



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



South African Reserve Bank



JOINT MEDIA STATEMENT NATIONAL TREASURY, RESERVE BANK AND FINANCIAL SERVICES BOARD

Old Mutual PLC has announced, following a strategic review of the Group that it intends to implement over time a managed separation of the Group into four separate businesses, including a standalone Old Mutual Emerging Markets (OMEM) and Nedbank.

Old Mutual's strategic review concluded that there are limited tangible synergies between the businesses in the Group and the current Group structure inhibits the efficient funding of future growth plans for the individual businesses. The evolving regulatory environment adds a degree of further cost, complexity and constraints because of the current Group structure.

As part of this managed separation, Old Mutual has stated its intention, in time, to reduce its shareholding in Nedbank to an appropriate strategic minority position. The exact mechanism to achieve any reduction in Old Mutual's shareholding in Nedbank has yet to be finally determined, but Old Mutual has communicated that it currently envisages reducing its shareholding in Nedbank primarily by way of a distribution of Nedbank shares to the shareholders of Old Mutual in an orderly manner and at an appropriate time in the context of the managed separation and does not intend to sell any part of its shareholding in Nedbank to a new strategic investor.

Old Mutual has been in regular contact with the National Treasury, the Reserve Bank and the Financial Services Board (FSB) over the course of the strategic review. The consultation and dialogue has been constructive, and there is a commitment by the boards of directors and management teams of Old Mutual, Nedbank and OMEM to execute the managed separation in a way that safeguards the stability and integrity of both the South African businesses and the South African financial services sector more broadly.

OMEM and Nedbank are each significant businesses in their own right with strong balance sheets. The enhanced ability of these businesses to access their natural shareholder base is welcomed; as is the increased alignment of the key governance structures and lead supervision with the location of the respective businesses. This will have positive benefits for the South African economy and capital markets.

The managed separation process will involve ongoing regulatory engagement. The FSB and the Reserve Bank will work with Old Mutual and Nedbank to ensure that any potential execution risks are mitigated.

Ismail Momoniat
Acting Director General
National Treasury

Lesetja Kganyago
Governor of SARB

Dube Tshidi
Executive Officer, FSB

Issued by: National Treasury, Reserve Bank and FSB

Date: 11 March 2016