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## APPLICABLE PRICING SUPPLEMENT

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### SANLAM LIFE INSURANCE LIMITED

*(Incorporated in the Republic of South Africa with limited liability under Registration Number 1998/021121/06)*

**Issue of ZAR828,000,000 Senior Unsecured Callable Notes due 15 August 2021  
Under its ZAR3,000,000,000 Unsecured Subordinated Callable Note Programme**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be defined as such for the purposes of the Terms and Conditions set forth in the Programme Memorandum dated 14 August 2006. The Notes described in this Applicable Pricing Supplement are subject to the Terms and Conditions in the Programme Memorandum. This Applicable Pricing Supplement contains the final terms of the Notes and 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 the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

#### DESCRIPTION OF THE NOTES

1. Issuer	Sanlam Life Insurance Limited
2. Status of Notes	Unsecured Subordinated Callable Notes
3. Series Number	1
4. Tranche Number	2
5. Aggregate Nominal Amount:	
(a) Series	ZAR1,988,000,000
(b) Tranche	ZAR828,000,000
6. Interest	Interest bearing
7. Interest/Payment Basis	Fixed Rate
8. Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	Callable, at the option of the Issuer, on 10 <sup>th</sup> anniversary of Issue Date. If not called, interest linked to 3 months JIBAR plus margin (initial credit spread plus 100 basis points)
9. Form of Notes	Registered Notes
10. Issue Date	15 August 2006
11. Business Centre	Johannesburg
12. Additional Business Centre	N/A
13. Nominal Amount per Note	ZAR1,000,000
14. Specified Denomination	N/A
15. Issue Price	100%
16. Interest Commencement Date	15 August 2006
17. Maturity Date	15 August 2021
18. Specified Currency	ZAR

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|--|---|
| 19. Applicable Business Day Convention | Following Business Day  |
| 20. Final Redemption Amount            | 100% of the Nominal Amount  |
| 21. Last Date to Register              | By 17h00 on 5 August and 5 February of each year until Optional Redemption Date, thereafter 5 August, 5 November, 5 February and 5 May of each year   |
| 22. Books Closed Period(s)             | The Register will be closed from 6 August to 15 August and from 6 February to 15 February (all dates inclusive) in each year until the Optional Redemption Date, thereafter 6 August to 15 August, 6 November to 15 November, 6 February to 15 February and from 6 May to 15 May of each year |
| 23. Default Rate                       | N/A   |

#### **PROGRAMME LIMIT**

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| 24. Programme Limit as at the Issue Date   | ZAR3,000,000,000 |
| 25. Aggregate outstanding Nominal Amount of all of the Notes issued under the Programme as at the Issue Date | Nil              |

#### **FIXED RATE NOTES**

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|---|---|
| 26. (a) Fixed Rate of Interest  | 9.64 per cent. per annum payable semi-annually in arrear                                |
| (b) Fixed Interest Payment Date(s)  | 15 August and 15 February in each year up to and including the Optional Redemption Date |
| (c) Fixed Coupon Amount(s)  | N/A   |
| (d) Initial Broken Amount   | N/A   |
| (e) Final Broken Amount   | N/A   |
| (f) Determination Date(s)   | 15 August and 15 February in each year  |
| (g) Day Count Fraction  | Actual/365 (fixed)  |
| (h) Any other terms relating to the particular method of calculating interest | N/A   |

#### **PROVISIONS REGARDING REDEMPTION/MATURITY**

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|--|---------------------------------------|
| 27. Prior consent of Registrar required for any redemption prior to Maturity Date      | Yes                                   |
| 28. Issuer's Optional Redemption: if yes:  | Yes, in accordance with Condition 9.3 |
| (a) Optional Redemption Date(s)  | 15 August 2016                        |
| (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) | 100% of Nominal Amount                |
| (c) Minimum period of notice (if different from Condition 9.3                          | N/A                                   |

(d) If redeemable in part:	N/A
Minimum Redemption Amount(s)	N/A
Higher Redemption Amount(s)	N/A
(e) Other terms applicable on Redemption	[N/A]
29. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required). If no:	No
(a) Amount payable; or	N/A
(b) Method of calculation of amount payable	N/A
<b>GENERAL</b>	
30. Condition 7.5 to apply (deferral of interest and principal payments)?	Yes
31. Prior written consent of Registrar required for the issue of the Notes	(a) Registrar, in terms of section 24(a)(i) of the Long Term Insurance Act, approved this issue of Notes on 27 June 2006  (b) Registrar, in terms of paragraph 7(2) of Schedule 3 to the Long-Term Insurance Act approved the manner in which and the amount for which and the value of the Notes is to be determined on 27 June 2006
32. Financial Exchange	BESA
33. Calculation Agent	Sanlam Capital Markets Limited
34. Paying Agent	Absa Investor Services, a division of Absa Bank Limited
35. Specified office of the Paying Agent	6E Absa Towers North 180 Commissioner Street Johannesburg 2001
36. Transfer Agent	Absa Investor Services, a division of Absa Bank Limited
37. Provisions relating to stabilisation	N/A
38. Stabilising manager	N/A
39. Additional selling restrictions	N/A
40. ISIN	ZAG000032418
41. Stock Code	SLI2
42. The notice period required for exchanging interests in Global Certificates for Individual Certificates	14 days prior to the requested date of such exchange
43. Method of distribution	As per Condition 11.8

44.	If syndicated, names of Managers	Citigroup Global Markets (Proprietary) Limited Sanlam Capital Markets Limited
45.	If non-syndicated, name of Dealer	N/A
46.	Credit Rating assigned to Notes (if any)	A+ (zaf) Fitch South Africa
47.	Receipts attached?	No
48.	If yes, number of Receipts attached	N/A
49.	Coupons attached?	No
50.	If yes, number of Coupons attached	N/A
51.	Talons attached?	No
52.	If yes, number of Talons attached	N/A
53.	Stripping of Receipts and/or Coupons prohibited as provided in Condition 13.4	No
54.	Governing law (if the laws of South Africa are not applicable)	N/A
55.	Other Banking Jurisdiction	N/A
56.	Surrendering of Notes	14 days after the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Issuer
57.	Use of proceeds	N/A
58.	Pricing Methodology	Standard BESA pricing methodology
59.	Other Risk Factors	N/A
60.	Other provisions	N/A

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

61. Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

62. 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.

63. Paragraph 3(5)(c)

The auditor of the Issuer is Ernst & Young.

64. Paragraph 3(5)(d)

As at the date of this issue:

- (i) the Issuer has not issued any commercial paper; and
- (ii) to the best of the Issuer's knowledge and belief, the Issuer will not issue any commercial paper during the current financial year, ending 31 December 2006.

65. Paragraph 3(5)(g)

The Notes issued will be listed on BESA.

66. Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes will be used by the Issuer for its general corporate purposes.

67. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Notes are unsecured.

68. Paragraph 3(5)(j)

Ernst & Young, the statutory auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

**Responsibility:**

The Issuer accepts responsibility for the information contained in this Applicable Pricing Supplement.


Application is hereby made to list this issue of Notes on 15 August 2006.

SIGNED at Cape Town. this 14<sup>th</sup> day of August 2006

For and on behalf of

**SANLAM LIFE INSURANCE LIMITED**

(as Issuer)



Name:

Capacity:

Who warrants his/her authority hereto



Name:

Capacity:

Who warrants his/her authority hereto