

MMI Holdings increases stake in Nigerian financial services group United Metropolitan to 100%

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MMI Holdings has announced that it has acquired the remaining 50% equity stake in United Metropolitan (formerly UBA Metropolitan).

MMI Holdings, South African JSE listed financial services group, has announced that it has acquired the remaining 50% equity stake in United Metropolitan (formerly UBA Metropolitan), increasing the shareholding of MMI Holdings in the Nigerian financial services provider to 100%.

Nicolaas Kruger, group CEO of MMI Holdings, says, “The acquisition of the remainder of United Metropolitan demonstrates MMI Holdings’ commitment to grow our market presence in Africa. Nigeria presents long-term opportunities for growth, with current insurance penetration less than 1%. Given a population of 174 million, this presents a long-term strategic opportunity for insurance service providers to add value to the lives of customers and also enhance shareholder value.” Owning 100% of a subsidiary furthermore enhances flexibility.

At the recent World Economic Forum on Africa, concern was raised about the declining growth rate in sub-Saharan Africa from an average GDP growth of 6% in 2010 to just 3% in 2015. Declining commodity prices and changing demand from China have had an adverse impact on African economies. The continued growth of digital technology may, however, be one of the catalysts for the potential positive impact that the fourth industrial revolution may have in Africa.

Kruger says, “MMI Holdings has a presence in 13 African countries and we recognise that growth in Africa has slowed and this brings some challenges. We remain convinced that Nigeria is an exciting and unique market where we can make a meaningful contribution. We look forward to building on the long-term commitment we have already made and to contributing positively to the Nigerian society over time, whilst creating value for our various stakeholders.”