



## With the acquisition of Saham Kenya, MUA confirms its ambitions in East Africa

### Communiqué

6 July 2020

**Present in Kenya since 2014, the leading insurance company in Mauritius reaches another important milestone in its expansion strategy in East Africa by completing the acquisition of Saham Kenya.**

The Mauritian insurance company MUA Ltd ("MUA") announces the completion of the acquisition of Saham Assurance Company Kenya Limited ("Saham Kenya"), through its subsidiary MUA Insurance (Kenya) Limited ("MUA Kenya"). Present in the region since 2014, following the acquisition of Phoenix Transafrica Holdings (with a presence in Kenya, Tanzania, Uganda and Rwanda), MUA significantly strengthens its local presence through this acquisition, sending out a strong signal about the group's confidence in the Kenyan insurance sector.

The transaction follows regulatory approval by the Insurance Regulatory Authority (IRA, Kenya), the COMESA Competition Commission and the South African Reserve Bank. The Kenya Competition Authority was also duly notified of the acquisition.

Saham Kenya, previously owned by the pan-African insurance group Sanlam Pan Africa, is one of the most dynamic insurance companies in Kenya. With an experienced management team, a strong reputation in the market and extensive operational knowledge, Saham Kenya's integration into MUA is complimentary and opportune. Indeed, the two companies share certain key characteristics in terms of corporate structure, values, culture and market knowledge.

The integration of the two teams is expected by the end of the year and is subject to IRA approval. This would enable MUA to strengthen its market position and trigger significant value creation. The Chief Executive Officer of Saham Kenya, Lydia Kibaara, will take over the management of the merged entity. Previously an executive at the largest insurance company in Kenya, she brings with her extensive market knowledge. The current CEO of MUA Kenya, Ashraf Musbally, retains oversight of the East African subsidiaries and remains on the Board of the holding company.



The consolidated business, which will operate under the MUA brand, will have the full support of its parent company in Mauritius, in order to achieve critical mass in Kenya and ensure long term sustainability. MUA, one of the leading insurance players in Mauritius has demonstrated its ability to innovate, digitalise, and brings in its extensive international network and technical expertise, which are all key success factors and will drive the business forward.

MUA's development strategy in Kenya and in the region is based on the professionalism of its intermediaries and enhanced product and service offering, through the extensive use of new technologies and the deployment of innovative marketing tools to expand its customer base. This has been particularly successful in the retail sector, but also among SMEs and corporates, with a wide range of insurance products. The group's expansion strategy focuses on increasing insurance penetration in Kenya, a market with enormous potential in a context of rapid population growth.

The challenge of the convergence of insurance products, especially with consumer products, is at the heart of the future of the insurance business and MUA intends to fully contribute to the insurance market in Kenya, particularly through its experience in integrating digital tools into the client experience. The new entity will be able to offer solutions for more specialized insurance risks, including cyber-risks and aviation risks combined with professional service and a global approach to risk assessment. MUA has focused firmly on digital innovation over the last few years, with the launch of online travel insurance and death cover via the USSD mobile application.

Bertrand Casteres, Group CEO of MUA, said: "With this acquisition, we confirm our growth path and long-term ambitions in Kenya. It is also a validation of our three-year strategy "Ambition 2020" which plans substantial investments to finance our growth in Kenya and more broadly in East Africa. Today, the East Africa operations account for about a quarter of our revenue. We are striving to significantly increase this contribution over the next three years and join the top 10 insurance companies in Kenya. Saham Kenya's team will be integrated in accordance with the group's values and will find their place within the MUA family. I would also like to thank the Kenyan authorities and notably the IRA for their active cooperation in the completion of this investment, which bears testament to a dynamic financial services sector. Moreover, we count on our excellent distribution network, in particular our agents and brokers to ensure the continued growth of MUA in the region."

As a leading insurer in Mauritius, MUA has placed innovation, digitalisation and good governance at the heart of its business model. The acquisition of Saham Kenya is fully in line with the values embodied by the MUA brand.



## **About MUA Ltd**

MUA Ltd is the holding company of the MUA group of companies, listed on the Stock Exchange of Mauritius. MUA is the largest insurance company listed on the Mauritian Stock Exchange in terms of market capitalization and is amongst the top 10 list best top performing companies (since its listing in 1993). The Mauritius Union Assurance Cy. Ltd (MUACL), established in 1948, is the insurance subsidiary of MUA Ltd in Mauritius. The company has grown considerably over the years and MUACL has a market share of 25% and is the market leader in terms of net premiums earned in Mauritius. MUA, through its other subsidiaries, also offers long-term insurance, corporate pensions, mutual funds, investment, brokerage and reinsurance services in Mauritius.

In 2014, MUA embarked on an ambitious regional expansion plan, starting with the acquisition of Phoenix Transafrica Holdings, with operations in Kenya, Uganda, Tanzania and Rwanda. MUA is among the top ten insurance players in Tanzania, Uganda and Rwanda. In 2018, the various entities of the group have been grouped under a single, dynamic brand, MUA.

In 2019, MUA underwent a restructuring to simplify the operations of MUACL, its subsidiaries and associated companies by separating the insurance activities in Mauritius from the international activities of the group. MUA Ltd was formed to act as the ultimate holding company.

MUA employs over 670 people in its subsidiaries in Mauritius, Kenya, Uganda, Rwanda, Tanzania and Seychelles.

## **About MUA Insurance (Kenya) Ltd.**

MUA Insurance (Kenya) Ltd, formerly known as Phoenix of East Africa Assurance Company Ltd, has been offering short-term insurance in the Kenyan market since 1912.

## **About Saham Assurance Company Kenya Ltd.**

Saham Assurance Company Kenya Limited, formerly known as Mercantile Insurance Company Ltd, was established in 1993 as a composite insurance company. It was previously controlled by Colina Holdings Ltd, a wholly owned subsidiary of Sanlam Pan Africa, a leading pan-African insurance company wholly owned by the Sanlam Group, a financial conglomerate listed on the Johannesburg Stock Exchange.