The Board of Directors
Absa Life Limited
Barclays Towers North
Troye Street
Johannesburg
2001

30 November 2016

Dear Sirs

REPORT OF FACTUAL FINDINGS IN RESPECT OF THE TRANSFER EXISTING INSTANT LIFE CELL CAPTIVE BOOK FROM GUARDRISK LIFE LIMITED TO ABSA LIFE LIMITED OF LONG TERM BUSINESS IN TERMS OF SECTION 38 OF THE LONG TERM INSURANCE ACT

To the Board of Directors of the Absa Life Limited

We have performed the procedures agreed with you and enumerated below with respect to the compliance by Absa Life Limited with section 38 of the Long Term Insurance Act ("the conditions"). Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in complying with the reporting requirements to the Financial Services Board in terms of the conditions and are summarised as follows:

1. Obtain Statements E9 (Assets and liabilities: Comparison of statutory and shareholders assets), Statement C2 (Summary of Statutory Valuation Method: Asset and Liabilities), Statement C2.1 (Liabilities), Statement C3 (Excess Assets and Capital Adequacy Cover), Statement C5 (Capital adequacy requirement before management action), Statement C6 (Capital adequacy requirement after management action) and Statement D1 (Statement of Financial Position) of Absa Life Limited on the dates immediately preceding the effective date of transfer and:

   a) Agree the balances on the schedule to management accounts, bank statements, supplier statements or any other form of supporting documentation obtained from management.

2. Obtain Statements E9 (Assets and liabilities: Comparison of statutory and shareholders assets), Statement C2 (Summary of Statutory Valuation Method: Asset and Liabilities), Statement C2.1 (Liabilities), Statement C3 (Excess Assets and Capital Adequacy Cover), Statement C5 (Capital adequacy requirement before management action), Statement C6 (Capital adequacy requirement after management action) and Statement D1 (Statement of Financial Position) of Absa Life Limited on the date immediately after the effective date of transfer and:

   a) Agree the balances on the schedule to management accounts, bank statements, supplier statements or any other form of supporting documentation obtained from management.

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Chief Executive Officer: T D Shango
Management Committee: S N Madikane, J S Masondo, P J Mothibe, C Richardson, F Tonelli, C Volschenk
The Company's principal place of business is at 2 Eglin Road, Sunninghill where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682

We report our findings below:

1. In respect of procedure 1, we agreed the balances on Statements E9 (Assets and liabilities: Comparison of statutory and shareholders assets), Statement C2 (Summary of Statutory Valuation Method: Asset and Liabilities), Statement C2.1 (Liabilities), Statement C3 (Excess Assets and Capital Adequacy Cover), Statement C5 (Capital adequacy requirement before management action), Statement C6 (Capital adequacy requirement after management action) and Statement D1 (Statement of Financial Position) of Absa Life Limited on the date immediately preceding the effective date of transfer, being 30 June 2016, to management information.

   No exceptions noted.

2. In respect of procedure 2, we agreed the balances on Statements E9 (Assets and liabilities: Comparison of statutory and shareholders assets), Statement C2 (Summary of Statutory Valuation Method: Asset and Liabilities), Statement C2.1 (Liabilities), Statement C3 (Excess Assets and Capital Adequacy Cover), Statement C5 (Capital adequacy requirement before management action), Statement C6 (Capital adequacy requirement after management action) and Statement D1 (Statement of Financial Position) of Absa Life Limited on the date immediately after the effective date of transfer, being 30 June 2016, to management information.

   No exceptions noted.

Because the above procedures do not constitute either an audit, review or other assurance engagement made in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, we do not express any assurance on the system of internal and financial control or financial statements of Absa Life Limited.

Had we performed additional procedures or had we performed an audit or review of, or other assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, other matters might have come to our attention that would have been reported to you.

The report is supplied on the basis that it is for the sole use of the parties to whom it is addressed and exclusively for the purposes set out herein. No party other than those to whom it is addressed may rely upon this report for any purpose whatsoever.

A copy of our report may be made available to the FSB provided that it is clearly understood by the recipient that they enjoy such receipt for information purposes only and that we accept no duty of care to them in respect of our report. Furthermore, the report is to be used by the FSB only for the purposes stated herein. The report must not be made available or copied in whole or in part to any other party without our prior written consent, which consent may be given or withheld at our absolute discretion. This limitation will obviously not apply to the provision of this report in compliance with any order or court, subpoena or other judicially enforceable directive.

This report relates only to the items specified above and does not extend to any financial statements of Absa Life Limited taken as a whole.

A G Taylor
Director
Chartered Accountant (SA)
Johannesburg

30 November 2016