

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 1318 [NW1614E]**

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**1318. Adv A de W Alberts (FF Plus) to ask the Minister of Finance:†**

- (1) Why did the Public Investment Corporation (PIC) increase its shareholding in African Bank Investment Limited (Abil) in June 2014, despite signs that Abil's burden of debt was too high;
- (2) whether the PIC undertook a proper cautionary investigation before increasing its shareholding in Abil; if not, why not; if so, what are the relevant details;
- (3) what has he found the impact of the PIC's investment in Abil to have been on the Government Employees Pension Fund?

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**REPLY:**

- (1) The PIC did not increase its 12.54% shareholding in Abil through June 2014 within its internally managed portfolios of funds. However, the PIC outsources some of its funds to external fund managers who manage them within mandates agreed with the PIC, but subject to their own investment decision making processes. During June 2014 external Asset Managers increased their stake in Abil by 0.23% to 2.65% but did not breach any mandate provisions.
- (2) The external managers will have made their decision as per the mandate agreed with them.
- (3) The net exposure of the Government Employees Pension Fund to Abil currently stands at just over R4bn (0.5% of Listed Portfolio). However, the PIC hopes to recover some of this through its participation in recapitalising the "Good Bank".