

Sanlam Limited  
(Incorporated in the Republic of South Africa)  
Registration number 1959/001562/06  
JSE / A2X share code: SLM  
NSX share code: SLA  
ISIN: ZAE000070660  
("Sanlam")

**ANNOUNCEMENT RELATING TO THE CREATION OF A PAN-AFRICAN JOINT VENTURE BETWEEN SANLAM AND ALLIANZ SE AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT**

**1. INTRODUCTION**

Shareholders are referred to the cautionary announcements dated 22 December 2021, 03 February 2022 and 18 March 2022, in which it was advised that Sanlam and Allianz SE ("**Allianz**"), a global integrated financial services group with its holding company listed on the Frankfurt Stock Exchange, were exploring various strategic alternatives in relation to their respective African business units (excluding South Africa). Shareholders are advised that the parties and certain of their associated entities have entered into definitive agreements in respect of a long-term strategic joint venture (the "**Joint Venture**" or "**JV**") arrangement regarding their operations on the African continent, outside of South Africa. Sanlam and Allianz will contribute their respective African operations into a newly incorporated joint venture company ("**JVCo**"), creating a leading Pan-African financial services group with an extensive footprint across the African continent (the "**Proposed Transaction**"). In line with both parties' long-term commitment to the strategic partnership and the continent, the parties have agreed to remain invested in the JV for a period of at least 10 years.

Sanlam, through its wholly owned subsidiary Sanlam Emerging Markets Proprietary Limited ("**SEM**") and its associated entities currently have life and general insurance, as well as investment management operations in more than 30 countries, including Morocco, Ivory Coast, Nigeria and Botswana, while Allianz's insurance portfolio spans 11 countries, excluding South Africa, including operations in Egypt, Kenya, Cameroon and Uganda.

**2. BACKGROUND TO ALLIANZ**

Allianz is a global integrated financial services group operating in the insurance and asset management sectors. Serving over 126 million customers in more than 70 countries globally and employing more than 155,000 employees worldwide. Allianz has more than 100 years of heritage in Africa, with presence since 1912 and a strong presence in key African countries such as Egypt, Kenya, Cameroon and Uganda, with an insurance portfolio spanning 11 countries, excluding South Africa, serving approximately 2 million customers, with its approximately 2,600 employees. Allianz prides itself in delivering leading international insurance programs across Africa and is committed to building Pan-African leadership in all relevant markets.

**3. RATIONALE FOR THE PROPOSED TRANSACTION**

In line with Sanlam's stated strategy to become a leading Pan-African financial services group by driving operational excellence in core markets and selective expansion into high priority countries, the Proposed Transaction will enable

Sanlam to enhance its capabilities in existing markets and expand its footprint and market leading positions in certain key jurisdictions on the African continent. In addition, Sanlam sees a number of strategic benefits in entering into the Proposed Transaction, which include:

- enabling a strategic partnership with one of the largest financial services groups and insurers in the world, leveraging Allianz's broad expertise and capabilities;
- accelerating Sanlam's expansion into high priority countries, further strengthening Sanlam's position in markets core to Sanlam's African strategy and optimizing the existing Pan-African portfolio;
- developing Sanlam's innovative existing strategic partnerships and enhancing Sanlam's digitally enabled distribution network across a best in class product offering;
- maintaining disciplined capital allocation, maximizing value creation for both Sanlam and Allianz and their respective stakeholders; and
- jointly with Allianz, benefiting from knowledge sharing, economies of scale, a combined platform as well as potential synergies for JVCo and Sanlam.

#### **4. OVERVIEW OF THE PROPOSED TRANSACTION**

##### **4.1 STRUCTURE**

Sanlam will hold the controlling interest in the JVCo, with Allianz holding a significant minority shareholding with commensurate governance rights and minority protections. The initial shareholding split of Sanlam and Allianz in the JVCo, will be 60:40 respectively, with the ability for Allianz to increase its shareholding to a maximum of 49% over time. The proposed structure envisages the below transaction steps, subject to various conditions precedent, as outlined in paragraph 4.3 below.

SEM and its associated entities will contribute their African assets (excluding South Africa, Continental Re and SEM's Namibian subsidiaries but including its 90% shareholding in SAN JV (RF) Proprietary Limited ("**San JV**"), for a 60% shareholding in JVCo.

Allianz will contribute all its African assets (including its minority stake in African Reinsurance Corporation and its shareholding in Jubilee's general insurance businesses in Kenya, Uganda and Burundi).

As per the cautionary announcements published by Santam Limited ("**Santam**"), last renewed on the 18 March 2022, Allianz is currently in discussions with Santam to acquire its 10% shareholding in SAN JV and, to the extent that that transaction is concluded and implemented, Allianz will also contribute its 10% shareholding in San JV to JVCo. Allianz's contributions will be exchanged for a 40% shareholding in the JVCo.

Sanlam's operations in Namibia will be contributed to JVCo at a later stage, and at a time when Allianz will also have the option to increase their shareholding in the JVCo to 49%.

Sanlam's operations in India, the Middle East and Malaysia will not be contributed

to JVCo.

#### **4.2 FINANCIAL INFORMATION**

The parties will contribute their respective assets based on Appraisal Value ("AV"), which is determined based on the various businesses' contribution to Group Equity Value ("GEV") plus the value of future new business, as at 30 June 2021. The initial shareholding split of Sanlam and Allianz in the JVCo, will be 60:40 respectively, determined based on relative AV.

The total GEV of the contemplated JVCo assets are expected to be in excess of €2 billion / ZAR33 billion<sup>1</sup>, with the JVCo combined attributable net income associated with these contemplated assets in excess of €25 million / ZAR420 million<sup>1</sup> as at 30 June 2021 (net income for the first six months) of which Sanlam's attributable net income is in excess of €15 million / ZAR254 million<sup>1</sup>.

As per Sanlam's accounts as at 30 June 2021 (prepared in terms of IFRS), the aggregated net asset value of Sanlam's contemplated contributed assets was €1.3 billion / ZAR 22 billion<sup>1</sup>.

#### **4.3 CONDITIONS PRECEDENT**

The Proposed Transaction is subject to certain suspensive conditions, including but not limited to the relevant approvals from the competition authorities, regulatory authorities, and any customary conditions that are required to be satisfied by Sanlam and Allianz respectively for each jurisdiction.

#### **4.4 WARRANTIES AND INDEMNITIES**

The definitive transaction agreements to give effect to the Proposed Transaction contain warranties and indemnities customary for transactions of this nature.

#### **4.5 EFFECTIVE DATE**

The effective date of the Proposed Transaction will be dependent on the fulfilment of the suspensive conditions to the Proposed Transaction and is expected to occur within 12-15 months of this announcement.

#### **5. CATEGORISATION OF THE PROPOSED TRANSACTION**

The Proposed Transaction constitutes a Category 2 transaction for Sanlam in terms of Section 9 of the JSE Limited Listings Requirements and accordingly no Sanlam shareholder approval is required.

#### **6. INVESTOR AND ANALYST CONFERENCE CALL**

A conference call for analysts and investors will take place at 16h00 (South African time) today, 4 May 2022. Investors and analysts who wish to participate in the conference call should register as indicated below.

<sup>1</sup> Assumed EUR/ZAR exchange rate of 16.93 as at 30 June 2021

**Audio dial-in facility**

A dial-in facility will be available. Those wishing to participate in the conference call should register by navigating to <https://www.diamondpass.net/2768645>.

Registered participants will receive their dial-in number upon registration. For assistance, please contact Sanlam Investor Relations at +27 21 947 8455.

Recorded playback will be available until 9 May 2022.

**Access Numbers for Recorded Playback:**

Access code for recorded playback: **42225**

South Africa	010 500 4108
USA and Canada	1 412 317 0088
UK	0 203 608 8021
Other Countries	+27 10 500 4108

For further information on Sanlam, please visit our website at [www.sanlam.com](http://www.sanlam.com).

**7. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT**

Shareholders are further advised that, following the release of this announcement, caution is no longer required to be exercised by shareholders when dealing in the Company's securities.

Bellville  
4 May 2022

Enquiries  
Sanlam Investor Relations Phone: +27 21 947 8455  
Email : [ir@sanlam.co.za](mailto:ir@sanlam.co.za)

**Financial adviser and Transaction Sponsor to Sanlam**  
J.P. Morgan

**Lead Legal adviser to Sanlam**  
Webber Wentzel

**English Law Legal adviser to Sanlam**  
Allen & Overy

**FORWARD LOOKING STATEMENTS**

In this announcement we make certain statements that are not historical facts and relate to analyses and other information based on estimates and/or forecasts of future results not yet determinable, relating, amongst others, to new business volumes, investment returns (including exchange rate fluctuations), solvency ratios, GEV and actuarial assumptions. These statements may also relate to our future prospects, developments and business strategies. These are forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as

"believe", "anticipate", "intend", "seek", "will", "plan", "could", "may", "endeavor" and "project" and similar expressions are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements involve inherent risks and uncertainties and, if one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. Forward-looking statements apply only as of the date on which they are made, and Sanlam does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. Any forward-looking information contained in this announcement has not been reviewed and reported on by Sanlam's external auditors.