KPMG

Tapping into Africa's potential

Regional growth opportunities for the global financial services sector

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KPMG International

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Contents

Grow opportunity

for global investors with a long investment horizon

Africa continues to be shadowed by seemingly clouded perceptions, diverting attention from many exciting growth prospects open to pioneering investors.

Particularly in the region's financial services market, where financial reporting issues, immature capital markets, and a dearth of large-sized targets obscure the potential from regulatory-driven banking consolidation, a growing middle-class, a large unbanked population, an active insurance market and a dynamic fintech sector.

“The financial services sector in Africa is benefitting from improved sophistication. However, a significant gap with other global high growth markets still exists.”

Giuseppe Rossano Latorre
Partner, Global Financial Services Deal Advisory Lead
KPMG in Italy

There are positive macro-economic trends such as strong GDP projections (real GDP growth of 3.8 percent forecasted to reach 4.1 percent by 2023)[1], expected increase in foreign direct investments (approximately 20 percent in 2018 to US$50 billion)[2], regional economic growth in sub-Saharan Africa (3.1 percent in 2018 and averaging 3.6 percent in 2019–20)[3] and improving regulatory environment (with European Solvency II-like regimes being implemented in South Africa and Kenya).

Given these positive factors, where does Africa lie on the agendas of top global financial institutions (FIs)? When it comes to organic growth, global banks are in a stronger position than global insurers. Of the top 30 global banks (by asset size), 19 banks have a regional presence, with French banks leading the race followed by Chinese, Japanese and US players, with Southern Africa as the preferred foothold. By contrast, just 10 of the top 40 global insurers (by asset size) have a presence in Africa[4].

M&A expansion has been muted for both global banks and insurers, with no major high-value deals in the past 5 years. Overall, it seems that neither of these international institutions see Africa as integral to their overall growth plans — which has left the door open for local players to pursue their own pan-Africa strategies, moving from local to regional to continental through both organic and inorganic development.

We have identified a five-pillar approach below to tapping latent opportunities in the region — although these are only likely to bring rewards in the longer term, calling for a 10 year investment horizon.

Five-pillar growth approach for long-term investors

1. **Insurance is at an inflexion point**
2. **Each market is unique**
3. **Point of entry: the right partnership/acquisition**
4. **Managing innovation**
5. **Early mover advantage**

1. International Monetary Fund — World Economic Outlook 2018
2. United Nations Conference on Trade and Development
3. Worldbank
4. KPMG International

Concerns for investors

Africa may offer a host of exciting prospects, but investors should be aware of possible challenges to acquiring and operating financial services businesses. While by no means insurmountable, these challenges need to be factored into any expansion strategy:

1

Financial reporting

A significant number of African markets have yet to adopt International Financial Reporting Standards (IFRS) for financial statement reporting. With different accounting standards used by different banks for financial reporting, it may be hard to accurately compare banks' performance and governance, a situation exacerbated by a general lack of transparency.

2

Mortgage markets lag behind demand

As Africa's population grows and urbanizes, both public and private organizations are struggling to keep up with demand for adequate housing. Post the 2008 financial crisis, mortgage systems have come under scrutiny, with persistent concerns over the robustness of regulatory structures and the appropriateness of financial instruments. This has led to shallow mortgage markets and a continued perception that credit risks are high. Consequently, despite increasing incomes, most citizens cannot afford to independently finance mortgages.

3

Immature capital markets

Most of Africa's stock markets are still illiquid, making it hard to support local trading systems, market analysis and brokers, due to low trading volume. Poor infrastructure means slow trading, clearing and settlement, with some stock exchanges still operating manual systems. Additionally, certain markets have no central depository systems, while some restrict foreign participation. These inherent weaknesses lead to relative stock market inactivity and restricted access to capital.

4

Significant insider lending

Africa's banking sector continues to suffer from governance failures, insider abuse and other unethical practices — something that has actually increased since the global recession. According to the *Afrinvest 2017 Banking Sector Report*[5], most Nigerian banks have huge exposure to insider-related parties.

5

Inconsistent and insufficiently robust insurance regulations

Insurance regulations vary widely between countries, while there are significant gaps in financial reporting and disclosure. Consumer protection, although on the rise, is still inadequate, with many markets lacking a consumer education and understanding. These phenomena reflect the general low awareness of the importance of insurance in many parts of Africa.

6

Dearth of large-sized targets

The relatively immature nature of many African financial markets restricts the availability of appropriate targets, thus limiting M&A options.

[5] The Punch newspaper. GTBank insider lending level low, says Afrinvest. December 21, 2017

Unfulfilled investm potential

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As more and more African citizens enter the formal financial system, and an emerging middle class recognizes the value of insurance, the continent's financial services markets should be set for rapid growth, further fueled by disruptive business models like mobile banking.

At present, however, much of the potential in Africa remains untapped and the race is on for providers to explore better and innovative ways to get customers on board — so long as they can navigate challenging regulatory and political environments. Here is a summary of the main opportunities:

Consolidation in banking

Certain regions are undergoing a period of consolidation, such as East and West Africa, where many smaller banks are under-capitalized and lack either the systems or the competencies to manage credit, market and operational risk or the scale to operate more efficiently and profitably.

Consequently, regulators are encouraging market consolidation to help mitigate these risks and promote stability — which may ultimately result in a few large banks dominating the region, with a significant volume of deals to purchase smaller banks.

Such a trend is evident in countries like Kenya, Tanzania, Ghana and Nigeria.

Growth potential in immature insurance markets

As the number of middle-class consumers continues to rise, so does the demand for insurance, where, with the exception of South Africa, penetration is extremely low (Refer to Appendix A — Insurance penetration in advanced and emerging markets).

Particular growth areas are personal and small-to-medium (SME) corporate insurance in South Africa, and general insurance in West Africa. Micro-insurance is expected to be a major driver of growth, as regulators introduce revised guidelines, and technological innovation spurs greater financial inclusion.

Nigeria's fragmented insurance market is ripe for consolidation to cope with an expected increase in minimum capital requirements based on the much expected revised guidelines from the regulator.

Bancassurance has also gained popularity in Africa, via strategic alliances between banks and insurers, hoping to capture opportunities thrown up by disruptive new business models. Through these partnerships, the two sectors aim to fill insurance penetration gaps and bridge trust and awareness deficits.

Commercial banking, consumer lending, securities and commodities brokerage, and insurance to attract greater PE interest

Investments in the financial services sector are expected to remain buoyant in the years ahead, due to the continuing investments from private equity (PE) house Atlas Mara, based in the British Virgin Islands.

To date, few PE funds have a strong banking focus, with a greater preference for insurance targets — notably Australia's Leapfrog Investments and the UK's Actis, both of whom have an acquisitive emerging market focus.

A few generalist PE funds and family offices are also making modest headways in insurance, while development finance institutions are keen investors in African banking, providing much-needed assistance to private sector financing needs. A few global strategics have also made incursions into key markets with the likes of AXA and Allianz in Nigeria and Prudential in Ghana, Kenya and Nigeria.

We expect sub-sectors such as commercial banking, consumer lending, securities and commodities brokerage, and insurance to continue to attract further interest from PE players.

A rising middle class and a huge, unbanked population

The number of middle-class citizens is increasing across the continent[6], driven by falling income inequality, a robust and growing private sector, stable and secure employment, higher-quality, accessible tertiary education and improving infrastructure.

As this segment continues to increase, more and more people should access financial services, pushing up demand for both retail banking and insurance, with retail banking likely to grow faster than corporate banking. Retail banking in Sub-Saharan Africa is projected to grow at a compound annual rate of 15 percent between 2014 and 2020, bringing the financial services contribution to the continent's collective GDP to 19 percent from an estimated 11 percent in 2009.[7]

However, a significant proportion of the continent's 1.2 billion population remain unbanked. For example, in Kenya and Nigeria, about a third of all adults are unbanked, while in Ethiopia, half or more of all adults do not hold an account[8] (refer to Appendix B — Banking penetration in major African countries). For micro, small and medium entrepreneurs (MSMEs), a lack of access to finance has been a critical factor holding back development. But such gaps have also opened the door to alternative forms of finance in the form of mobile money.

The irresistible force of fintech — powered by telecoms

Inadequate banking infrastructure, low banking penetration and young, tech-savvy millennial populations have paved the way for fintech and telecommunications companies to revolutionize Africa's financial services.

Financial services in Africa have long been dominated by banks and local credit unions, but their pre-eminence has been challenged by alternative mobile network operators (MNOs). Enabled by telcos, mobile money accounts have had a dramatic impact on financial inclusion.

But this does not mean that banks are out of the picture; they are now beginning to edge their way into fintech by building partnerships with telcos. We expect such partnerships to drive M&A activity in the region and create significant interest from both strategic and financial investors.

[6,8] Worldbank
[7] Leathwaite

Glob

financial institutions' penetration strategies

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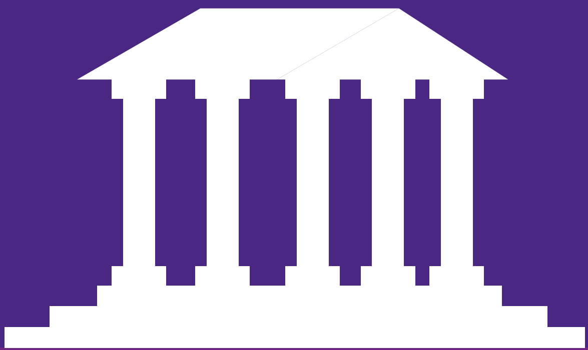


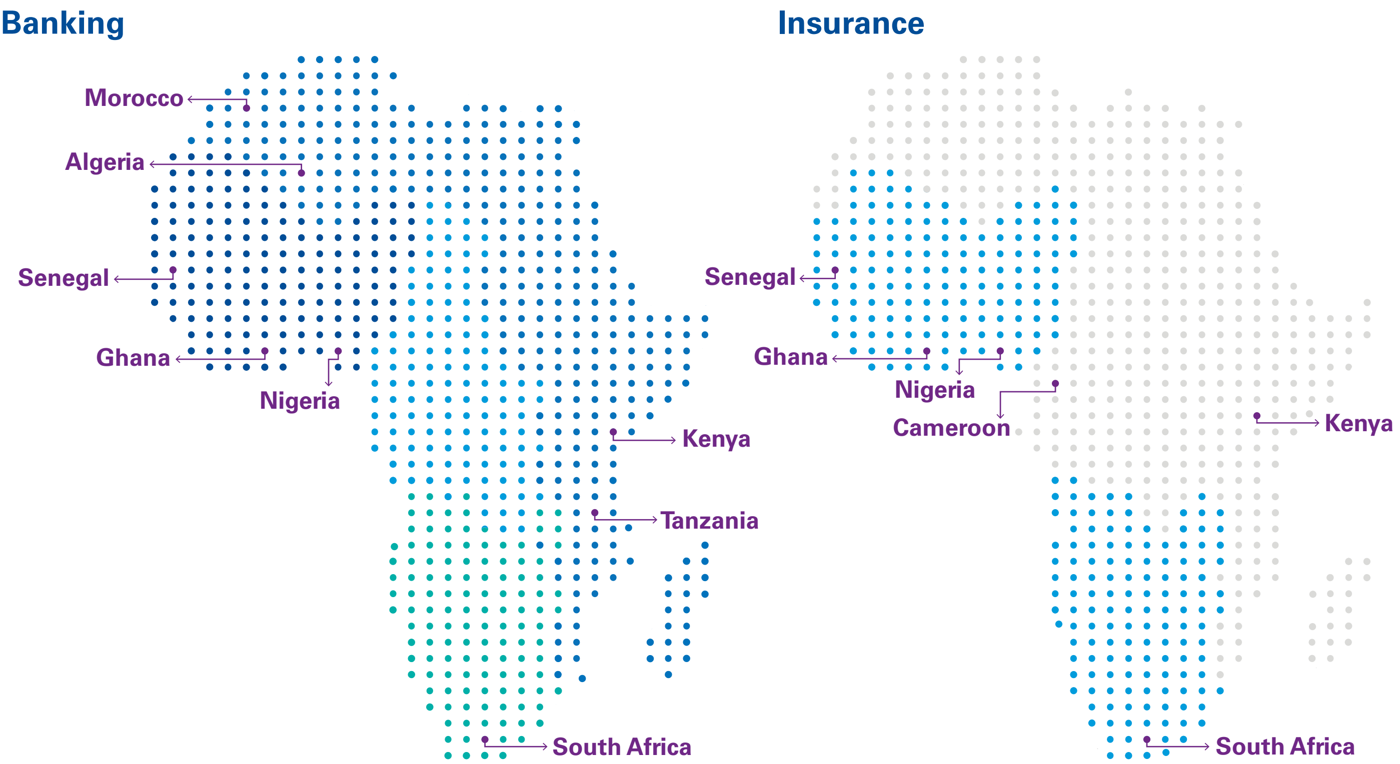
Global banks have a limited presence in Africa, and some have even scaled back their global ambitions, shaking up the sector.

The current low penetration of international insurers in Africa is expected to rise, reflecting insurable assets held by expanding middle classes.

A few global banks have established a modest foothold in Africa, most notably French banks, with Chinese, Japanese and US players also present. Of the top 30 global banks (by asset size), 19 banks are present in the continent, mainly in the south and west in key markets like South Africa, Nigeria, Ghana and Senegal[9]. Over the last few years, several major banks have withdrawn their global operations to retreat to home markets, following stringent regulatory requirements — primarily in the form of capital buffers. Barclays sold a majority stake in its African businesses, while other global giants such as Citi and BNP Paribas have also reduced their exposure in this region.

In contrast, international insurers are conspicuous by their absence in Africa, with just 10 of the top 40 operating on the continent, concentrated in western countries[10]. Widespread poverty, lack of capital and expertise, ineffective legal, judicial and regulatory systems and immature financial markets all contribute to low insurance take-up. But this limited penetration also presents a huge opportunity for both corporate and retail providers. And the growing demand for insurance should also broaden the spectrum of products from agricultural insurance to micro-insurance, as well as new offerings across personal lines.

Africa: Penetration of Global FIs (banks and insurers)[11]



Global banks/insurers penetration levels (footprint mapping)

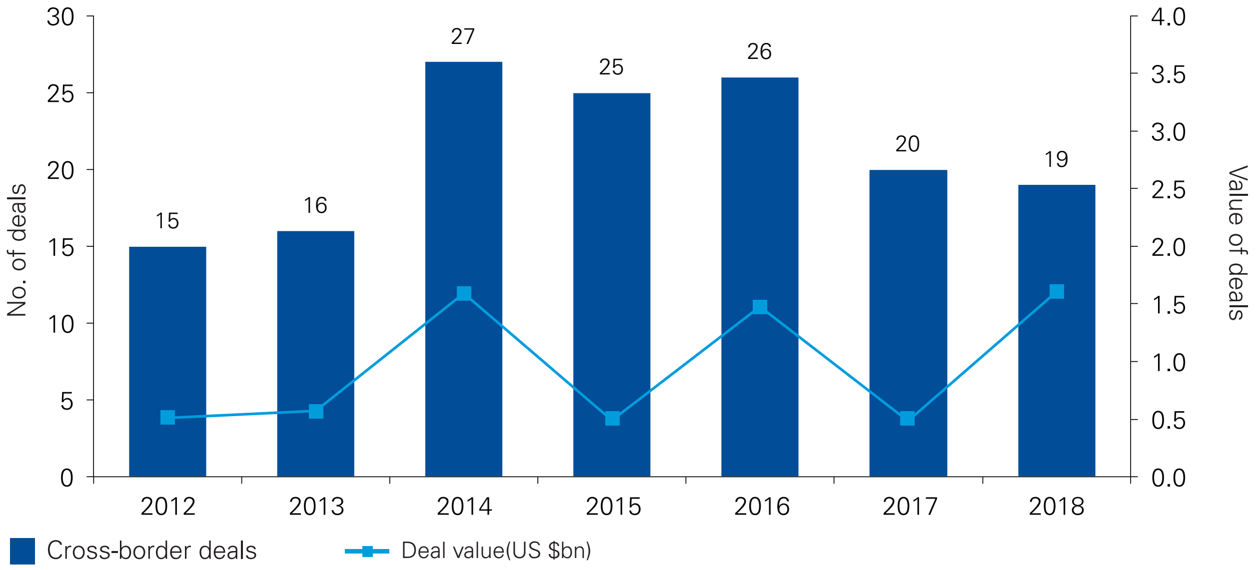
- Highly penetrated region (25–30)
- Low penetrated region (15 to 19)
- Medium penetrated region (20 to 24)
- Very low penetrated region (10 to 14)
- Key markets with max. presence
- Minimal penetrated region (less than 10)

Note: Out of top 40 global banks and top 40 global insurers (basis asset size), players with presence in Africa have been considered. North Africa includes Algeria, Morocco, Tunisia, Mauritiana, Libya, Tunisia; South of Africa includes South Africa, Mauritius, Zambia, Botswana, Zimbabwe; East Africa includes Kenya, Tanzania, Uganda, Mozambique, Madagascar, Seychelles; West Africa includes Ghana, Ivory Coast, Senegal, Nigeria, Benin, Burkina Faso, Mali, Togo, Guinea; Central Africa includes Congo, Cameroon, Angola, Gabon, Chad, Equitorial Guinea, Central African Republic

9,10,11. KPMG International

The volume of cross-border financial services deals in the last 7 years (2012 to 2018) has been relatively resilient (CAGR of 4 percent), at 29 percent of total deals, with 56 percent in banking, 25 percent in insurance and 19 percent in asset management. Active bidders were mainly from the UK and the US followed by France. Partnerships and M&A are the most common expansion route for banks, in addition to organic growth, for instance, BNP Paribas and Société Générale have made few acquisitions in the past few years.

Cross-border deal activity in Africa



Source: ThomsonOne
Note: Cross-border deals include all three sub-sector deals — banking, insurance and asset management

Insurance deal opportunities tend to be in their early phases, which could signal some exciting openings for international insurers and investors. Of the global players, the likes of Allianz, Swiss Re, Prudential and Old Mutual have been the most active. Most European or US based insurance companies are seeking either to consolidate their portfolios in existing markets, or to use the target vehicle as an entry-point into a new market. Not surprisingly, the five largest African insurance markets of South Africa, Nigeria, Morocco, Kenya and Ghana account for the majority of M&A transactions, and with strong projected GDP growth, and relatively low insurance penetration rates, demand for insurance is likely to continue to grow in these geographies.

> “You can't paint Africa with one brush, neither can you import a foreign business model or product without local adaptation. To succeed in Africa, investors need to create unique solutions based on local needs leveraging technology to achieve scale and long-term profitability.”

Dapo Okubadejo
Partner, Africa Deal Advisory Lead
KPMG in Nigeria

Strategies of local African banks and insurers

Regionalization should present a win-win for pan-African banks and insurers, as the shift from local to regional to continental reflects increasing economic integration. Insurers have also become catalysts for innovation to drive growth across the region.

In recent years, local banks and insurers have focused, and continue to focus, on regional expansion in order to grow and diversify earnings in the face of increased domestic competition. Indeed, many players already have a defined pan-African development strategy to accelerate growth. New entrants from outside Africa may struggle to expand without an existing presence in at least one key market — and may need to acquire a regional banking franchise. All options appear to be on the table, from organic growth to partnerships and acquisitions.

In addition, post-financial crisis, banks from the larger economies of Morocco, Nigeria, and South Africa have been buying up international banks' former businesses as the latter exited this region to focus on home markets. This has enabled these large African banks to strengthen their footprint across the region. Kenyan and Nigerian banks like Equity Bank, United Bank for Africa (UBA) and First Bank of Nigeria have successfully embraced such a strategy to gain an extensive presence across the continent.

It is a similar story for African insurers, who appear to favor partnerships as their route to regional expansion, while continuing to invest in innovation and technology to generate new offerings in both commercial and personal lines. As the economy rebounds, insurers have increased efforts to broaden their product offering and widen distribution, with many local players adopting multidimensional, pan-African strategies. Some are seeking licenses in specific countries and building a presence, while others are accessing bancassurance channels and forming joint ventures to sell existing insurance products in new markets.

The past few years (2012–2018) of M&A activity paint a mixed picture, with a mild uptick of 2.3 percent in domestic deal activity and a slight decline in regional deal activity of 7.1 percent. South Africa, Kenya and Nigeria witnessed the majority of domestic transactions while regional deal activity centered around Nigeria, Kenya and Ghana.

Banking contributed 62 percent, insurance 19 percent and asset management 19 percent of total domestic and regional deal activity between 2012 to 2018[12]. Of the three sectors, banking and insurance have been the most stable in terms of ongoing deal volumes. Looking at the top 10 deals since the start of 2018, banking and insurance deals remained prominent with most transactions low-value affairs involving domestic buyers, as part of a wider strategy to strengthen presence.

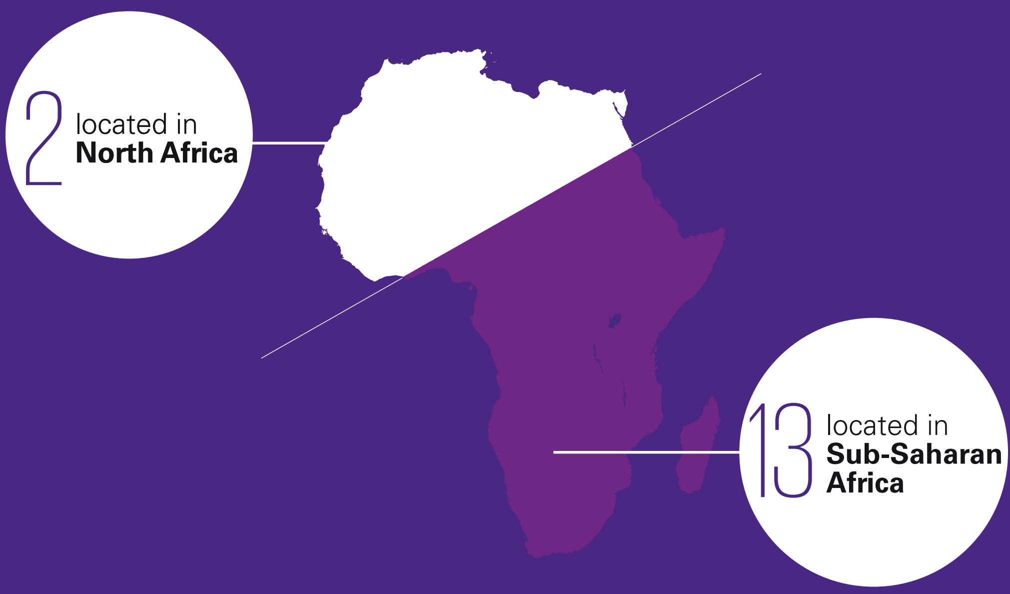
[12] ThomsonOne and KPMG International

Strategy of the top 15 banks in Africa

Highlights:

- All of the top 15 banks (based on asset size) have regional growth plans, and only one has a global focus. Few banks have withdrawn their global ambitions to focus on domestic growth.
- Growth plans are not limited to organic mode, banks are equally interested in partnerships and in acquisition-led growth strategy.
- The time is ripe to give banking in the region an overhaul — unbanked population, regions' growing middle class, financial aid required by the micro small and medium-sized enterprises will open more opportunities.

Strategy of the top 15 insurers in Africa



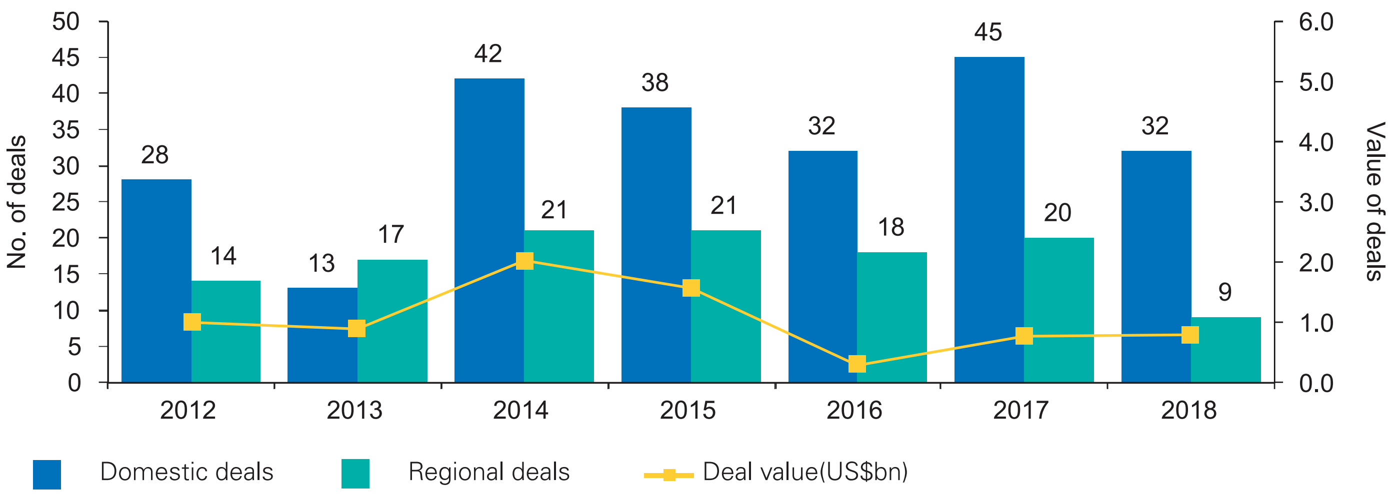
Highlights:

- Of the top 15 insurers (based on asset size), all have regional growth plans, with four having a global focus.
- Partnerships seem more prominent in the region as a medium of growth.
- Beyond creating new sales opportunities, innovations spawned in Africa — players are investing in technology and innovation as a part of their strategy.
- Due to the growing middle class group there is more opportunity for insurers in Africa.

The overall deal environment has remained sluggish largely due to economic and political instability, limited diversification strategies of potential buyers, and continued difficult business climates across the region.

Despite these recent challenges, regional players have managed to grow and prospects across the continent appear positive. When you factor in low interest rates, technology-enabled disruption and regulatory pressure, it should add up to a healthy deal environment in the next 5 years.

Domestic and regional deal activity in Africa



Source: ThomsonOne
Note: Domestic and regional deals include all three sub-sector deals — banking, insurance and asset management.

Closing thoughts for investors

Building a financial services investment strategy in Africa

Following the recent exodus of global players, the time could now be ripe for a refreshed Africa strategy. To take advantage of the many opportunities outlined in this paper, investors should consider the following:

Insurance is at an inflexion point

Continued economic expansion, demographic transformation and low penetration suggest huge potential for life and non-life products. More consolidated enforcement of regulation, along with a disciplined approach to underwriting, should help ensure that this potential is realized. But investors need to tread with caution to overcome weak infrastructure and governance.

Additionally, strategic partnerships and alliances could provide the path to access and address the evolving needs of emerging insurance customers in Africa.

Each market is unique

Assessment of the culture of the market and the target is critical to understand risks and accelerate post deal success. *"You can't paint Africa with one brush,"* says Dapo Okubadejo, Partner, KPMG in Nigeria. This means tailoring strategies to each market's demand characteristics and offering simple products to build trust — all built upon a common, Africa-wide infrastructure.

Point of entry: the right partnership/acquisition

Companies with no African presence should carefully consider their entry point, in terms of the immediate market potential and access to other markets. This may involve acquiring a regional banking/insurance franchise or entering into a partnership. With so many players jostling for position in this fast-growing segment, it's important to single out partners or acquisition targets that offer the greatest complement to one's existing products, customers and competencies.

Managing innovation

Africa was among the first regions to embrace mobile and cashless payments, but now needs to create greater financial literacy and trust between consumers and financial institutions in order to build on these achievements. Given the lack of advanced technology and talent, it may be difficult to foster continued innovation, so investors should consider how to access new technologies like mobile, online and collaborative tools to continue to expand the market for financial products. Even with such developments, traditional sales approaches may be hard to supersede.

Early mover advantages

Many first movers have sustained their footprint leadership through scale, strong local relationships and low-cost distribution platforms; such achievements set the bar for new investors in the region. Additionally, strong local management team component post deal is a key factor to success.

Appendix A

Insurance penetration in advanced and emerging markets

Developments in the major insurance markets in 2017		Life Premiums		Non-life Premiums		Total Premiums		Insurance density	Insurance penetration
	Ranking by premium volume	USD bn	Change *vs 2016	USD bn	Change *vs 2016	USD bn	Change *vs 2016	2017	2017
Advanced markets		2,059	-2.7%	1,760	1.9%	3,820	-0.6%	3,517	7.8%
United States	1	547	-4.0%	830	2.6%	1,377	-0.1%	4,216	7.1%
Japan	3	307	-6.1%	115	0.0%	422	-4.5%	3,312	8.6%
United Kingdom	4	190	-0.7%	93	0.5%	283	-0.3%	3,810	9.6%
France	5	154	-2.7%	88	1.1%	242	-1.3%	3,446	8.9%
Germany	6	97	-1.8%	126	1.3%	223	-0.1%	2,687	6.0%
South Korea	7	103	-6.5%	78	2.3%	181	-2.9%	3,522	11.6%
Italy	8	114	-7.5%	42	-0.5%	156	-5.7%	2,660	8.3%
Emerging markets		598	13.8%	474	6.1%	1,072	10.3%	166	3.3%
Latin America and Caribbean		78	1.1%	90	-0.9%	168	0.1%	262	3.1%
Brazil	12	47	1.2%	36	1.6%	83	1.4%	398	4.1%
Mexico	25	12	1.0%	13	0.9%	25	1.0%	196	2.2%
Central and Eastern Europe		19	12.2%	44	3.3%	63	5.8%	198	1.9%
Russia	28	6	48.2%	16	-5.4%	22	4.4%	152	1.4%
Emerging Asia		448	17.7%	272	10.1%	720	14.7%	188	4.1%
China	2	318	21.1%	224	10.2%	541	16.4%	384	4.6%
India	11	73	8.0%	25	16.7%	98	10.1%	73	3.7%
Middle East and Central Asia		15	7.0%	45	4.1%	60	5.0%	163	2.1%
United Arab Emirates	35	3	3.3%	10	13.5%	14	11.0%	1,436	3.7%
Africa		45	0.3%	22	1.0%	67	0.5%	54	3.0%
South Africa		38	-0.3%	10	1.3%	48	0.1%	842	13.8%
World		**2,657**	**0.5%**	**2,234**	**2.8%**	**4,892**	**1.5%**	**650**	**6.1%**

Notes: *in real terms i.e. adjusted for inflation
Insurance penetration = premiums as a % of GDP; Insurance density = premiums per capita
Source: Swiss Re Institute sigma study — Global insurance premiums continued to rise in 2017 with emerging markets leading the way
Link: https://www.swissre.com/media/news-releases/2018/nr_20180705_sigma_3_2018.html

Appendix B

Banking penetration in key African countries

Key countries	2004–08	2009	2010	2011	2012	2013	2014	2015	2016	2017
Angola	24.1	62.7	56.5	53.3	50.8	52.8	52.6	64.2	65	52
Benin	32.9	45.8	49.7	53.6	54.2	58.6	63.7	71.6	74.3	69.3
Botswana	51.4	64.2	60.8	53	57.7	54.6	52.1	60.6	55.3	54.1
Burkina Faso	28.4	34.1	38	39.7	41.2	46.8	53.9	62.5	67.9	72.6
Burundi	28.8	31.5	36.4	36.4	35.4	34	34.9	35.2	35.5	37.7
Cabo Verde	90	98.5	103	111.2	120.6	134.5	137	141.1	146.6	148.5
Cameroon	20.7	23.5	26	26.9	25.7	27.4	27.6	28.6	29.2	29.3
Central African	12.6	15.8	17.3	19.1	19.2	25.7	25.4	24.6	24.1	24
Chad	7.3	9.4	10	10.3	11	11.7	14.6	17	21.3	21.7
Comoros	25.1	34.4	37.6	41.5	44.5	42.5	42.9	47.5	53.5	49.7
Congo, Dem.	6.7	12.3	11.4	12.2	14	14	14.3	14.9	15.6	14.7
Congo, Rep.	12.2	17	18.4	23.1	28	29.6	34.2	44.8	47.5	39.8
Côte d'Ivoire	25.2	29.4	32.1	37.7	36.4	37.3	39.8	43.8	45.6	48.4
Equatorial Guinea	9	14.2	16.1	14.1	18	20.2	21.6	27.3	29.1	26.1
Eritrea	143.7	126	124.7	113.1	105.6	110	104.9	...	...	...
Eswatini	27.9	34.7	34.7	35.3	32.8	34.1	33.5	35	39.1	38.7
Ethiopia	...	...	...	...	...	...	...	...	...	...
Gabon	23.6	26.5	23.4	25.5	28.8	32.3	29.9	33.2	34.6	24.9
Gambia, The	29	37.3	39	45.3	45.2	48.4	53.7	...	...	...
Ghana	29.7	40.1	39.5	38.1	37.3	39.6	46.4	47.6	50.2	47.6
Guinea	11.3	15.2	20.1	24.3	19.7	20.3	22.3	24.5	23	21.3
Guinea-Bissau	11	19.7	24.8	28.1	28.3	30.3	33.7	32.1	32.4	31.3
Kenya	57.4	54.1	56	57.6	58.1	60.7	63.6	63.1	58.9	55.5
Lesotho	37.5	45.4	45.7	41.3	39.8	46.4	43.2	44.2	39.6	46.3
Liberia	...	...	...	...	...	...	...	...	...	...
Madagascar	26	27.6	27.5	28.3	28.4	27.1	27	27.5	28.5	29.2
Malawi	15.3	23.5	27.3	29.8	31.8	31.6	30.2	32.1	31.7	...
Mali	30.7	35.3	37.7	36	36.9	41.9	47.6	52	54.4	51.8
Mauritius	272.9	306.6	359.4	369.5	370.2	359.2	347.5	344.3	324.6	342.2
Mozambique	33.2	46.5	52.7	53.7	61	63.7	71.7	80	78.4	72.9
Namibia	66.3	95.3	93.4	94.9	87.8	85.2	82.1	86.8	85.7	87.9
Niger	14.5	21.7	24.4	24.9	26.3	28.1	30.8	31.8	33.1	34.7
Nigeria	27.5	39	31.2	30.4	29.2	30.1	30.5	29.7	31.2	30.4
Rwanda	23.9	22.7	25.5	31.5	31.7	35.3	37.8	38.1	37.7	37.9
São Tomé	64.8	80.3	77.2	74.7	85.6	81.4	78.3	81.1	72.8	62.2
Senegal	28.9	34.9	40.1	42.4	42.3	46.4	50.2	54.8	59.2	57.7
Seychelles	118.8	100	109.3	113	102.2	117.5	116.5	93	93.8	98
Sierra Leone	16.2	25.9	24.9	24.5	23	21.3	23.1	26.5	27.8	30.2
South Africa	116.4	120.9	116.3	115.4	115.1	111.4	113	122.4	114.8	113.6
South Sudan	...	...	...	6.7	14.7	13.4	19.3	68.7	75.2	48.3
Tanzania	24.2	27.7	30	28.8	29	28.8	29.4	31.3	28.4	28.1
Togo	38	46.9	51.7	61.4	68.7	79.8	78.2	85.3	96.1	93.6
Uganda	24	23.1	26.6	26.1	27.1	28	29.1	28.9	30.5	30.6
Zambia	24.9	25.9	25.5	25.8	27.6	29.2	31.8	38.1	33.1	32.4
Zimbabwe	...	23.7	33	37.6	41.7	40.9	42.6	45.6	52.4	61.3

Source: IMF report - Regional Economic Outlook — Sub-Saharan Africa — Capital flows and the future of work (background paper)
Link: https://www.imf.org/en/Publications/REO/SSA/Issues/2018/09/20/sreo1018

How can KPMG help?

At KPMG member firms, professionals think like investors, looking at how opportunities to buy, sell, partner or fund a company can add and preserve value. Teams of specialists combine a global mindset and local experience with deep sector knowledge and analytic tools to help you navigate a complex, fragmented process. KPMG professionals can help with business strategy, acquisition strategy, plans for divestments or for raising funds.

For more information on how KPMG can help, visit www.kpmg.com/dealadvisory

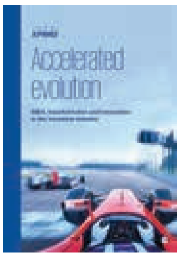
Further reading on the Global Deals Institute:
www.kpmg.com/dealsinstitute

Financial services experience a surge in cross-sector M&A

The rise in deals involving non-traditional buyers reflects sector convergence and a push for diversification and efficiency. KPMG looks at motivations, trends and challenges in our latest report.

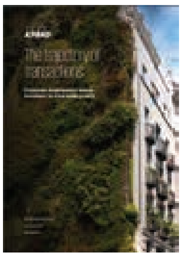
The Pulse of Fintech — A year in review

Following a few blockbuster deals in H1'18, H2'18 was also filled with mega deals which drove total global fintech investment in 2018 to US$111.8 billion.



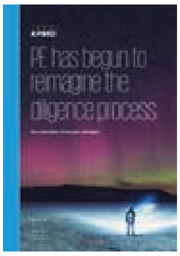
Accelerated evolution: M&A, transformation and innovation in insurance

Based on a survey of 200 global insurance executives, this report illustrates that the successful insurers are thinking beyond traditional M&A to execute transformational deals that bring sustainable value and innovation to their organizations.



Trajectory of transactions

A study on corporate development trends within the banking industry and ways corporate development teams can innovate their strategies to embrace disruptive change. This report seeks to help deal-makers and strategists deliver new value amidst today's changing landscape.



Private Equity reimagines the diligence process

Competitive pressures are encouraging leading PE funds to reassess their M&A processes. KPMG professionals provide an overview of recent changes in PE's relentless pursuit of value and consider the reasons behind these trends.

Opening up China's financial sector

The proposed easing of ownership limits in China's financial sector has aroused great interest among investors eager to gain a greater share of the world's second largest economy. KPMG looks at the impacts across a number of sectors.

Zooming in on India's financial services M&A opportunities

A recent relaxation in India's regulatory regime suggests change may be in the air. Non-banking and fintech are among the market segments benefiting from an easing of regulatory constraints.

Venture Pulse: Q4'18

This edition of the quarterly series provides in-depth analysis on venture capital investments across North America, EMA and ASPAC and covers a range of issues such as financing and deal sizes, unicorns, industry highlights and corporate investment.

Contact our leaders

Giuseppe Rossano Latorre
Partner, Global Financial Services Deal Advisory Lead
KPMG in Italy
T: +39 026 764 31
E: glatorre@kpmg.it

Giuseppe currently leads KPMG's Global Deal Advisory Financial Services Sector, as well as KPMG in Italy's Deal Advisory and Corporate Finance, and Financial Services practice. He is a member of the Board of Directors of KPMG in Italy and a member of KPMG's Global M&A Steering Committee. Between 2006 and 2012, Giuseppe was the European Head of the Financial Services Team-M&A. Over his career, Giuseppe has built an extensive resume in the M&A arena with a strong focus on the insurance and banking industries.

Nick Matthews
Partner, Head of Deal Advisory
KPMG in South Africa
T: +27834528351
E: nick.matthews@kpmg.co.za

Nick is the Business Unit Managing Partner for Deal Advisory at KPMG in South Africa who also heads KPMG's M&A business in South Africa. With over 20 years of experience, he has advised on a broad range of cross-border, M&A engagements in the various sectors such as banking, insurance, private equity, retail, mining, manufacturing, logistics, health care, pharmaceutical, aerospace and defense. Nick has authored the book, *Closing the Deal*, a handbook for maximizing value from business disposals.

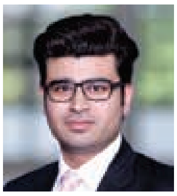
Dapo Okubadejo
Partner, Africa Deal Advisory Lead
KPMG in Nigeria
T: +234 12 80 92 68
E: dapo.okubadejo@ng.kpmg.com

Dapo is a Partner and Africa Head of Private Equity and Deal Advisory at KPMG. With about 26 years of professional experience, Dapo provides market entry strategy, deal origination, structuring and execution as well as post-deal strategic value optimization and exit management to private equity firms and strategic investors across Africa. He specializes in both buy-side and sell-side Advisory and his experience spans key sectors such as Oil & Gas, FMCG, Telecoms and Financial Services.

Michael Louw
Associate Director, Mergers & Acquisitions, Deal Advisory
KPMG in South Africa
T: +27 607 152 417
E: mike.louw@kpmg.co.za

Michael is an Associate Director in KPMG in South Africa's Deal Advisory team in Johannesburg, specialising in mergers and acquisitions. He has more than 10 years of corporate finance/investment banking experience in Africa and Europe across a broad range of industries. Michael has assisted and advised on transactions across all aspects of corporate finance such as, inter alia, mergers and acquisitions, disposals and take-over offers, debt and equity capital raisings, debt restructuring, business valuations, financial modelling, due diligence, project evaluation and capital allocation.

Additional contributors



Hridesh Sagar
Manager, Global Financial Services Deal Advisory Support
KPMG Global Services
T: +91124 669 1860
E: hridesh@kpmg.com

Cheena Sharma
Assistant Manager, Global Financial Services Deal Advisory Support
KPMG Global Services
T: +91124 669 1459
E: cheenasharma@kpmg.com

kpmg.com/socialmedia

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