

15 July 2009

To all valued Clients and Suppliers

ANNOUNCEMENT: SALE AND STRUCTURE OF CARDIF PINNACLE INSURANCE HOLDINGS, PINNAFRICA LIFE LIMITED AND PINNAFRICA INSURANCE LIMITED

As you may know, during the past few months Cardif Pinnacle Insurance Holdings (Pty) Ltd and its subsidiaries PinnAfrica Life Limited and PinnAfrica Insurance Limited have been the subjects of a sale transaction between French based bank, BNP Paribas and the local insurer, Lombard Insurance Company Limited. I am pleased to inform you that, effective 1 April 2009, the sale transaction has been successfully completed and Lombard Insurance Company Limited has now become the new shareholder of Cardif Pinnacle Insurance Holdings (Pty) Ltd and its subsidiaries PinnAfrica Life Limited and PinnAfrica Insurance Limited.

Following the conclusion of the sale process, the Board of Directors and Management have approved some structural changes to ensure efficient utilisation of capital and resources, whilst ensuring that PinnAfrica's market position is strengthened. It is therefore now my duty and pleasure to inform you of the following:

1. The brand name Cardif Pinnacle will be discontinued. The company will return to its original name – PinnAfrica. PinnAfrica was the name of the company since inception in 1997 until 2004 when the international group of companies re-branded.
2. The business of PinnAfrica shall continue uninterrupted subject to the following group re-organisation:
 - a. The Life and Insurance licenses will be held centrally by Lombard Insurance. PinnAfrica shall now trade as an underwriting manager, through a Binder Agreement with Lombard, as PinnAfrica Insurance Underwriting Managers (Pty) Ltd.
 - b. As a result of the acquisition, Lombard now owns the PinnAfrica Life license which it will use to expand the Life business through its various business partners. PinnAfrica Life Limited will therefore be rebranded to Lombard Life Limited.
 - c. Lombard now also owns two Short Term Insurance licenses – Lombard Insurance Company Limited and the newly acquired PinnAfrica Insurance Limited. The business of the two short-term licenses will be combined under the Lombard insurance license. This ensures better

use of capital, whilst rationalising the unnecessary regulatory burden in operating two short term insurance licenses.

- d. As mentioned above, PinnAfrica will be repositioned as an underwriting manager and a business partner of Lombard. PinnAfrica will therefore now underwrite on behalf of Lombard Life Limited and Lombard Insurance Company Limited as an underwriting manager in terms of a Binder Agreement, specialising in the consumer credit insurance market.
 - e. Lombard will be the majority shareholder in PinnAfrica, whilst the Management of PinnAfrica will hold a direct minority shareholding.
3. PinnAfrica shall therefore continue uninterrupted as a specialist in the consumer credit insurance market, retaining its own identity, staff, products, administrative capabilities, offices, market position etcetera, now as an underwriting manager writing business on behalf of Lombard Insurance and Lombard Life. In addition, together with Lombard and its partners, PinnAfrica will endeavor to expand its market presence and product range to better service our clients in the consumer credit insurance segment. PinnAfrica will remain unchanged as the business which you have come to know and understand.
 4. Currently all Agency Agreements, Intellectual Property Agreements and Supplier Contracts are with PinnAfrica Insurance Limited and/or PinnAfrica Life Limited. These contracts will be assigned, with your consent, as they stand with all privileges and obligations in force and uninterrupted to PinnAfrica Insurance Underwriting Managers (Pty) Ltd. This will be done via a Cession Agreement, which will be forwarded to your offices shortly for your consideration. This will exclude any inward and outward Re-insurance Agreements, which will be carried forward in the same way to Lombard Life Limited and/or Lombard Insurance Company Limited.

With the uninterrupted continuation of the business of PinnAfrica, the changes noted above will have no significant effect on the business, products and relationship between yourself and PinnAfrica.

Should you have any further questions with regards to these changes or require any further information, please do not hesitate to contact myself, or any of the team at PinnAfrica or Lombard. We look forward to the new and exciting opportunities, which will no doubt arise out of our new partnership with Lombard.

Kind Regards



Willem Lombaard
MANAGING DIRECTOR