



NEWS RELEASE

OLD MUTUAL receives SA Competition Commission recommendation

8 January

Old Mutual Emerging Markets welcomes the constructive and supportive engagements with the Minister for Economic Development, his Department and the South African Competition Commission on the proposed corporate restructure taking place as part of Old Mutual plc's managed separation strategy.

The recommendation for approval by the Competition Commission to the Competition Tribunal for the newly incorporated Old Mutual Limited to acquire Old Mutual plc - with the conditions agreed to between Old Mutual Emerging Markets and the Economic Development Department - is a significant step towards the listing of Old Mutual Limited as a standalone entity this year.

"We are excited about the homecoming of Old Mutual back to Africa. Old Mutual partners with its customers and the communities in which it operates to build financial wellbeing, and, through financial inclusion, to enable inclusive economic growth. Old Mutual Limited will be an independent and focused business, better able to serve our broad stakeholder group. The listing of Old Mutual Limited on the JSE signals our commitment to and vote of confidence in the South African financial markets, and in South Africa as an attractive investment destination," says Peter Moyo, CEO-designate of Old Mutual Limited.

Agreement with the Economic Development Department

Old Mutual Emerging Markets and the Economic Development Department have reached agreement in relation to three critical public interest issues that Old Mutual Limited will address: Black Economic Empowerment (BEE) Ownership, Employment and Enterprise and Supplier Development.

Old Mutual Limited will be committed to BEE ownership as part of its broader commitment to transformation. As a consequence of the corporate restructuring, it is possible that Old Mutual Limited's BEE ownership score, reported as a JSE primary listed entity and measured in terms of the revised Financial Services Code, may move to slightly below the regulatory target of 25%. Old Mutual Emerging Markets is still considering the impact of the revised Financial Services Code, that came into



effect on 1 December 2017, on its BEE score. To the extent that Old Mutual Limited's BEE ownership is less than 25%, Old Mutual Emerging Markets has committed to Old Mutual Limited attaining at least 25% within three years of its primary listing on the JSE and then to that of the peer group "best of class", within 5 years, starting from the date of listing. Old Mutual Limited will consider appropriate mechanisms to achieve its BEE ownership targets in due course.

Old Mutual Limited will be a substantial direct and indirect employer in the countries in which it operates. Old Mutual Limited has furthermore undertaken that there will be no involuntary job losses as a result of the corporate restructuring. Indeed, it anticipates that new roles in South Africa will be created to undertake some of the functions that were previously performed by the head office in the UK. This does not change OMEM's commitment to cost leadership as previously announced.

Old Mutual Emerging Markets has to date invested R2 billion in initiatives aimed at entrepreneurship and SMME development and job creation through various vehicles such as the Old Mutual Foundation, Masisizane Fund and Black Distributors' Trust. In addition, it has over R1 trillion of funds under management, which are largely invested in the South African market. These investments have a material impact on creating and maintaining employment and supporting the South African economy.

To further enhance employment in South Africa, Old Mutual Limited will allocate a further R500 million to a new ring-fenced Enterprise Supplier Development Fund to support small businesses and Black-owned businesses. This will be done over a three year period following the listing of Old Mutual Limited. Old Mutual Limited has committed to designate senior leaders to coordinate and oversee all its enterprise development activities, including the management of this new fund.

These commitments in South Africa form an important part of delivery by Old Mutual Limited of positive benefits for all regional stakeholders such as its customers, employees, partners, government and investors. Old Mutual Limited will continue OMEM's principles of good governance, prudent capital management and asset allocation, across its businesses and undertakes to continue to contribute to a sustainable society.

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Notes to Editors

Old Mutual provides investment, savings, insurance and banking services to 18.9 million customers in Africa, the Americas, Asia and Europe. Originating in South Africa in 1845, Old Mutual has been listed on the London and Johannesburg Stock Exchanges, among others, since 1999.

Old Mutual has announced a strategy of managed separation, which will entail separating its four businesses into standalone entities. The four businesses are:

- **Old Mutual Emerging Markets:** an attractive business with a dominant position in South Africa, well-placed to capitalise on sub-Saharan African growth as a diversified financial services provider with strong operations in key East and West African markets. For the year ended 31 December 2016, Old Mutual Emerging Markets reported an adjusted operating profit before tax of R12.3 billion and had R1 trillion of funds under management.
- **Nedbank:** one of South Africa's four largest banks with very strong corporate, commercial and property finance franchises, and a growth opportunity in the retail market, as well as pan-African optionality through its stake in Ecobank Transnational Inc. (ETI).
- **Old Mutual Wealth:** a leading, integrated wealth management business, focused on the UK upper and middle market, with strong prospects in a rapidly growing £3 trillion market.
- **OM Asset Management:** an institutionally focussed, multi-boutique asset management business, delivering strong, diversified growth in attractive asset



classes through organic initiatives and acquisitions. The managed separation process in relation to this entity has been completed.

As part of the managed separation, a new JSE primary listed entity will be established called Old Mutual Limited ("OML"). This entity will house all the current Old Mutual emerging market operations (being operations in South Africa, rest of Africa and select emerging market territories) and what remains in Old Mutual plc post the closure of the London Head Office.

For further information on Old Mutual Emerging Markets, please visit the corporate website at www.oldmutual.com