

**African Phoenix Press release**

**28 June 2019**

**African Phoenix to sell Stangen to King Price**

African Phoenix Investments Limited (“African Phoenix”) today announced the signing of an agreement to sell its interest in The Standard General Insurance Company Limited (“Stangen”), a niche life insurer that provides a range of insurance products designed for individuals and community groups across the assistance (funeral), disability, health and life insurance sectors. African Phoenix will dispose of 100% of the issued share capital in Stangen to King Price Financial Services (Proprietary) Limited (“King Price”) for a consideration of approximately R140 million.

The final sale consideration will be based on Stangen’s audited Net Asset Value (“NAV”) as reported at 30 September 2019. Stangen’s NAV at 31 March 2019 per the Reviewed Interim Results was R527.6 million. Subject to the approval of the Stangen board of directors, African Phoenix expects to receive a dividend before 30 September 2019 of approximately R380 million such that, given Stangen’s current operational requirements, the NAV at disposal is expected to be approximately R140 million.

Since the sale and transfer of the Stangen credit life portfolio in 2016, Stangen has embarked on a strategy to reposition itself as a niche direct life insurer with new bespoke systems and a broader life insurance product range. The company has made great progress in establishing the Stangen brand in its target market. It was however apparent to the African Phoenix Board that Stangen required a strategic partner to provide the scale and support that would enable the insurer to enhance its offering of a range of insurance products designed for individuals and community groups. Stangen’s current strategy is at an early stage of development and falls outside of African Phoenix’s stated investment criteria as set out in the published circular on 18 February 2019. African Phoenix therefore engaged with Stangen to find a suitable strategic partner that can support Stangen with its strategic objectives.

Oyama Mabandla, Executive Director of African Phoenix noted: “African Phoenix is pleased to have found a partner for Stangen in King Price, which has a good track record for growing innovative and customer focused businesses in the insurance sector. King Price’s culture and business model and general insurance expertise will complement Stangen’s long term insurance expertise and niche insurance offering”.

“The disposal will unlock capital for African Phoenix to pursue its objectives of creating and sustaining long-term shareholder value by increasing the Company’s net asset value per share”, added Mabandla.

Says Gideon Galloway, Group CEO of King Price: “Stangen is a great complementary fit for the King Price Group. We believe that the acquisition of an existing niche life insurance business will provide numerous benefits including a considerable head-start over building such a business from scratch and reducing the amount of time and funding required to establish a life insurance business. The Stangen management team have proven to be resilient in a tough market and we’re looking forward to working with them to launch a King Price life insurance proposition”.

Managing Director of Stangen, Marius Botha is very excited about the new developments. “We are pleased to partner with King Price and look forward to what the synergies between the two companies will enable us to achieve. Our business models are similar and King Price’s significantly larger size provides a very good strategic shareholder to us.

We’re grateful for the support we’ve received from African Phoenix in recent years and given the changing landscape of financial services in South Africa, we are confident this is the right approach for both Stangen and King Price.”

The disposal is subject to certain conditions precedent, which include regulatory approvals required for the sale.

ENDS

Please refer to SENS and [www.phoenixinvestments.co.za](http://www.phoenixinvestments.co.za) for further details

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On behalf of Oyama Mabandla, Executive of African Phoenix