserve	348,011	294,203
Shareholders' funds	**16,143,499**	**13,904,458**
Non-controlling interest	1,054,549	857,192
Total equity	**17,198,048**	**14,761,650**
REPRESENTED BY		
Assets		
Goodwill	210,030	210,030
Property and equipment	416,361	384,495
Intangible assets	112,087	179,392
Investment properties	15,122,867	11,412,340
Deferred income tax asset	83,640	133,202
Retirement benefit asset	285,918	181,927
Equity investment at fair value through other comprehensive income	2,737,780	4,112,481
Equity investment at fair value through profit or loss	2,353,088	1,386,034
Mortgage loans receivable	355,437	226,367
Current income tax recoverable	115,477	27,614
Reinsurers' share of insurance liabilities	2,989,829	2,293,002
Deferred acquisition cost	428,748	329,377
Receivables arising out of direct insurance arrangements	2,488,192	2,217,684
Receivables arising out of reinsurance arrangements	726,201	572,758
Other receivables	1,502,167	1,135,188
Corporate bonds	1,586,613	919,625
Government securities	4,874,293	4,566,440
Deposits with financial institutions	3,173,207	1,972,251
Cash and bank balances	1,075,546	1,341,151
Total assets	**42,083,725**	**33,109,989**
Liabilities		
Deferred income tax liability	723,786	382,015
Insurance contract liabilities	7,723,435	5,267,880
Payable under domestic administration contracts	2,632,021	2,012,009
Unit-linked investment contracts	1,043,838	925,256
Borrowings	5,981,001	2,073,716
Provision for unearned premium	5,364,373	4,774,468
Current income tax payable	42,003	35,777
Creditors arising from reinsurance arrangements	884,789	1,078,669
Other payables	1,488,171	954,401
Total liabilities	**24,885,677**	**18,348,339**
Net Assets	**17,198,048**	**14,761,650**

The Statement of Comprehensive Income and Statement of Financial Position are extracts from the Group's Financial Statements which were approved for issue by Board of Directors on 27th March 2015 and signed on its behalf by:

Dr. Jill Mangai CBS (Chairman) **Dominic Karie** (Group Managing Director)

5 Year Highlights

PROFIT BEFORE TAX

GROSS WRITTEN PREMIUM

TOTAL INCOME

TOTAL ASSETS

Kenya • Uganda • South Sudan • Rwanda • DR Congo • Tanzania

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BIOGRAPHIES

BIOGRAPHY

Zomunado Chizura
Group Chief Executive Officer, West Africa

Zomunoda (Zom) has over 25 years working experience and is the regional Group Chief Executive Officer for West Africa. Prior to this, he was the Deputy Chief Executive Officer in charge of life assurance and asset management for Old Mutual Zimbabwe. Before joining Old Mutual, Zomunoda worked for PricewaterhouseCoopers as a Management Consultant and also worked as a Telecommunications Engineer early in his career. Zomunoda has international work experience obtained in Malawi, Kenya, Ghana, South Africa, United Kingdom, Australia and the United States of America. He is a Chartered Financial Analyst, holds a Master's degree in Engineering and an MBA.

BIOGRAPHY

Tavaziva Madzinga
Regional Chief Executive Officer:
Southern and East Africa

Tavaziva Madzinga was appointed as Regional CEO: Southern and East Africa in January 2015. Previously he was Group CEO: East & West Africa, Chief Operating Officer of Old Mutual Africa Holdings, and Managing Director of Old Mutual Kenya (OMK). Tava joined Old Mutual Kenya in 2007 as the Strategy executive and then as the Deputy Chief Executive of Old Mutual Life Assurance Company (Kenya) in 2008. In 2010, he was appointed as the Managing Director of OMK, a position he held until July 2013 where his responsibilities included oversight of the development of a considerably widened product offering and increased accessibility to clients across the country. He was appointed as COO of Old Mutual Africa Holdings in August 2013. Tavaziva holds a Bachelor of Business Science in Actuarial Science from the University of Cape Town in South Africa. He is also a qualified Actuary and a Fellow of the Institute of Actuaries (FIA) and the Actuarial Society of South Africa (FASSA).

DISCLAIMER

This presentation may contain certain forward-looking statements with respect to certain of Old Mutual plc's plans and its current goals and expectations relating to its future financial condition, performance and results.

By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Old Mutual plc's control including amongst other things, 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.

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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