

Old Mutual to split into four businesses

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Financial services group Old Mutual has announced that it plans to split into four separate businesses by the end of 2018. Chief executive Bruce Hemphill said the bold move was designed to “unlock value currently trapped within the group structure”.

Under the plans, Old Mutual would become four distinct companies, a South African bank, an African insurer, a US-based asset manager and a UK-based wealth manager. Hemphill says that each of these businesses is performing well but are collectively less attractive to investors wary of cross-border and multi-disciplinary organisations.

How exactly each of the business will be spun out of the parent company has yet to be outlined.

Old Mutual owns 54% of South African bank Nedbank, which has been heavily involved in the South African renewables programme. Most of its shares in Nedbank will be distributed to Old Mutual shareholders as part of the strategy.

African Infrastructure Investment Managers (AIIM), one of the most active equity players in large privately financed power projects across African in recent years, is owned by Old Mutual Alternative Investments. This is a boutique of Old Mutual Investment Group, which is in turn a subsidiary of Old Mutual Emerging Markets.

AIIM has confirmed to IJGlobal that it does not expect any change in the way it operates under the new strategy and that it will remain part of the Old Mutual Emerging Markets group.

Established in 1845, Old Mutual has grown out of its South African origins to become a global and diverse company since listing on the London Stock Exchange in 1999. In results published on 11 March 2016, Old Mutual reported full-year pre-tax adjusted operating profits of £1.7 billion (\$2.4 billion).

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