

CGIC acquisition from Santam puts Mutual & Federal in control

At the Old Mutual Group Interim results' announcement on Thursday, 6 August 2015, Mutual & Federal announced that it would acquire Santam's stake in the Credit Guarantee Insurance Corporation of Africa Ltd (CGIC), a market leader in trade credit insurance in South Africa. This transaction will see Mutual & Federal purchase a further 33.6% interest in CGIC, and is expected to be completed in the second half of 2015.



Raimund Snyders, CEO of Mutual & Federal

Raimund Snyders, CEO of Mutual & Federal, said that the deal was a win-win for the company and CGIC. "As the regulatory and competitive environment increases in complexity, this acquisition puts us in firm control of a strategic investment asset, which we can now drive purposefully within the Old Mutual Emerging Markets portfolio of businesses to realise its full potential."

According to Snyders, whereas trade credit insurance is well developed in South Africa, this is not the case elsewhere on the African continent. "This transaction is an opportunity for us to develop this market in the rest of the continent," he explained.

Charles Nortje, CGIC's Managing Director welcomed the transaction. He said, "The real benefit to us is to have a single controlling shareholder, especially one as financially sound as Old Mutual. This will improve security for our policyholders and will allow our staff members greater opportunities to grow their careers within the broader Old Mutual Group."

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