

Metropolitan International acquires Kenyan insurer Cannon

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South African listed insurance-based financial services group MMI Holdings Limited (MMI), announced today that its Metropolitan International division has acquired a significant majority stake in Kenyan insurer Cannon Assurance Limited (Cannon).

The acquisition is subject to regulatory and other required approvals. The shareholders of Cannon will in turn acquire a minority stake in Metropolitan Life Kenya. This transaction will enable a merger of the two companies with the consolidation of the life licences into one and a standalone short-term insurance licence and business.

Metropolitan International, which operates in 12 African countries outside South Africa, has a presence in Kenya through Metropolitan Life Kenya, offering long-term insurance products. The acquisition of Cannon will enable Metropolitan International to broaden its product offering to include short-term insurance and asset management.

Established in 1974, Cannon has a wide footprint in Kenya with offices in Mombasa, Nairobi, Nakuru and Thika. Cannon services

both retail and corporate clients and has established a Sharia compliant suite of insurance products.

Nicolaas Kruger, group CEO of MMI says, "Africa is an important strategic growth area for MMI. The acquisition of Cannon represents an important milestone to fast track MMI's organic growth strategy in Africa and strengthens MMI's presence in East Africa. MMI is investing around ZAR300m on the acquisition of a majority stake in Cannon, which will be funded from the ZAR500m set aside by MMI's Board for strategic growth initiatives in Africa".

Mervyn Cookson, CEO of Metropolitan International says, "As part of our expansion strategy, we have identified East Africa as a key region for growth. With a combined population exceeding 235 million the East Africa region presents significant expansion opportunities, and this acquisition strengthens our position to become a meaningful financial services player in Kenya and to enhance our strategic positioning in East Africa".

Kenya has the most established economy in the region; the most developed infrastructure in East Africa; the largest pool of skilled, English-speaking workforce and Nairobi is considered a strategic location as a regional financial, communications and transportation hub.

"Although Metropolitan Life (Kenya) has operated in the Kenyan market for eight years, our share of the large Kenyan market is still small. The acquisition of Cannon will allow both Cannon and Metropolitan to leverage off each other. Cannon has a wider presence and a well-established brand in the Kenyan market, whilst

Metropolitan International can bring additional innovative products as well as technical and distribution skills to this market," concludes Cookson.