

**MERGER DECISION NO 34: 2022****MERGER DECISION ON THE ASSESSMENT OF THE PROPOSED TRANSFER OF BOTSWANA INSURANCE HOLDINGS LIMITED AND AFRICAN LIFE ASSURANCE COMPANY BOTSWANA PROPRIETARY LIMITED FROM SANLAM EMERGING MARKETS PROPRIETARY LIMITED TO SANLAM ALLIANZ AFRICA PROPRIETARY LIMITED.****Introduction of the Merging Parties**

- i. Pursuant to Section 53(4)(a)(ii) of the Competition Act, 2018 ("the Act"), notice is hereby given on the decision made by the Competition and Consumer Authority ("the Authority") in respect of the proposed transfer of Botswana Insurance Holdings Limited ("BIHL") and African Life Assurance Company Botswana Proprietary Limited ("African Life") from Sanlam Emerging Markets Proprietary Limited ("SEM") to Sanlam Allianz Africa Proprietary Limited ("Sanlam Allianz Africa"). The transaction was notified to the Authority on 22<sup>nd</sup> August 2022 and the merger assessment was completed on 28<sup>th</sup> September 2022.
- ii. Sanlam Allianz Africa, the Acquiring Enterprise, is a company registered in terms of the Laws of the Republic of South Africa. The Acquiring Enterprise is a newly incorporated joint venture holding company and currently a wholly owned subsidiary of Sanlam Emerging Markets (SEM). Pursuant to the proposed transaction, Sanlam Allianz Africa will operate as a Pan-African life and general insurance joint venture between the Sanlam Group (through SEM) and the Allianz Group (through Allianz Europe B.V).
- iii. Sanlam Limited ("Sanlam"), together with its subsidiaries and controlled affiliates (the Sanlam Group,) is an international financial services group comprising several insurers, financial services providers and other financial institutions in and outside of South Africa. In Botswana Sanlam indirectly controls BIHL and African Life through SEM.
- iv. Conversely, Allianz SE ("Allianz"), together with its subsidiaries and controlled affiliates (the Allianz Group) is a global integrated financial services group operating in the life and non-life insurance and asset management industry in over 70 countries with the largest of its operations in Europe.
- v. BIHL and African Life, the Target Enterprises, are incorporated in accordance with the Laws of Botswana. The Target Enterprises are controlled by Sanlam through SEM. BIHL and its subsidiaries underwrite all classes of long term insurance, administer deposit administration schemes, manage investments and administer life and pension funds. On the other hand, African Life invests in equity and secure investments as principal.

## **Relevant Markets**

- vi. The evaluation of the activities of the Merging Parties products indicates that they are both engaged in the provision of life insurance, non-life insurance products, asset management services and managing investments. However, there is lack of geographical overlap in the activities of the Merging Parties, since the Allianz Group does not have presence in Botswana.

## **Competitive Analysis and Public Interest**

- vii. The Authority has not established any substantial lessening of competition concerns arising from the merger. Furthermore, there is no acquisition of market dominance post-merger; nor any negative effect on public interest that was identified.

## **The Determination**

- viii. Pursuant to the provision of Section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed transfer of Botswana Insurance Holdings Limited and African Life Assurance Company Botswana Proprietary Limited from Sanlam Emerging Markets Proprietary Limited to Sanlam Allianz Africa Proprietary Limited.
- ix. However, as stated under Section 61 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to this merger must comply with under the Laws of Botswana.

Dated at Gaborone on this 28<sup>th</sup> day of September 2022.

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