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**APPLICABLE PRICING SUPPLEMENT**

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**SANLAM LIFE INSURANCE LIMITED**

*(Registration Number 1998/021121/06)*

(Established and incorporated as a public company with limited liability in accordance with the laws of South Africa)

**Issue of ZAR1,000,000,000 Unsecured Subordinated Callable Floating Rate Notes due 15 August 2026**

**Under the Sanlam Life Insurance Limited ZAR6,000,000,000 Unsecured Subordinated Note Programme**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Programme Memorandum dated on or about 2 August 2016. This Applicable Pricing Supplement must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and such Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail. To the extent that certain provisions of the *pro forma* Pricing Supplement do not apply to the Notes described herein, they may be deleted in this Applicable Pricing Supplement or indicated to be not applicable.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Terms and Conditions. References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum entitled "*Terms and Conditions of the Notes*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Programme Memorandum contains all information required by Applicable Law and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the information contained in the Programme Memorandum, this Applicable Pricing Supplement and its annual financial statements and any amendments to its annual financial statements or any supplements from time to time, except as otherwise stated therein.

The JSE assumes no responsibility or liability of whatsoever nature for the contents of the Programme Memorandum or this Applicable Pricing Supplement or the annual financial statements or any other information incorporated by reference into the Programme Memorandum (as amended or restated from time to time), and the JSE makes no representation as to the accuracy or completeness of the Programme Memorandum or this Applicable Pricing Supplement, the annual financial statements or any other information incorporated by reference into the Programme Memorandum (as

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amended or restated from time to time). The JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the Programme Memorandum or this Applicable Pricing Supplement or the annual financial statements or any other information incorporated by reference into the Programme Memorandum (as amended or restated from time to time).

The Issuer confirms that the issue of Notes described in this Applicable Pricing Supplement will not exceed the aggregate Principal Amount of Notes that may be Outstanding under the Programme.

#### **DESCRIPTION OF THE NOTES**

1.	Issuer	Sanlam Life Insurance Limited
2.	Status of Notes	Unsecured Subordinated Callable Notes
3.	Tranche Number	1
4.	Series Number	4
5.	Principal Amount	ZAR1,000,000,000
6.	Interest	Interest bearing
7.	Interest/Payment Basis	Floating Rate
8.	Form of Notes	Uncertificated, Listed
9.	Issue Date	15 August 2016
10.	First Call Date	15 August 2021
11.	Automatic/Optional Conversion from one Interest/Payment Basis to another	The Notes are callable, at the option of the Issuer, on the First Call Date, which will constitute an Early Redemption at the option of the Issuer in accordance with Condition 8.4. If not called on the First Call Date, interest shall accrue on the Principal Amount at the Reference Rate plus 330 basis points
12.	Solvency Event	<p>With respect to paragraph (a) of the definition of "Solvency Event" in the Programme Memorandum - a solvency cover ratio below 1 times the Capital Adequacy Requirements as defined by the applicable Regulations</p> <p>With respect to paragraph (b) of the definition of "Solvency Event" in the Programme Memorandum - a solvency cover ratio below 1 times the Solvency Capital Requirement as defined by the applicable Regulations</p>



13.	Business Centre	Johannesburg
14.	Additional Business Centre	N/A
15.	Specified Denomination	ZAR1,000,000
16.	Issue Price	100%
17.	Interest Commencement Date	15 August 2016
18.	Redemption Date	15 August 2026
19.	Specified Currency	ZAR
20.	Applicable Business Day Convention	Following Business Day
21.	Final Redemption Amount	100% of the Principal Amount
22.	Last Day to Register	By 17h00 on the Business Day preceding the Books Closed Period
23.	Books Closed Period	The period from and including 5 August to but excluding 15 August, the period from and including 5 November to but excluding 15 November, the period from and including 5 February to but excluding 15 February and the period from and including 5 May to but excluding 15 May of each calendar year, such being the 10 days prior to each Interest Payment Date until the First Call Date or the Redemption Date, as the case may be, during which the Register will be closed
24.	Programme Limit as at the Issue Date	ZAR6,000,000,000
25.	Aggregate outstanding Principal Amount of all the Notes issued under the Programme as at the Issue Date	The Issuer has issued ZAR1,988,000,000 of Notes (which amount includes Notes issued under the Previous Programme Memorandum) and the Issuer intends to issue up to ZAR1,000,000,000 of Notes during its current financial year including the proposed issue of Notes described in this Applicable Pricing Supplement

#### **FLOATING RATE NOTES**

26.	(a) Interest Rate	Reference Rate plus the Margin
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|-----|---|---|
| (b) | Interest Payment Dates  | 15 February, 15 May, 15 August and 15 November in each year up to and including the First Call Date or the Redemption Date, as the case may be  |
| (c) | Interest Periods  | 15 February to 14 May (both dates inclusive), 15 May to 14 August (both dates inclusive), 15 August to 14 November (both dates inclusive) and 15 November to 14 February (both dates inclusive) |
| (d) | Definitions of Business Day (if different from that set out in Condition 1)   | N/A   |
| (e) | Minimum Interest Rate   | N/A   |
| (f) | Maximum Interest Rate   | N/A   |
| (g) | Other terms relating to the method of calculating interest (e.g., Day Count Fraction, rounding up provision, if different from Condition 7.2) | N/A   |
| (h) | Optional Deferral of Interest   | N/A   |
| 27. | Manner in which the Interest Rate is to be determined   | Screen Rate Determination   |
| 28. | Margin  | 220 basis points to be added to the Reference Rate subject to the provisions of item 11   |
| 29. | If ISDA Determination   |   |
| (a) | Floating Rate   | N/A   |
| (b) | Floating Rate Option  | N/A   |
| (c) | Designated Maturity   | N/A   |
| (d) | Reset Date(s)   | N/A   |
| 30. | If Screen Determination   |   |
| (a) | Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)  | 3 Month JIBAR   |
| (b) | Interest Rate Determination Date(s)   | First Business Day of each Interest Period  |

- (c) Relevant Screen Page and Reference Code N/A
31. If Interest Rate to be calculated otherwise than by reference to items 26 and 27 above, insert basis for determining Interest Rate/Margin/Fall back provisions N/A
32. If different from the Calculation Agent, agent responsible for calculating amount of principal and interest N/A

**PROVISIONS REGARDING REDEMPTION/MATURITY**

33. Prior consent of Registrar required for any redemption prior to Redemption Date Yes
34. Issuer's Optional Redemption: Yes
- if yes:

For tax reasons in accordance with Condition 8.2

Following the occurrence of a Regulatory Event in accordance with Condition 8.3

On the First Call Date or any subsequent Interest Payment Date thereafter in accordance with Condition 8.4

- (a) Optional Redemption Date(s) The dates as may be specified by the Issuer in accordance with Condition 8.2 and Condition 8.3 and, if called in accordance with Condition 8.4, the First Call Date referred to in item 10 above or any subsequent Interest Payment Date after the First Call Date if not called on the First Call Date

- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) In the event of a redemption of the Notes in accordance with Condition 8.2, Condition 8.3 or Condition 8.4 on the First Call Date or any subsequent Interest Payment Date after the First Call Date, as the case may be, the Notes will be redeemed at their Final Redemption Amount referred to in item 21 above plus accrued but unpaid



	interest
(c) Minimum Period of Notice (if different to Condition 8.4)	Not less than 30 days nor more than 60 days' notice in accordance with Conditions 8.2 and 8.3
(d) If redeemable in part:	
Minimum Redemption Amount(s)	N/A
Higher Redemption Amount(s)	N/A
(e) Other terms applicable on Redemption	N/A

#### GENERAL

35. Additional selling restrictions	N/A
36. International Securities Numbering (ISIN)	ZAG000138629
37. Stock Code	SLI4
38. Financial Exchange	JSE
39. If syndicated, names of managers	Sanlam Capital Markets Proprietary Limited and FirstRand Bank Limited (acting through its Rand Merchant Bank division)
40. Method of Distribution	Auction
41. Credit Rating assigned to the Notes as at the Issue Date	zaAA+
42. Credit Rating assigned to the Issuer as at the Issue Date	zaAAA
43. Rating Agency	Standard & Poor's
44. Date of issue of current Issuer Credit Rating	25 February 2016
45. Date of next Credit Rating Review	Annually
46. Governing law (if the laws of South Africa are not applicable)	N/A
47. Stabilisation Manager (if any)	N/A
48. Other provisions	N/A

**DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE  
COMMERCIAL PAPER REGULATIONS**

At the date of this Applicable Pricing Supplement -

49. Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

50. Paragraph 3(5)(b)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

51. Paragraph 3(5)(c)

The auditor of the Issuer is Ernst & Young Inc.

52. Paragraph 3(5)(d)

As at the date of this issue -

(a) the Issuer has issued ZAR1,988,000,000 of Notes (which amount includes Notes issued under the Previous Programme Memorandum); and

(b) the Issuer intends to issue up to ZAR1,000,000,000 of Notes during its current financial year including this issue of Notes. This issue of Notes will not exceed the Programme size.

53. Paragraph 3(5)(e)

Prospective investors in the Notes are to consider this Applicable Pricing Supplement, the Programme Memorandum and the documentation incorporated therein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes. In addition, prospective investors in the Notes are to consider the latest audited financial statements of the Issuer which are incorporated into the Programme Memorandum by reference and which may be requested from the Issuer.

54. Paragraph 3(5)(f)

There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

55. Paragraph 3(5)(g)

The Notes issued will be listed.

56. Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for general business purposes.

57. Paragraph 3(5)(i)

The Notes are unsecured.

58. Paragraph 3(5)(j)

Ernst & Young Inc, the auditor of the Issuer, has confirmed that nothing has come to its attention to indicate that this issue of Notes issued under the Programme will not comply in all material respects with the relevant provisions of the Commercial Paper Regulations (Government Notice 2172 in Government Gazette No, 16167 of 14 December 1994) published under Paragraph (cc) of the definition of the "business of a bank" in terms of section 1 of the Banks Act, 1990).

Application is hereby made to list this issue of Notes on 15 August 2016.

**SIGNED** at BELLVILLE this 11<sup>th</sup> day of AUGUST 2016.

For and on behalf of



**SANLAM LIFE INSURANCE LIMITED**

Name: I.M. MOKO

Capacity: CEO

who warrants his/her authority hereto



**SANLAM LIFE INSURANCE LIMITED**

Name: J.P. MOLLER

Capacity: DIRECTOR

who warrants his/her authority hereto