

Old Mutual Limited

Incorporated in the Republic of South Africa

Registration number: 2017/235138/06

ISIN: ZAE000255360

LEI: 213800MON84ZWWPQCN47

JSE Share Code: OMU

LSE Share Code: OMU

NSX Share Code: OMM

MSE Share Code: OMU

ZSE Share Code: OMU

("Old Mutual" or "the Company")

Ref 16/21

23 June 2021

UNBUNDLING BY OLD MUTUAL OF A PORTION OF ITS SHAREHOLDING IN NEDBANK GROUP LIMITED

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN OR ANY JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT.

This announcement does not constitute an offer or form part of any offer or invitation to purchase, subscribe for, sell or issue, or a solicitation of any offer to purchase, subscribe for, sell or issue, any securities (whether pursuant to this announcement or otherwise) in any jurisdiction, including an offer to the public or section of the public in any jurisdiction. This announcement does not comprise a prospectus.

DIVIDEND DECLARATION

The board of directors ("**Board**") of Old Mutual is pleased to announce that Old Mutual will, subject to obtaining all requisite regulatory approvals, including Prudential Authority approval, unbundle a portion of its shareholding ("**Nedbank Stake**") in the issued ordinary share capital of Nedbank Group Limited ("**Nedbank**") to the ordinary shareholders of Old Mutual ("**Shareholders**"). Old Mutual will unbundle all the Nedbank ordinary shares currently held by Old Mutual Emerging Markets Limited (being 62,131,692 Nedbank ordinary shares and comprising 12.2% of the issued ordinary share capital of Nedbank) to Shareholders by way of a distribution *in specie* in terms of section 46(1)(a)(ii) of the Companies Act No. 71 of 2008 (the "**Unbundling**").

OVERVIEW AND RATIONALE OF THE UNBUNDLING

Following conclusion of Old Mutual's managed separation process in 2018, Old Mutual retained a minority shareholding in Nedbank which represents c.19.4% of the Nedbank ordinary shares currently in issue. This level of the Nedbank Stake was determined through discussions with Nedbank and the relevant regulators at the time in order to, amongst other things:

- ensure cohesive alignment with the ongoing arms' length commercial arrangements between Old Mutual and Nedbank; and
- support the capital structure of the Old Mutual group (the "**Group**"), in particular within Old Mutual Life Assurance Company (South Africa) Limited ("**OMLACSA**"), whilst implementing changes required by the Insurance Act which took effect from 1 July 2018.

Old Mutual was committed to being a significant minority shareholder of Nedbank (with the right to nominate a director to the boards of Nedbank and Nedbank Limited) whilst retaining a right to review the Nedbank Stake as appropriate from time to time, in accordance with the protocols outlined in the relationship agreement concluded between Nedbank and Old Mutual on 19 April 2018.

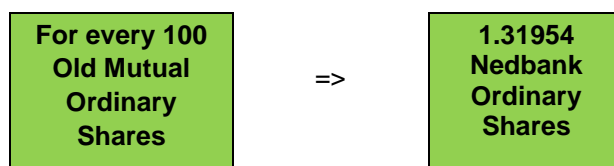
Following an internal review of the Nedbank Stake, the Board believes that it is in the best interests of Shareholders to dispose of a majority of its Nedbank stake through the Unbundling, as this:

- simplifies the Group, allowing investors to focus on the core operations of Old Mutual;

- allows Shareholders to participate more directly in the differentiated investment cases of Old Mutual and Nedbank; and
- provides a substantial return of capital to Shareholders.

The remaining Nedbank Stake, held by OMLACSA (comprising c.7.2% of the Nedbank ordinary shares currently in issue) continues to support the capital structure of OMLACSA and will be optimally managed in line with the Group's Financial Management Framework.

Each Shareholder will receive Nedbank ordinary shares (which are listed on the Johannesburg Stock Exchange and the Namibian Stock Exchange) in the ratio illustrated below:



The distribution of Nedbank ordinary shares to Shareholders could result in recipients receiving fractional entitlements to Nedbank ordinary shares. For example, if you hold 100 Old Mutual ordinary shares, you will receive 1 Nedbank ordinary share and a fractional entitlement to 0.31954 of a Nedbank ordinary share. Such fractional entitlements will be sold in the market in accordance with the Listings Requirements of the Johannesburg Stock Exchange, with the proceeds of the sale ("**Cash Proceeds**") being paid to the relevant Shareholders. Shareholders on Old Mutual's Namibian share register, Malawian share register, UK share register and Zimbabwean share register will be paid the local currency cash equivalents of the Cash Proceeds. The Cash Proceeds will be converted to local currency at the effective rate quoted by Old Mutual on or before the date upon which payment of the Cash Proceeds is made to the relevant Shareholders ("**Applicable Rate**").

The Unbundling will be implemented in accordance with the provisions of Old Mutual's memorandum of incorporation.

NEDBANK

Nedbank is a diversified financial services provider offering a wide range of wholesale and retail banking services, as well as insurance, asset management and wealth management solutions. It delivers its products and services through four main business clusters: (i) Nedbank Corporate and Investment Banking, (ii) Nedbank Retail and Business Banking, (iii) Nedbank Wealth and (iv) Nedbank Africa Regions.

Nedbank ranks as a top-5 bank by capital on the African continent and Ecobank Transnational Incorporated (**Ecobank**), in which Nedbank holds a 21% shareholding, ranks within the top-10 banks by assets on the African continent. Nedbank is South Africa's fifth-largest bank by market capitalisation and fourth largest by total assets and headline earnings. It is a leading corporate bank and a market leader in commercial property and renewable energy finance and has a strong position in household motor finance, household deposits and card acquiring. It operates a unique asset management model as part of an integrated wealth management business. Through its pan-African banking alliance with Ecobank, Nedbank provides its customers access to Africa's widest banking network.

For further information on Nedbank, Shareholders are referred to Nedbank's public disclosures. Nedbank's public disclosures are not part of this announcement and are not incorporated by reference herein.

TAX CONSIDERATIONS

The tax consequences of the Unbundling applicable to Shareholders will depend on the individual circumstances of each Shareholder. Accordingly, Shareholders are advised to obtain independent tax advice in relation to the tax consequences (if any) of the Unbundling on them.

Shareholders are advised that the Board has resolved to give effect to the distribution *in specie* of the Nedbank ordinary shares on the basis that:

- the distribution to South African corporate shareholders (as contemplated in section 64F(1)(a) of the Income Tax Act 58 of 1962 (that is “a company which is a resident” for tax purposes in South Africa) (referred to as “**SA Corporate Shareholders**”)) shall be paid as a dividend *in specie*; and
- the distribution to all other Shareholders (i.e. South African tax resident individuals and trusts as well as non-South African tax resident ordinary shareholders) shall be paid as a return of capital out of Old Mutual’s contributed tax capital,

provided that should any requirement be imposed on Old Mutual pursuant to a change in relevant South African tax legislation prior to the date of publication of the finalisation announcement, which is expected to be published before 11.00 a.m. (South African time) on or about Tuesday, 26 October 2021 (“**Finalisation Announcement**”) that would require all Shareholders within the same class of shares to share equally in the allocation of contributed tax capital as a result of any distribution, then the Board has resolved that the distribution *in specie* shall be treated as a return of capital out of Old Mutual’s contributed tax capital for all Shareholders.

SA Corporate Shareholders who receive the distribution as a dividend *in specie* are exempt from dividends tax and will obtain a base cost equivalent to the market value of the unbundled Nedbank ordinary shares on the Unbundling distribution date, expected to be on or about Monday, 8 November 2021 (“**Unbundling Distribution Date**”).

All other Shareholders who receive the distribution as a return of capital will be required to reduce the base cost of their Old Mutual ordinary shares by the market value of the unbundled Nedbank ordinary shares on the Unbundling Distribution Date. The base cost of the unbundled Nedbank ordinary shares would be equivalent to the market value of the unbundled Nedbank ordinary shares on the Unbundling Distribution Date. Note if the tax legislation changes and the distribution to all Shareholders is made out of contributed tax capital, then the SA Corporate Shareholders would also be required to reduce the base cost of their Old Mutual ordinary shares by the market value of the unbundled Nedbank ordinary shares on the Unbundling Distribution Date.

A summary of the tax consequences of the Unbundling for Shareholders will be included in the Finalisation Announcement.

EXCHANGE CONTROL CONSIDERATIONS AND MANNER OF DELIVERY OF THE NEDBANK SHARES

A summary of the exchange control considerations and the manner in which the unbundled Nedbank ordinary shares will be delivered to or for the benefit of Shareholders will be included in the Finalisation Announcement.

SALIENT DATES AND TIMES

Subject to Old Mutual having obtained all requisite regulatory approvals, the Unbundling will take place at 9:00 a.m. (SA time) on Monday, 8 November 2021. Set out below are the indicative dates and times (South African standard time unless otherwise stated) applicable to the Unbundling. All dates and times below are subject to change and any changes will be published on the Johannesburg Stock Exchange’s (“**JSE**”) Stock Exchange News Service (“**SENS**”), the London Stock Exchange’s Regulatory News Service (“**RNS**”) and the news services of the Malawi Stock Exchange (“**MSE**”), the Namibian Stock Exchange (“**NSE**”) and the Zimbabwe Stock Exchange (“**ZSE**”).

Event	Date and time (2021)
Finalisation Announcement expected to be published at	11.00 a.m. on Tuesday, 26 October
Expected last day for transfers between the SA share register, UK share register, Namibian share register, Malawian share register and Zimbabwean share register in order to participate in the Unbundling	Tuesday, 26 October

Expected last day to trade on the SA share register, Namibian share register, Malawian share register and Zimbabwean share register in order to participate in the Unbundling	Tuesday, 2 November
Expected last day to trade on the UK share register in order to participate in the Unbundling	Wednesday, 3 November
Old Mutual ordinary shares expected to trade “ex” entitlement on the SA share register, Malawian share register, Namibian share register and Zimbabwean share register in order to receive the unbundled Nedbank ordinary shares	Wednesday, 3 November
Old Mutual ordinary shares expected to trade “ex” entitlement on the UK share register to receive the unbundled Nedbank ordinary shares	Thursday, 4 November
Announcement expected regarding the Cash Proceeds and the Applicable Rate in respect of fractional entitlements published at	11.00 a.m. on Thursday, 4 November
Expected record date	12.00 p.m. on Friday, 5 November
Expected transfers between share registers opened at the commencement of trade at	09.00 a.m. on Monday, 8 November
Unbundling expected to be implemented at	09.00 a.m. on Monday, 8 November
Shareholders’ accounts at CSDP or broker expected to be updated and credited on	Monday, 8 November
Share certificates in respect of unbundled Nedbank ordinary shares expected to be despatched on	Thursday, 11 November

Notes:

1. Shareholders should anticipate their holdings of Old Mutual ordinary shares at the record date and time by taking into account all unsettled trades concluded on or before the last day to trade which are due to be settled on or before the record date and time.
2. Share certificates may not be dematerialised or rematerialized between Wednesday, 3 November 2021 and Friday, 5 November 2021, both days inclusive.

OLD MUTUAL POST THE UNBUNDLING

The Group’s Nedbank Stake currently comprises approximately 19.4% of the issued ordinary share capital of Nedbank, as held in the Group’s shareholder funds. Net of the Unbundling, the Group will hold 36,781,960 ordinary shares in Nedbank, constituting c. 7.2% of the current issued ordinary share capital of Nedbank (which will be held by OMLACSA in its shareholder funds).

Old Mutual ordinary shares in issue as at the date of declaration of the Unbundling: 4,708,553,649

Old Mutual income tax number: 9267358233

Financial Advisor

Merrill Lynch South Africa (Pty) Limited t/a BofA Securities

Sponsors

Johannesburg Stock Exchange	Merrill Lynch South Africa (Pty) Limited t/a BofA Securities
Namibia	PSG Wealth Management (Namibia) (Proprietary) Limited
Malawi	Stockbrokers Malawi Limited
Zimbabwe	Imara Capital Zimbabwe plc

Enquiries

Investor Relations

Sizwe Ndlovu

Head of Investor Relations

T: +27 (0)11 217 1163

M: +27 (83) 500 8019

E: tndlovu6@oldmutual.com

Communications:

Alleyne Smith

Senior Communications Manager:

Group Marketing, Public Affairs and
Sustainability

T: +27 (0)11 217 1506

M: +27 (72) 733 0911

E: ASmith11@oldmutual.com

Notes to Editors

About Old Mutual

Old Mutual is a premium African financial services group that offers a broad spectrum of financial solutions to retail and corporate customers across key market segments in 14 countries. Old Mutual's primary operations are in South Africa and the Rest of Africa, and it has a niche business in China. With over 176 years of heritage across sub-Saharan Africa, Old Mutual is a crucial part of the communities it serves and broader society on the continent.

For further information on Old Mutual, and its underlying businesses, please visit the corporate website at www.oldmutual.com.