



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Press Release: HSBC's proposed acquisition of Nedbank

National Treasury has noted the cautionary announcement today by Old Mutual (the majority shareholder of Nedbank) and Nedbank on the offer made by HSBC Holdings plc ("HSBC") to acquire a controlling interest in Nedbank. HSBC's interest in Nedbank is a vote of confidence in the country's political and economic progress over the past sixteen years.

In terms of the Banks Act, the acquisition of a shareholding of more than 15 per cent requires the approval of the Registrar of Banks, and if the target shareholding exceeds 49 per cent, the consent of the Minister of Finance ("the Minister") is required.

In considering any request for a shareholding exceeding 49 per cent in a bank, the Minister must be satisfied that the proposed acquisition will not be contrary to the public interest as well as the interests of the depositors, the bank and the banking sector as a whole. Specifically, the Minister would also be required to consider whether a transaction would compromise the stability and soundness of the domestic financial system.

National Treasury has not received any regulatory application on the proposed transaction and therefore has not considered the merits of the proposed transaction. However, it should be noted that Nedbank is already effectively owned by Old Mutual plc, a UK based company.

No decision regarding regulatory approvals will be made until such time as the representatives of Old Mutual, HSBC and Nedbank, working through the South African Reserve Bank, have submitted formal requests for regulatory approvals to the Minister.

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