



A member of the Zurich Financial Services Group

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PERFORMANCE PERSPECTIVE

Zurich announces the sale of a 10% stake of SA Eagle in support of Black Economic Empowerment in South Africa



Jim Schiro (Zurich Financial Services) and King Kgosi Leruo Molotlegi (Royal Bafokeng Nation)

Zurich Financial Services Group, the majority shareholder of SA Eagle has signed an agreement to sell a 10% stake of the total issued share capital of SA Eagle to Royal Bafokeng Finance (Pty) Limited (RBF), a company wholly-owned by the Royal Bafokeng Nation (RBN). In line with the Financial Sector Charter, the BEE transaction highlights issues of ownership and equity in the short term insurance industry.

The transaction achieves the objectives of BEE through, inter alia, the following:

- the beneficiaries are broad-based by virtue of the nature of RBN
- it complies with the Charter's ownership requirements and other empowerment guidelines currently being proposed
- RBF has the capacity to partner SA Eagle in a transaction that embodies the Company's vision to move beyond legislated targets and deliver on the South African Government's envisaged transformation outcomes

The transaction underscores Zurich's commitment to the South African market and Government's BEE initiatives.

In RBF, Zurich believes it has identified a partner that embodies the spirit and meets the requirements of the Charter, whilst having the ability to be a proactive business partner to SA Eagle.

As part of the agreement, RBF is entitled to nominate one director to the SA Eagle Board and it has an option to increase its shareholding in line with the ownership requirements of the Financial

Sector Charter. Moreover, SA Eagle has undertaken, in line with the terms of the Charter, to fund specific projects nominated by RBF in areas such as corporate social investment, enterprise development and empowerment financing, subject to approval by the SA Eagle Board.

The Board of Directors and SA Eagle's management team are enthusiastic about the transaction with Royal Bafokeng Finance, which reflects the commitment of SA Eagle and Zurich to Black Economic Empowerment initiatives.

Royal Bafokeng Finance is seen as a business partner with whom the Company can collaborate to deliver on the BEE objectives as set out in the Financial Sector Charter.

The Royal Bafokeng Nation and, in particular, their king Kgosi Leruo Molotlegi is delighted to be associated with Zurich Financial Services and SA Eagle. The acquisition of this interest in a leading financial services company is an important step in broadening the community's access to cost-effective financial products and increasing the involvement of the nation in the national economy.

“People of the Dew”

Enthroned in 2003, to the beat of drums and a choir singing to a crowd of 20 000, Kgosi Leruo Molotlegi, promised to strive to move the Bafokeng mindset from work-seeking employees to job-creating employers, and to transform their economy from a resource-based to a knowledge-based one.

As part of this vision, Royal Bafokeng Finance was established in 2004 to reduce the nation's reliance on mining and increase its participation in the national economy.

Let's take a look at the past and the community of around 300 000 people, which has prevailed over great odds through much of its 800-year history in South Africa.

The Royal Bafokeng Nation is one of the few indigenous communities who own the land they occupied historically. They bought their land, and have held onto it, with single-minded determination over 130 years.

According to oral tradition, the Bafokeng came upon an area that boded well for agriculture and animal husbandry. As the valleys among the hills in the area captured heavy overnight dew, the people realised it would be a fertile land and the community would prosper.

So they decided to settle there and, in honour of the occasion, to take the name Bafokeng, literally meaning “people of the dew”. This was added to “Kvena” (Crocodile), the genealogical totem of the Sotho-Tswana peoples.

After many years of tribal conflict and wars, the Boers, as the Voortrekkers became known, proclaimed vast tracts of land as their own by right of conquest – including land occupied by the Bafokeng – and laid foundations for the establishment of their own South African Republic.

The Boers “rewarded” some Batswana kings with limited grants of land. Indeed, Paul Kruger, who acquired a farm near Bafokeng land, gave a farm to them in appreciation of their help in driving out the Amandebele.

By the early 1840s, Boers were settling in the vicinity of the Bafokeng and were being awarded land by the



new rulers: Their Volksraad (parliament) soon outlawed land acquisition by indigenous people on the grounds that the Boers "will not permit any equalisation of coloured people with white inhabitants".

With Boers increasingly encroaching on Bafokeng land, a rapid succession of events occurred that were to change and shape the course of the community's history to this day.

The Bafokeng strategy that emerged was to buy land through white men, specifically through the offices of the Lutheran Hermannsburg Mission Society, who would hold their acquisitions in trust. As was later recalled, this strategy would enable the Bafokeng to buy farms "in order that there might be a place where they could be buried and where their children could live after them".

In 1869, with the discovery of diamonds in Kimberley, an inspired Kgosi Mokgatle sent regiments of young men to work there with orders to repatriate their earnings, enabling the Bafokeng to buy more land.

With and without support from missionaries, they continued to purchase farms, overcoming numerous obstacles and increasing the tempo of acquisitions in the run up to the introduction of the 1913 Natives' Land Act that severely restricted African ownership of land.

While the Bafokeng managed to acquire limited tracts of land set aside for Africans, the community's mortgage and loan debt was mounting alarmingly. But then fortune again began favouring the brave, though it would take several decades before it would be fully realised.

September 1924, saw the discovery of the platinum-bearing Merensky Reef and a year later the realisation that the richest deposits lay in the Rustenburg area – specifically beneath Bafokeng land.

An agreement reached between several mining companies and the Royal Bafokeng administration resulted in them receiving compensation payments and annual royalties from the mining companies that extract minerals from the land. Over the next 75 years, the Bafokeng eked royalties from mining groups working their precious mineral reserves.

But that is only part of the story. The rest of the tale lies in how they have invested their mining revenue and how, increasingly, they are investing it to deliver a wide range of amenities and facilities to a community which has fought the good fight to secure its own piece of Africa.

Take all the risks.

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FOR MORE INFO

Contact Cyclesure on 0861 292 537, e-mail cyclesure@mweb.co.za or visit www.cyclesure.co.za





APPROVED

SAIA Approved

SAIA Approved (Pty) Ltd is a subsidiary of the South African Insurance Association and forms part of continued efforts made by the insurance industry to ensure that consumers are given service excellence and the best products at all times.

The insurance industry and its policyholders in South Africa are the major clients of several other industries and contribute hugely to the financial success of these industries and to the country's economy.

Nevertheless, in many of these industries, no viable standards exist, as a result of which installations done for policyholders, and products bought by policyholders as a requirement for obtaining insurance, are often ineffective. This creates a negative perception of the insurance industry in the eyes of its consumers. The products, which insurers insist upon, are seen to have been a waste of money by the policyholder, when the product proves to be ineffective.

SAIA Approved was therefore established in an effort to provide the short term insurance industry in South Africa with its own standards body focussing on products and systems specific to insurers.

With its main objectives being to protect the interests of insured clients and insurance companies, SAIA Approved will set and maintain standards, provide the insurance industry with a mechanism to deal with complaints relating to service providers, reduce fraud and provide a communication channel between service providers and insurers.

Most importantly, it will promote consumer confidence and improve levels of service within the various industries.

SA Eagle have agreed to support SAIA Approved in this venture when dealing with clients and brokers. Clearly, there are opportune times when we are able to do this, like when a client is requested to install an alarm system or, where following a loss, we request the client to upgrade their alarm system.

FOR MORE INFO Visit www.saia-approved.co.za

Cellular telephone theft

Recent media reports have highlighted concerns raised by both the South African Police Service and Business Against Crime regarding the number of cellphone and related crimes.

The country's cellphone operators – Cell C, MTN and Vodacom – have agreed that, in future, all handsets will be blacklisted immediately making it impossible for thieves to insert and use "Pay as you go" cards in stolen cellphones.

The following system, which will be operational with immediate effect, has been put in place.

- The insured must notify the service provider of the loss. The contact details are as follows:

Cell C	084 140
MTN (contract subscribers)	083 1808
MTN (prepaid subscribers)	083 173
Vodacom	082 1082
- The insured will then be taken through a verification process with the service provider to prove that he/she is the owner of the cellphone. Once the service provider is satisfied with the ownership issue, the insured will be provided with a blacklisting number
- The insured should then report the loss to the South African Police Service and, at the same time, provide them with the blacklisting number. The South African Police Service will register the theft, record the blacklisting number and provide the insured with a Criminal Administration System (CAS) or Occurrence Book (OB) number

In view of the procedural change claims for cellphones will, in future, not be settled without either a CAS or OB number.

