

Sanlam Limited
(Incorporated in the Republic of South Africa)
(Registration number 1959/001562/06)
JSE share code: SLM
NSX share code: SLA
ISIN: ZAE000070660
("Sanlam" or "Sanlam Group")

Sanlam Emerging Markets to acquire 51% of MCIS Zurich Insurance Berhad in Malaysia

Sanlam Emerging Markets Proprietary Limited (SEM) is pleased to announce that the Sale and Purchase Agreement (SPA) between SEM and Koperasi MCIS Berhad (Koperasi) has been signed, and all conditions precedent have been met, for SEM to acquire 51% of the shares of MCIS Zurich Insurance Berhad (MCIS Zurich) for approximately ZAR1.25 billion (Ringgit Malaysia 387.6 million).

SEM will reach its 51% interest in two phases – firstly through the acquisition of a 40% interest from Koperasi (in a back-to-back transaction with Zurich Asia Holdings Limited (Zurich)), followed by a further 11% through a take-over offer to minority shareholders that will directly follow SEM's initial 40% acquisition. Should there be insufficient minority acceptances through the take-over offer, the additional shares necessary to reach a 51% interest will be purchased directly from Koperasi.

The transaction is in line with Sanlam's stated strategy to pursue value accretive growth opportunities into, amongst others, the South East Asia region. In May last year, SEM, the cluster within the Sanlam Group tasked with expansion into emerging markets, acquired a 49% stake in the Malaysian niche short-term insurer Pacific & Orient Insurance Co. Berhad (POI).

MCIS Zurich is a life and general insurance business in Malaysia and was formed after a merger between MCIS Insurance (a local composite insurer with over 60 years of experience in the Malaysian market) and Zurich. MCIS Zurich currently operates with approximately 2800 life agents, 600 general agents and has a footprint of 26 branches in Malaysia.

Under Malaysia's regulatory regime, an investor may not do business under more than one life or general insurance license, unless the second is a Takaful (Sharia-compliant

insurance) license. SEM will therefore not be able to maintain an interest in another general insurance business in Malaysia due to its existing holding in POI. As a result, MCIS Zurich will seek to sell or find an alternative solution for the general insurance business.

Says the Chief Executive Officer of SEM, Mr Heinie Werth: “We view our partnership with MCIS Zurich as an excellent business opportunity with a company which has a sound understanding of the local business environment and market conditions.

“Malaysia is a key part of Sanlam’s future growth strategy and the acquisition of a majority shareholding in MCIS Zurich will entrench our presence in Malaysia. We believe that our industry experience and expertise offers us significant opportunity to add value to and build a sustainable business.”

According to Mr Kevin Jones, Chief Executive Officer of MCIS Zurich, the partnership with SEM signals the beginning of a new chapter in the illustrious 60-year history of the company. “We will face the future with confidence and continue to serve our customers with dedication.”

Werth adds that SEM believes MCIS Zurich is an ideal investment with years’ experience in the local market and with an extensive branch network and agency force.

SEM is currently doing business in India, Malaysia and 15 countries in Africa.

In terms of the JSE Limited Listings Requirements, this transaction is not a categorised transaction.

Bellville
23 April 2014

Sponsor
Deutsche Securities (SA) Proprietary Limited

ABOUT THE SANLAM GROUP

Sanlam is a leading financial services group listed on the JSE Limited and the Namibian Stock Exchange. The South African based Sanlam Group conducts its business through Sanlam Limited, the corporate head office and four business clusters – Sanlam Personal Finance, Sanlam Emerging Markets, Sanlam Investments and Santam. The Group operates in South Africa, Botswana, Malawi, Nigeria, Ghana, Kenya, Swaziland, Tanzania, Uganda, Zambia, Namibia, India, Malaysia and the United Kingdom. It also has business interests in the USA and Australia. Sanlam also has an indirect presence in The Gambia, South Sudan, Rwanda, Mozambique, Lesotho and the Philippines through associate companies operating in those countries. The Group provides financial solutions to individuals and institutional clients across all market segments. These solutions include personal financial services such as individual, group and short-term insurance, estate

planning, trusts, wills, personal loans, savings and linked products, business fitness assessment and insurance investment management, investment management, stock-broking, risk management and capital market activities. Established in 1918 as a life insurance company, Sanlam has grown into a diversified one-stop financial services group.
www.sanlam.co.za

ABOUT MCIS ZURICH INSURANCE BERHAD

MCIS Zurich Insurance Berhad (MCIS Zurich) is a composite conventional insurance provider with a paid-up capital of RM100.3 million and total assets amounting to RM4.8* billion. The company is a product of a merger between MCIS Insurance Berhad and Zurich Insurance (M) Berhad in June 2002. For further information, please visit
www.mciszurich.com.my

* As at 30th June 2013

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