

# Sanlam, Santam work together in emerging markets

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Sanlam and short-term insurer Santam will work together in emerging markets as the group expands into the rest of Africa, and South-east Asia.



Santam's Ian Kirk says the deal with Sanlam will create value for shareholders. Image: Santam

Santam, which has been struggling in the South African market due to high claim volumes and a weak currency, will pay R167.7m to gain access to Sanlam Emerging Markets' footprint in India, Malaysia and the rest of Africa.

Sanlam said that this will allow it to expand its short-term offering in these fast-growing markets. Sanlam Emerging Markets and Santam will participate in the short-term insurance businesses in emerging markets on a 65%:35% split.

"This transaction gives us access to Sanlam Emerging Markets' growing footprint in some significant emerging markets. It allows us to create value for our shareholders," said Santam's chief executive Ian Kirk.

Santam will subscribe for shares in the various interests of Sanlam Emerging Markets.

These include a 15.4% participatory interest in Pacific & Orient Insurance in Malaysia, in which Sanlam has a 49% stake. It will acquire a 7% participatory interest in Shriram General Insurance in India, and an 18.6% stake in BIHL Insurance in Botswana.

It will also take an 8.7% interest in the short-term insurance subsidiaries of NICO Holdings in Malawi, Zambia, Tanzania and Uganda. Sanlam will gain access to Santam's investment in Santam Namibia.

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