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## **THEBE AND PAMODZI MERGE SHORT TERM INSURANCE INTERESTS**

Two of the South Africa's leading black companies– Thebe Investment Corporation (Pty) Ltd (“TIC”) and Pamodzi Investment Holdings (Pty) Ltd (“Pamodzi”) –today announced their intentions to merge their respective interests in the short term risk Insurance Sector – namely Thebe Risk Services (“TRS”) and Prestasi Brokers (“Prestasi”) – pending approval from the competition commission. The merger is amongst the largest in the industry with combined revenue of R1billion. Thebe Investment Corporation and Pamodzi will together own 50.01% of the merged company and have both entered into a voting pool agreement ensuring black control of the merged entity, with Santam as the minority shareholder.

Expressing his delight with the merger, Vusi Khanyile, Chairman of Thebe Investment Corporation says, “Thebe Risk Services has grown a lot since we bought the Company in 1994. The company has grown into being a profitable niche player in its industry. Rather than grow organically into other areas, we decided to look for a merger or acquisition opportunity that will increase our value. We believe that the business that Pamodzi and Prestasi have built complements Thebe Risk Services, and the two businesses have a natural fit. The merged business will have the necessary critical mass in terms of skills, product offering, technology, infrastructure and office network. The combined business will be well placed to meet the short term insurance needs of South Africans across the economic spectrum.”

Echoing Khanyile's sentiments, Pamodzi Chief Executive Officer, Ndaba Ntsele, says, “Prestasi Brokers has an established reputation for providing niche short-term insurance and assistance products in the personal lines business servicing individuals, small business and specialist groups market, whilst Thebe Risk Services focuses on providing commercial insurance to the corporate market. By combining together the resource and expertise of both companies we are confident that our current and future customers will experience overall increased value through product development, improved service delivery and efficiency, as well as a wider choice of products.

**Thebe Investment Corporation (Pty) Ltd**

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According to Khanyile the merged entity will be one of the significant short term risk services organisations in South Africa, with potentially the largest personal lines' book in the country. "By leveraging the existing credentials of Thebe Risk Services/Prestasi Brokers and its parent companies, together with the inevitable economies of scale, the merged entity will certainly be a significant competitor in the market," says Khanyile. "In fact, we are confident that the enlarged entity will have higher medium-term growth potential than its two formerly separate components."

## **ENDS**

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### **About Thebe Investment Corporation (Pty) Ltd ("TIC")**

Established in 1992 by Batho Batho Trust, Thebe Investment Corporation is the realisation of a dream to liberate South Africa's people through economic empowerment, a dream that continues to be fulfilled by providing individuals with financial security through accessibility to affordable products that enhance their quality of life. Aside from its success as South Africa's oldest and being one of this country's leading Black Economically Empowered ("BEE") companies, TIC has emerged as a truly African company that remains true to its vision of creating products and services for the needs of the people. The company is firmly founded on a belief that our wealth and our values are measured by the extent to which we serve our communities.

### **About Thebe Risk Services ("TRS")**

Prior to the announcement of this transaction, Thebe Risk Service was owned by Thebe Investment Corporation (51%) and Santam (49%). The company was established as Hosken's in 1888, giving it a rich heritage in the short term risk insurance industry. Thebe Investment Corporation acquired its stake in and renamed the company during 1994. Thebe Risk Services employs approximately 250 people and handles short-term insurance premiums valued at more than R300 million per annum.

As a just reward for an approach based on higher levels of personalised service, Thebe Risk Services is proud to have several clients who have been with the company for 40 years and longer. The services offered by Thebe Risk Services include:

- **Corporate & Commercial Insurance** (focused on the parastatal and energy sectors) – Risk Evaluation, Control and Funding, Assets and Liability Insurance Programmes, Commercial

Crime Insurance, Marine, Transit & Accident Insurance, Motor Fleet Insurance, Construction and Engineering Insurance, Loss Prevention & Risk Management Services;

- **Personal Insurance** – Private Motor and Household, Group Insurance Schemes, Houseowners Insurance Schemes, Motor Insurance, Funeral Insurance Schemes;
- **Reinsurance** – Facultative, Treaty, Excess of Loss; and
- **Claims Management Services** – A serviced offered to clients with self-insurance programmes, captive insurance companies and insurers on an outsource basis.

Thebe Risk Services also has access to international markets through an affiliation with Health Lambert Group (London).

### **About Pamodzi Investment Holdings (Pty) Ltd (“Pamodzi”)**

Founded in 1996 by a group of leading black professionals, Pamodzi is today a multibillion-rand investment company that proactively seeks to become a strategic black equity partner of leading businesses in key South African industries. Over the past decade, Pamodzi has built a solid reputation by bringing strategic value to the organisations in which it has invested while generating high returns for all stakeholders through commercial astuteness and entrepreneurial acumen.

### **About Prestasi Brokers**

Until the announcement of this transaction, Prestasi Brokers was a 100% subsidiary of Pamodzi Brokers Holdings, a division of Pamodzi. The founding philosophy of the company is based on an understanding that, despite an influx of short-term insurance packages in the market, clients require tailor-made solutions to suit their individual needs. With this in mind, Prestasi Brokers has employed a team of short-term insurance specialists who are not only dedicated to hunting down the best insurance solutions and negotiating the most suitable premiums, but also to developing long-term relationships with its clients based on trust, empathy and accountability. This approach has positioned Prestasi Brokers as the leading short-term insurance provider in the domestic and small, and medium enterprise markets in South Africa.

Prestasi, one of the most recognised Short Term Insurance Brands in South Africa, employs approximately 360 people to handle more than R600 million in personal lines and commercial premiums through a network of 24 offices and a National call centre in Midrand.