

Motsepe and Sanlam deal gets go-ahead

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The Competition Tribunal has approved a joint investment by Patrice Motsepe's African Rainbow Capital and insurer Sanlam to buy Indwe Broker Holdings.



edar via [Fixabay](#)

The acquisition of Indwe, which carried a purchase price of just more than R200m, is the first joint investment involving Sanlam and African Rainbow Capital. The transaction also fulfils Motsepe's ambition to build an independent black-controlled business with exposure to significant investments in the financial services sector.

African Rainbow Capital, which is a 100%-owned subsidiary of Sanlam black economic empowerment (BEE) partner Ubuntu-Botho, now owns 51% of Indwe. Sanlam has a 25% interest, while Santam retains a 24% stake.

Sanlam CEO Ian Kirk described Indwe as the largest SA-based short-term insurance broker outside internationals such as Marsh. The Competition Tribunal approved the transaction with "no conditions" attached, late last month. African Rainbow Capital directors include Motsepe and former Sanlam CEO Johan van Zyl.

Last year, African Rainbow Capital invested R50m by acquiring shares in a special purpose acquisition company, Capital Appreciation. More deals are expected to be announced between African Rainbow Capital and Sanlam during the course of the year.

Last year, former Sanlam Investment Management CEO Johan van der Merwe told Business Day that Ubuntu-Botho and Sanlam planned to raise \$500m this year for an Africa-focused private equity fund. Last year, Sanlam Group former CEO Van Zyl hinted that Sanlam was looking to sell a 30%-50% stake in some of its businesses to its BEE partner Ubuntu-Botho.

Ubuntu-Botho and Sanlam last year extended their more than 10-year relationship for another decade by signing a partnership agreement. Ubuntu-Botho owns a stake of about 14% in Sanlam Group, valued at about R17bn at current market prices.

Source: Business Day

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