

Capital Legacy gears up to acquire full ownership of Sanlam Trust for R390m

South Africa's fast-growing wills and estates administrator, Capital Legacy and the diversified financial services group Sanlam Limited (Sanlam) announced that they are joining forces by creating a compelling wills, estates and trusts business together.



Source: Supplied. Anton Gildenhuys, chief executive officer of SA Retail Affluent at Sanlam

The transaction, which is subject to regulatory approval, will see Sanlam Life Insurance Limited (Sanlam Life) sell its trust business, Sanlam Trust, to Capital Legacy, and Sanlam Life acquiring a 26% interest in the enlarged Capital Legacy group that includes the Sanlam Trust business following completion of the transaction.

The merged entity will be managed by Capital Legacy, while leveraging the strengths of both companies.

Sanlam sees the investment into the new combined business as a strategic move to benefit from a business with significant growth opportunities going forward.

Capital Legacy and Sanlam Trust operations will be merged, leveraging Capital Legacy's innovations and Sanlam's extensive distribution capabilities and customer base under the Sanlam brand.

Strategic transaction in the making

The transaction is subject to regulatory approvals, including the approval of the competition authorities.

Capital Legacy intends acquiring full ownership and control of Sanlam Trust for an amount of R390m. Sanlam Trust will continue to operate under the trusted and market-recognised Sanlam brand to service the Sanlam customer base and its various distribution channels.

Sanlam Life, for its part, will subscribe for a 26% shareholding in Capital Legacy group (that includes Sanlam Trust) for a total consideration of R1.11bn. With this transaction, Sanlam will become one of three significant shareholders in Capital Legacy, with African Rainbow Capital at 25.8% and Capital Legacy's founder, Alex Simeonides, through a trust, retaining a circ.27% shareholding.

“ *Sanlam has announced that it will take full control of BrightRock and combine its fiduciary business with Capital Legacy* <https://t.co/34v4Hnm9T7> — News24 Business (@News24_Business) *February 3, 2023* ”

The management owners of Capital Legacy will remain shareholders and continue to run the enlarged business together with the management team of Sanlam Trust.

With a shareholding of 26%, Sanlam Life will be entitled to appoint two directors to the board of Capital Legacy with a mandate to help unlock the envisaged growth opportunities together with the Capital Legacy management team.

Beneficial growth opportunities

“The deal has been a year in the making and it is important to note in these economic times that it is driven by the realisation of mutually beneficial growth opportunities and not cost rationalisation. We believe it will have a positive impact on the market to the benefit of customers and I am excited about what the future holds,” says Capital Legacy chief executive officer and founder, Alex Simeonides

Anton Gildenhuys, chief executive officer of SA Retail Affluent at Sanlam, and the initial visionary for and key player in making the transaction happen, says: “We believe that proper estate planning and drawing up a will are key components in financial planning.

“We admire the innovative solutions that Capital Legacy created, the agile and best in class technology, as well as the comprehensive marketing infrastructure that they have built – all of which supported phenomenal growth.

“Combining the market leading capabilities in Sanlam Trust with those at Capital Legacy will truly create a brilliant organisation that will be able to assist all South Africans to live with confidence.”

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