Cytonn FY'2024 Kenya Listed Insurance Sector Report

Cytonn

21st June 2024

Table of Contents

1. Introduction to Cytonn

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About Us

Cytonn Investments is an alternative investment manager, with real estate development capability, and a primary focus on private equity and real estate investments in the high growth Kenyan Region. Cytonn has a unique strategy of coupling two compelling demand areas - the lack of high yielding investment products and the lack of institutional grade real estate. We provide high yielding investment instruments to attract funding from investors, and we deploy that funding to largely pre-sold investment grade real estate. With offices in Kenya and Washington, DC - USA, we are primarily focused on offering alternative investment solutions to global and local institutional investors, individual high net-worth investors, and diaspora investors interested in the East-African region. Real estate investments are made through our development affiliate, Cytonn Real Estate, where we currently have over Kshs. 82 billion (USD 820 mn) of projects under mandate across ten projects. In private equity, we invest in banking, education, and hospitality.

82 Over Kshs. 82 billion worth of projects under mandate

3 Three offices across 2 continents

500 Over 500 staff members, including Cytonn Distribution

10 10 investment ready projects in real estate

A unique franchise differentiated by:

Independence & Investor Focus

Focused on serving the interest of clients, which is best done on an independent platform to minimize conflicts of interest

Alternative Investments

Specialized focus on alternative assets - Real Estate, Private Equity, and Structured Solutions

Strong Alignment

Every staff member is an owner in the firm. When clients do well, the firm does well; and when the firm does well, staff do well

Committed Partners

Strong global and local partnerships in financing, land and Cytonn Real Estate, our development affiliate

Why We Exist

Africa presents an attractive investment opportunity for investors seeking attractive and long-term returns. Despite the alternative markets in Africa having high and stable returns, only a few institutional players serve the market. Cytonn is focused on delivering higher returns in the alternative markets, while providing the best client service and always protecting our clients' interests.

WE SERVE THREE MAIN CLIENT SEGMENTS:

- High Net-worth Individuals through Cytonn Private Wealth. This is done through our captive Distribution Network
- East Africans in the Diaspora through Cytonn Diaspora
- Global and Local Institutional Clients. These clients are served from our Investment & Fundraising Team

WE INVEST OUR CLIENT FUNDS IN:

- Real Estate, and Real Estate Related Businesses
- Private Equity
- Fixed Income Structured Solutions
- Equities Structured Solutions

We collect funds from our clients → **We invest them in high growth opportunities** → **We deliver the best possible returns**

Cytonn Business Structure

Cytonn Investments Management Plc

- **Cytonn Investments** (Private Markets)
  - Private Offers (CREN)
  - Cytonn Hospitality
  - Superior Homes Kenya
- **Cytonn Asset Managers** (Regulated by CMA and RBA)
  - Collective Investment Schemes (CMMF & CHYF)
  - REIT Management
  - Cytonn Advisory
  - Pension Fund Management (CURBS, CPRBS & CIDDF)
- **Cytonn Real Estate**
  - Real Estate Projects (Alma, Ridge, Taraji, Situ, Applewood, Newtown, Riverrun & Kilimani)
  - Research and Deal Origination
  - Project Management
  - Quality Assurance/Quality Control
  - Facilities and Property Management
  - Cytonn Centre for Affordable Housing
- **Strategic Support Services**
  1. Finance
  2. ICT
  3. Legal & Compliance
  4. Brand (PR& Communication)
  5. Client Service
  6. HR & Business Admin
  7. Risk
  8. Internal Audit
  9. Distribution

2. Kenya Economic Review and Outlook

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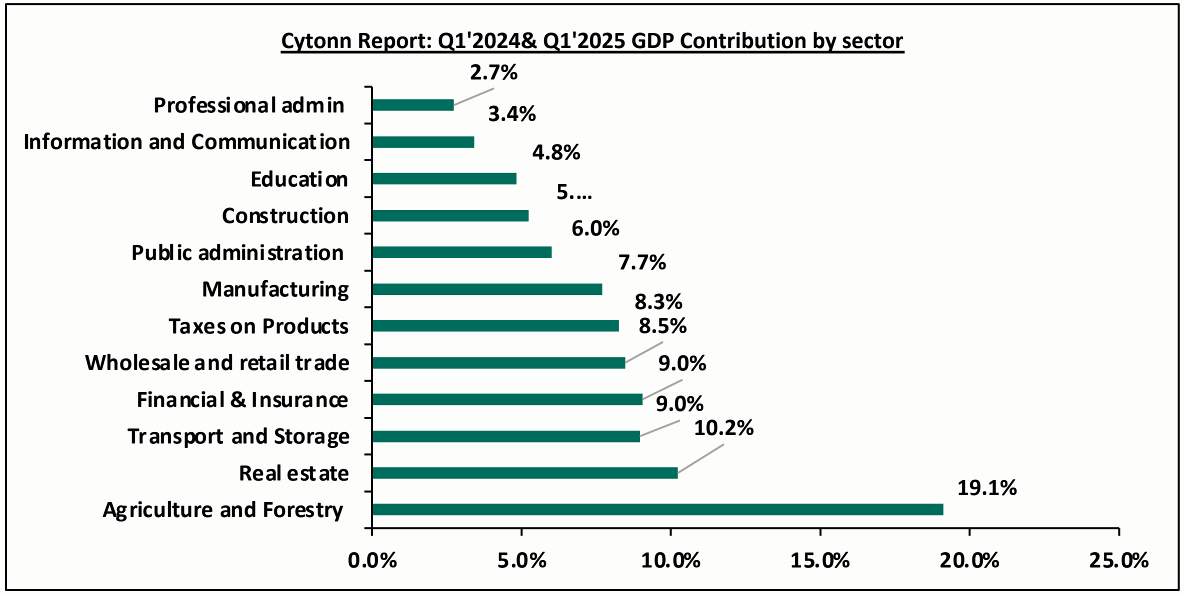
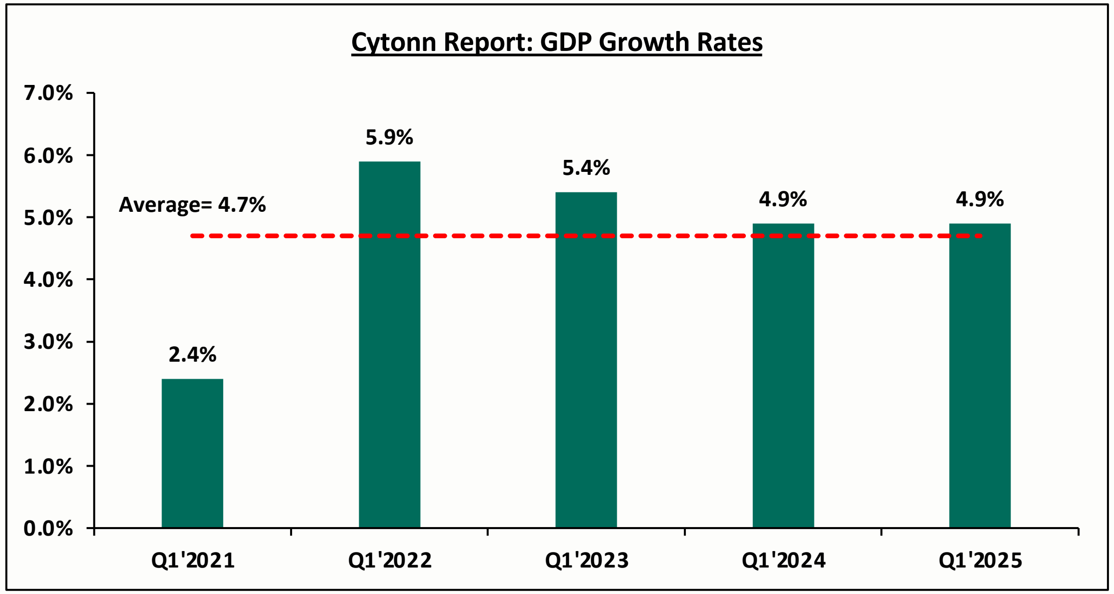
Economic Growth

The Kenyan economy expanded by 4.9% in Q1'2025, similar to the growth in Q1'2024





**Source: KNBS*

- The Kenyan economy recorded a 4.9% growth in Q1'2025, similar to the growth recorded in Q1'2024. The growth was mainly supported by a rebound in Agricultural activities, which grew by 6.0% in FY'2023 compared to a growth of 5.6% in Q1'2024. All sectors in Q1'2025 recorded positive growth, with varying magnitudes across activities
- In terms of sectoral contribution to GDP, the biggest gainer was the Mining and Quarrying sector, increasing by 26.0% points to 10.0% in Q1'2025 from a 16.1% contraction in Q1'2024, while the Accommodation & Food Services sector was the biggest loser, declining by 34.0% points to 4.1% in Q1'2025, from 38.1% in Q1'2024

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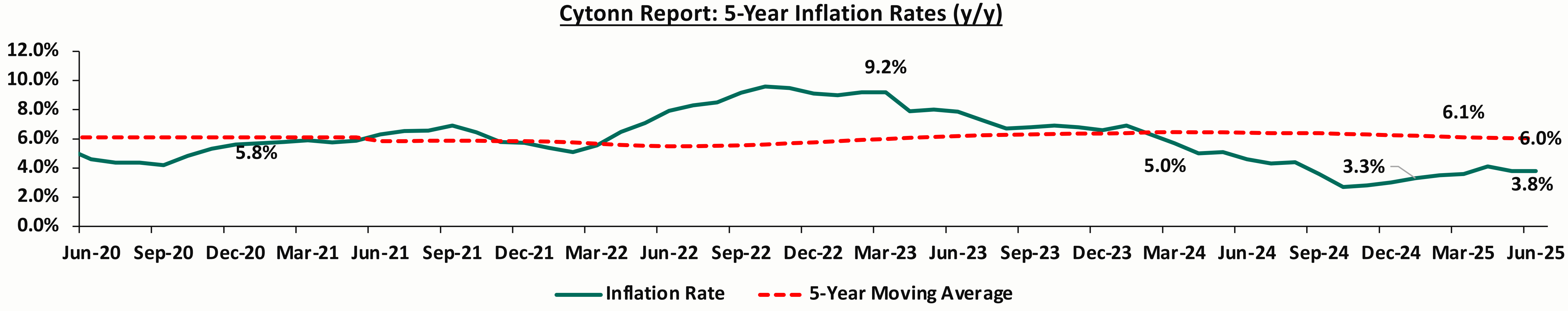
Inflation

Inflation averaged at 3.7% in H1’2025, compared to 5.6% recorded in H1’2024



**Source: KNBS*

- The year-on-year inflation rate in the month of June 2025 remained unchanged from the 3.8% inflation rate recorded in the month of May 2025, marking the twenty fourth consecutive month that the inflation has remained within the CBK target range of 2.5%-7.5%
- The headline inflation in June 2025 was majorly driven by increase in prices of commodities in the following categories, food and non-alcoholic beverages; transport and housing, water, electricity, and gas and other fuels of 6.6%, 3.2%, and 0.2%, respectively
- We expect inflation to remain within the CBK’s preferred range of 2.5%-7.5%, mainly on the back of a stable currency and stable fuel prices. The risk, however, lies in the fuel prices which despite their stability, still remain elevated compared to historical levels. Additionally, the progressive cuts in the CBR are likely to elevate inflationary pressures gradually as consumer spending rises from increased money supply.

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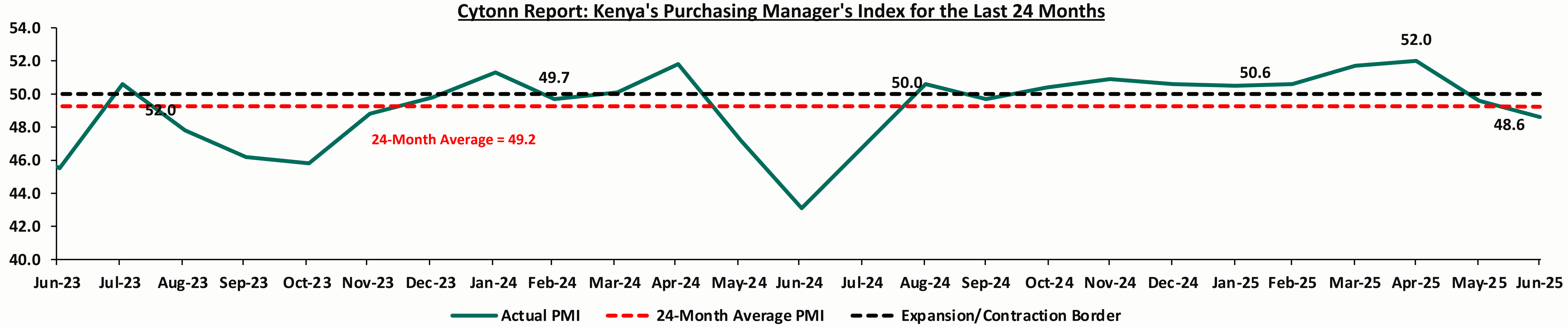
Stanbic PMI Index

The PMI averaged at 50.5 in H1’2025, compared to 50.0 in H1’2024



**Source: Market Economics, Stanbic PMI*

- The Stanbic Purchasing Managers Index (PMI) for the month of June 2025 declined to 48.6,down from 49.6 in May 2025 signaling a stronger downturn of the business environment for month of June. However, on a y/y basis, the index recorded a 1.4% points improvement from the 47.2 recorded in June 2024. The improvement was largely driven by a slower pace of decline in output and new orders, as some firms reported gains from new marketing strategies and client acquisition efforts.
- Key to note, a PMI reading of above 50 indicates improvements in the business environment, while a reading below 50 indicates a worsening outlook. Going forward we project the business environment in Kenya will improve in the short term, primarily due to the eased inflationary pressures and the strengthening and stability of the Kenya Shilling.

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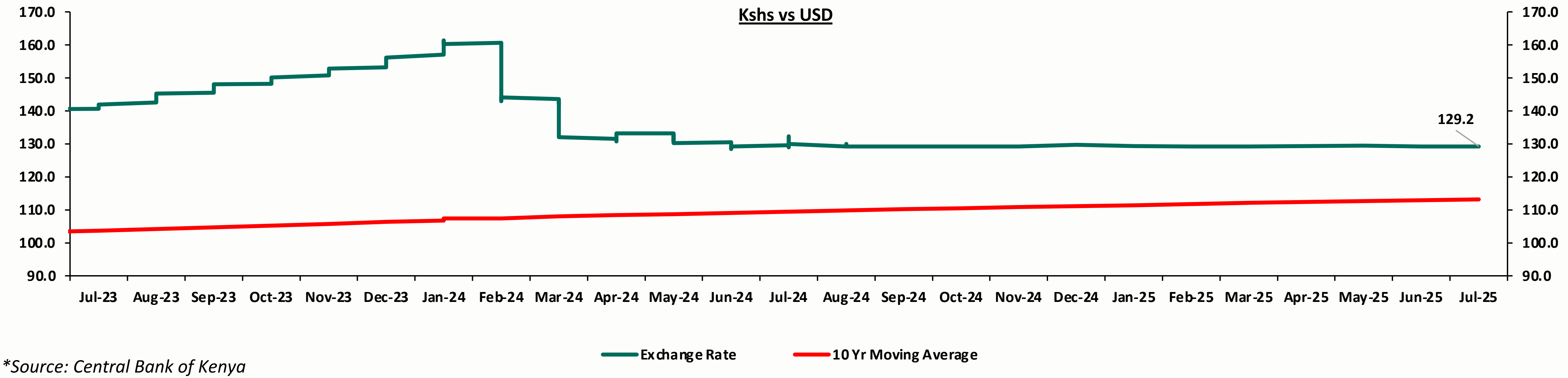
Currency

As of 11th July 2025 the Kenyan shilling had appreciated by 5.0 bps on Year-To-Date basis against the US Dollar



**Source: Central Bank of Kenya*

- As of 11th July 2025, the shilling had appreciated by 5.0 bps on year-to-date basis against the dollar, adding to the 17.6% appreciation recorded in 2024, partly attributable to the Eurobond buyback program of the USD 900.0mn tranche maturing in 2027 in February 2025 alleviated the credit risk on the country, increasing dollar supply in the market.
- The local currency is expected to be supported by the diaspora remittances which stood at a cumulative USD 5,033.0 mn in the twelve months to May 2025, 11.6% higher than the USD 4,510.0 mn recorded over the same period in 2024

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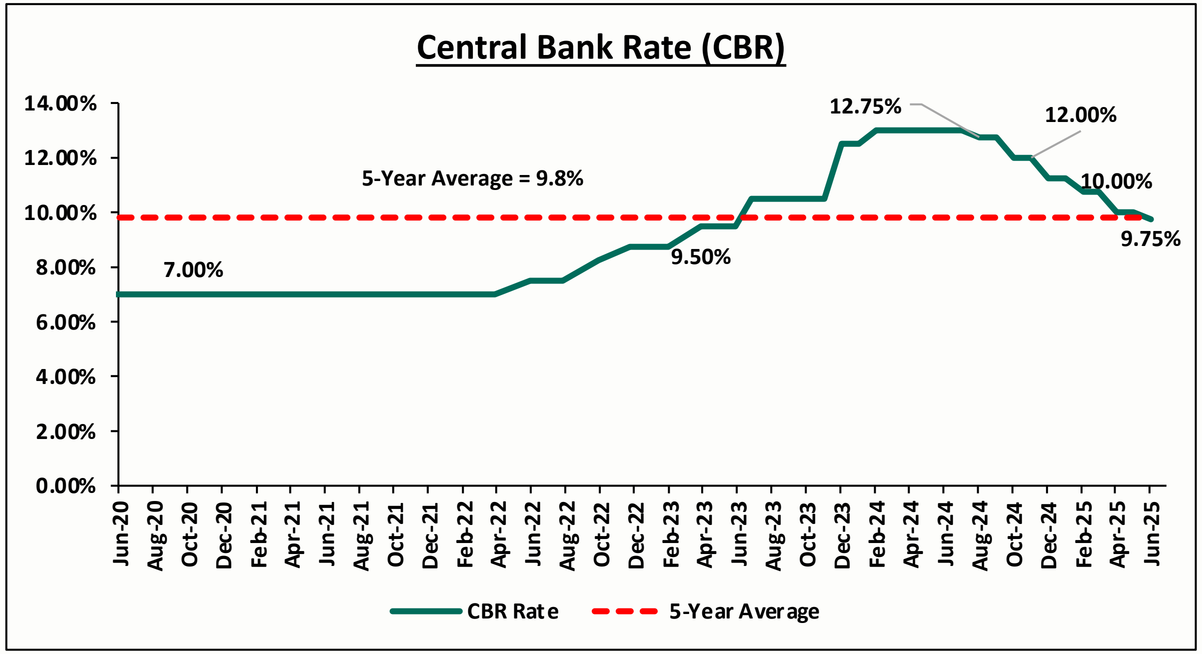
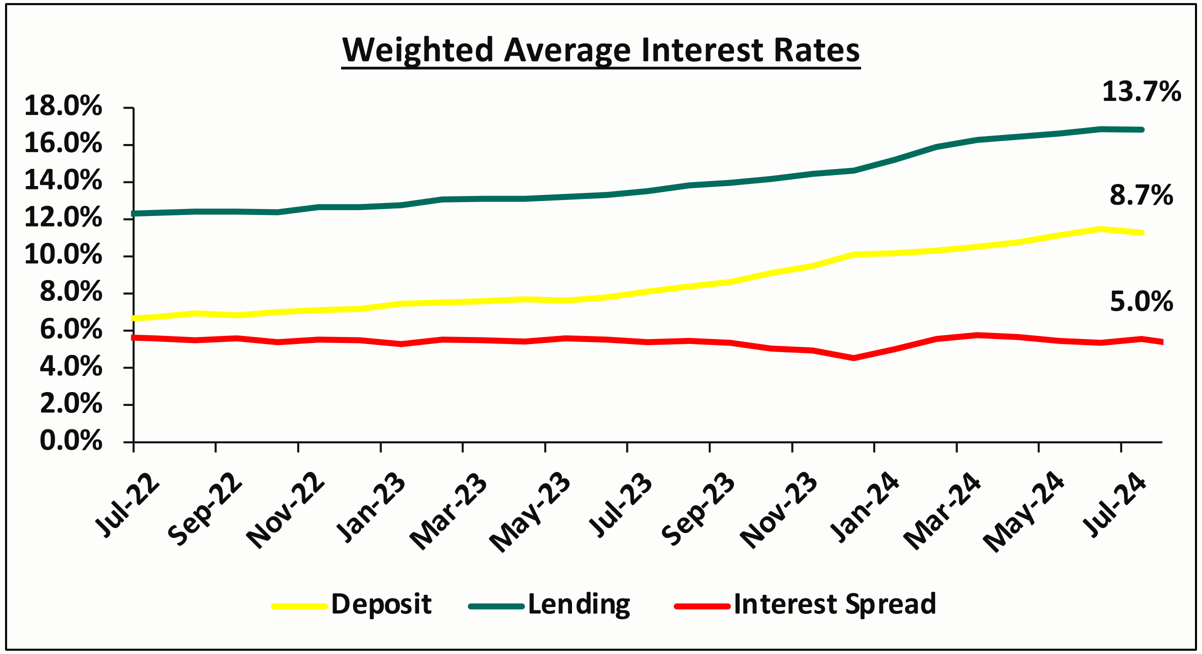
Interest Rates and Monetary Policy

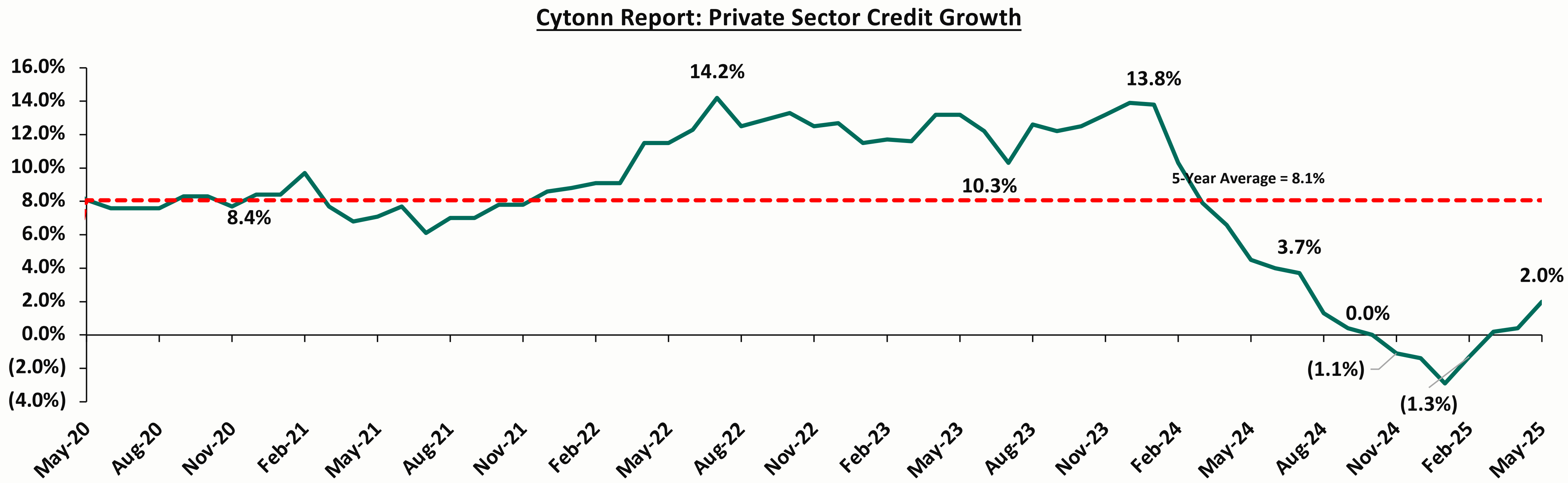




**Source: CBK*

- In the last sitting in June 2025, the Monetary Policy Committee cut the CBR rate by 25.0 basis points, to 9.75% from 10.00% in April 2024, against a backdrop of elevated uncertainties to the global outlook for growth, lower but sticky inflation in advanced economies heightened trade tensions as well as persistent geopolitical tensions.
- Additionally, the committee noted that economic growth slowed in 2024, creating room for further easing of monetary policy to support economic activity while maintaining exchange rate stability.

Private Sector Credit growth



**Source: KNBS*

- Growth in private sector credit grew by 1.6% in May 2025 from 0.4% in April and a contraction of 2.9% in January 2025, mainly attributed to the dissipation of exchange rate valuation effects on foreign currency-denominated loans due to the appreciation of the Shilling and increased demand attributable to declining lending interest rates. Average commercial banks' lending rates declined to 15.4% in May from 15.7% in April 2025 and 17.2% in November 2024.

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3. Kenya Insurance Sector Overview

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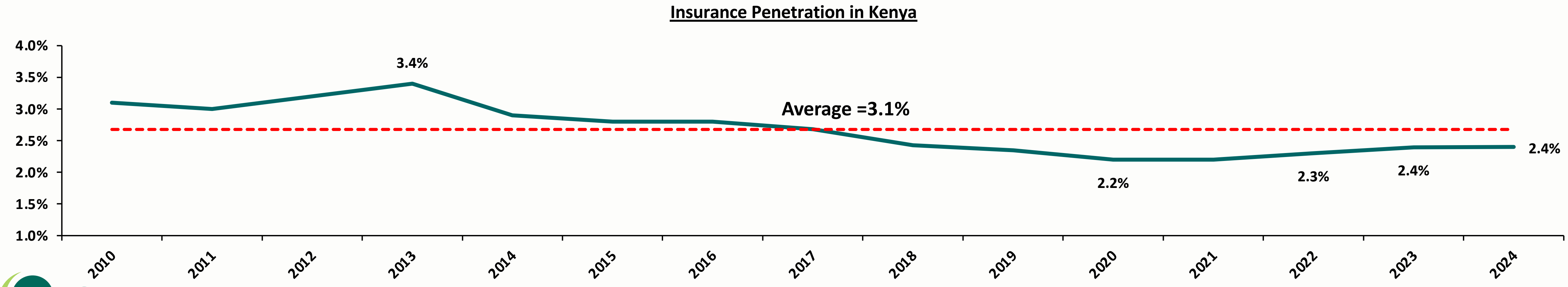
Kenyan Insurance Sector Overview

The Insurance penetration in Kenya stood at 2.7% as at the end of 2024

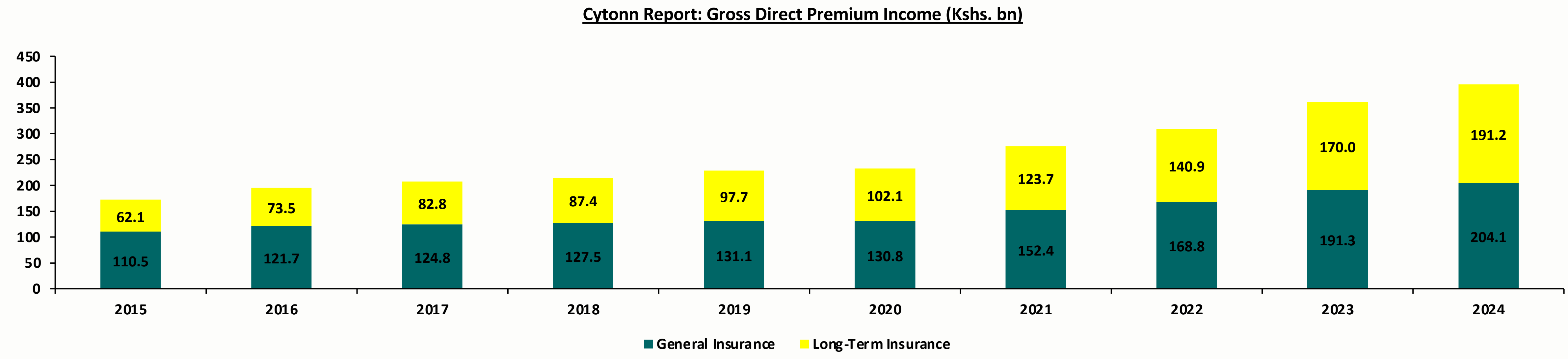
- The industry is regulated by Insurance Regulatory Authority which is responsible for licensing, regulating and developing the insurance sector
- In the last five years, the life insurance market in Kenya has experienced growth in both the level of direct premiums as well as in the equity held by the industry constituents
- In FY'2023, Kenya had 58 insurance companies, 5 reinsurance companies, 191 insurance brokers and 13,914 insurance agents (which includes 17 Bancassurance agents)
- Insurance penetration (Gross Premiums as a % Gross Domestic Product (GDP)) in Kenya stood at 2.7% of in 2024. The low penetration rate, which is below the global average of 7.0%, according to Swiss RE institute, is attributable to the fact that insurance uptake is still seen as a luxury and mostly taken when it is necessary or a regulatory requirement.



Source: Central Bank of Kenya, FinAccess report

Kenyan Insurance Sector Overview

General insurance business remains the largest contributor to industry insurance activity at 51.6%



- Industry gross written premium stood at Kshs 395.3 bn as of FY'2024, representing an increase of 9.4% from Kshs 361.4 bn in FY'203. Long term insurance segment grew by 12.5%, while General Insurance recorded a growth of 6.7%
- General insurance business remained the largest contributor to industry insurance activity contributing 51.6% of the total premium. Motor insurance and medical insurance classes of business account for 64.8% of the gross premium income under the general insurance business
- In the long term insurance segment, deposit administration and life assurance classes remained the biggest contributors to the long term gross premium income, accounting for 57.5% in FY'2024, compared to the 59.8% contribution by the two classes recorded in FY'2023

Insurance Sector Growth Drivers

Alternative channels for both premium distribution and claims verification and disbursement is driving the sector

The drivers of growth in the insurance sector in FY'2024 include;

a) **Partnerships and alternative distribution channels:** We anticipate that underwriters will continue to form alliances and offer additional distribution channels in the future. This can be accomplished by collaborating with other financial services providers, such as fund managers who have moved into delivering insurance-linked products, in addition to the present bancassurance connection with banks. The insurance business can also use the penetration of bank products to promote its own products. Integration of mobile money payments to allow for policy payments is also predicted to continue due to the ease it provides, as well as the country's high mobile phone penetration; thus, insurance companies would wish to exploit this to improve penetration

b) **Innovation:** To aid portfolio expansion and growth, insurers must harness the digital insurance solutions at their disposal in order to improve internal efficiency and accelerate time to market. As such, we anticipate cooperation between insurers and InsurTechs

Insurance Sector Growth Drivers

New regulations and the use of block chain have also contributed to growth in the insurance sector

d) **Regulation:** The newly introduced regulations in the insurance sector have helped most companies improve their capital management systems. The new compliance requirements as stipulated in IFRS 17 come at a high implementation cost but they also assist companies manage their risks and capital in a better way

e) **Adoption of Alternative Distribution Channels**: Insurance companies have been dynamic and fast in adopting new alternative channels for both distribution and premium collection with financial sector deepening leading to an improved method of distribution of insurance products, collection and payment of premiums like bank assurance, online and mobile payment

f) **Redirection in Core Operations-** With the limited growth of the insurance industry, insurers are moving their focus to growing investment income which involves and increase in the assets under management segments and investments in property. Most insurance companies are now moving into asset management to boost their group revenues

Recent Developments in the Kenyan Insurance Sector

The following are the most recent developments witnessed in the Insurance sector;

1. **Portfolio Optimization:** Insurance firms are re-evaluating their products and services to sustain the sector's recovery and realize profitability by focusing on core and profitable offerings and dispose non-core offerings. As insurers focus more on profitable goods, portfolio optimization will eventually include reducing holdings in unprofitable subsidiaries and affiliates and impact underwriters' products

2. **IFRS 17 Implementation:** The standard, having replaced IFRS 4, is expected to give better information on profitability by providing more insights into the current and future profitability of insurance contracts. Separation of financial and insurance results in the income statement will allow for better analysis of core performance for the entities and allow for better comparability of insurance companies

3. **High Market Competition**: Despite low insurance penetration in the country, the sector is served by 56 insurance companies offering the same products. Some insurers have resorted to shady tactics in the fight for market dominance, such as premium undercutting, which involves offering clients implausibly low premiums in order to gain a competitive advantage and protect their market share. This is a significant factor in the industry's underwriting losses

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Recent Developments in the Kenyan Insurance Sector

The insurance sector has seen mergers and acquisitions mainly with companies trying to protect their market share in a competitive environment

3. **Merger & Acquisition activity:** The insurance sector is booming with mergers and acquisitions mainly with companies trying to protect their market share in a competitive environment and meet the capital requirements. In July 2024, NCBA Group completed its 100% acquisition of AIG Kenya Insurance Company Limited. NCBA had held a minority shareholding in AIG Kenya for over 18 years, bringing NCBA an over 50-year old insurance business with a heralded market reputation for offering general insurance propositions to corporates, SMEs and individuals.

4. **Investment Diversification -** There has been need for diversification necessitated by the slow growth in premiums against an increase in underwriting expenses, leading to insurers pursuing non-traditional asset classes. An example is Jubilee Holdings investment in associates such as Bujagali hydropower plant in Uganda, PDM Holdings Ltd and IPS Cable Systems Ltd whose share of profits has been boosting its bottom-line,

5. **Capital Raising and Share Purchase:** The move to a risk-based capital adequacy framework presented opportunities for capital raising initiatives mostly by the small players in the sector to shore up their capital and meet compliance measures. A recent example is Sanlam Kenya, which undertook a rights issue offering 500.0 million new shares at an offer price of Kshs 5.00 per share. The capital raised is to directed towards key strategic areas, primarily aimed at reducing the Group's long-term debt exposure and supporting its return to profitability.

Insurance Sector Market Share

Old Mutual General Insurance leads in General Insurance business, while Britam Life Assurance dominates in Long term Insurance business

Insurer	General Insurance Business	Insurer	Long-Term Insurance Business
	Market Share		Market Share
Old Mutual General Insurance	9.0%	Britam Life Assurance	22.0%
APA Insurance Company	8.8%	ICEA Lion Life Assurance	15.0%
Britam General Insurance	8.6%	Jubilee Insurance Company	14.0%
GA Insurance Company	8.3%	Kenindia Assurance Company	7.0%
CIC General Insurance	8.3%	CIC Life Assurance Company	7.0%
Others	56.9%	Others	35.0%
Total	**100.0%**		**100.0%**

Source: IRA Q4'2024 report

- The top 5 insurance companies control 43.1% of the General Insurance market share
- In terms of long term insurance, the top 5 insurers control 65.0% of the market share

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4. Listed Insurance Sector Metrics

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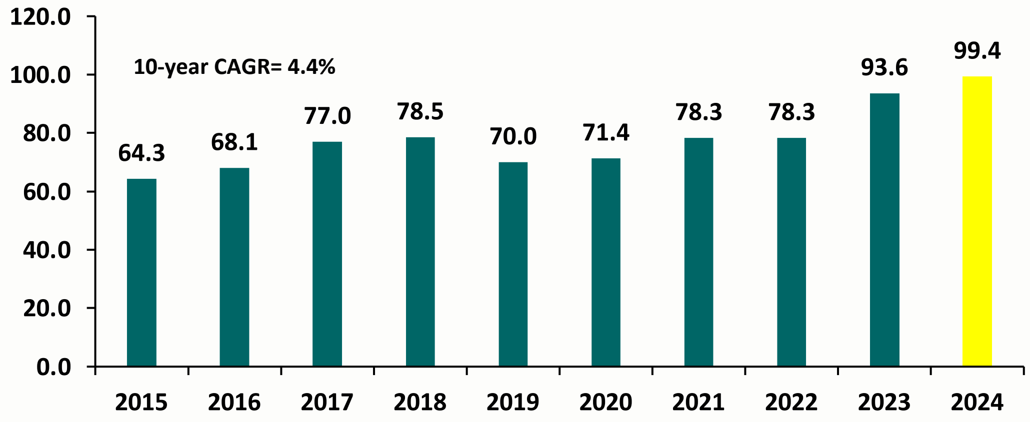
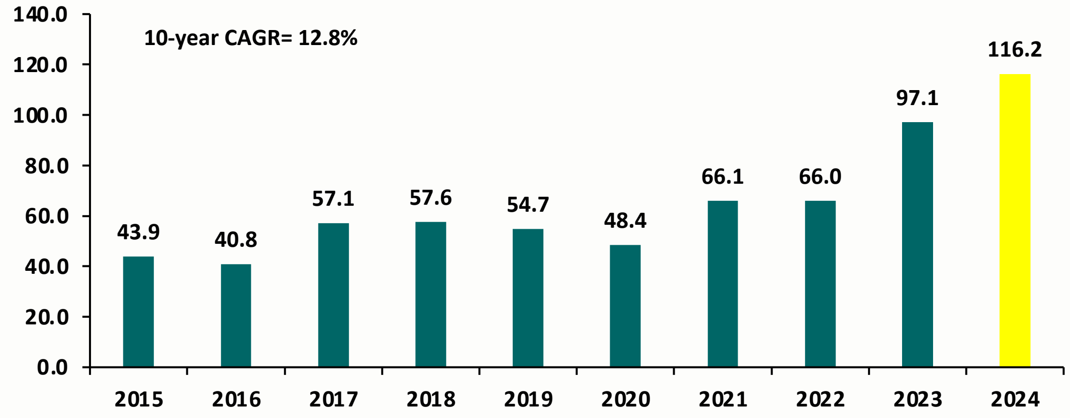
Listed Insurance Sector Metrics

Total Assets have recorded a steady growth over the years

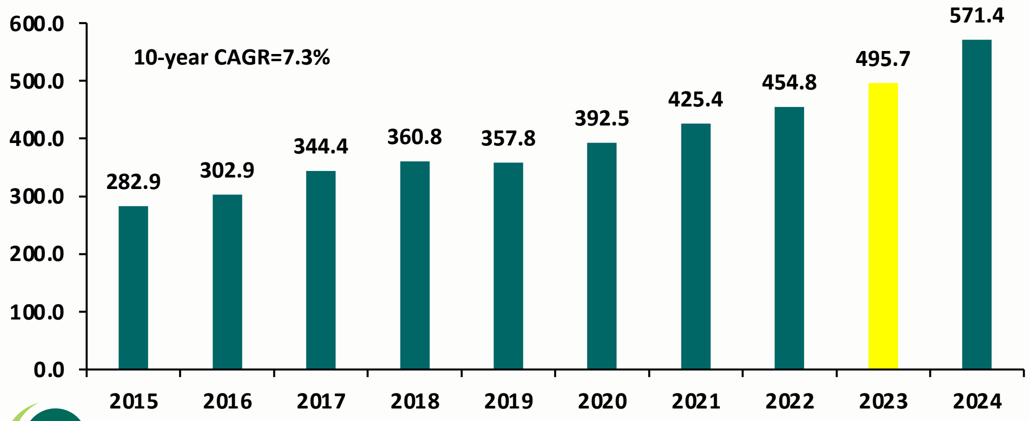
Insurance Revenue(Kshs Bn)



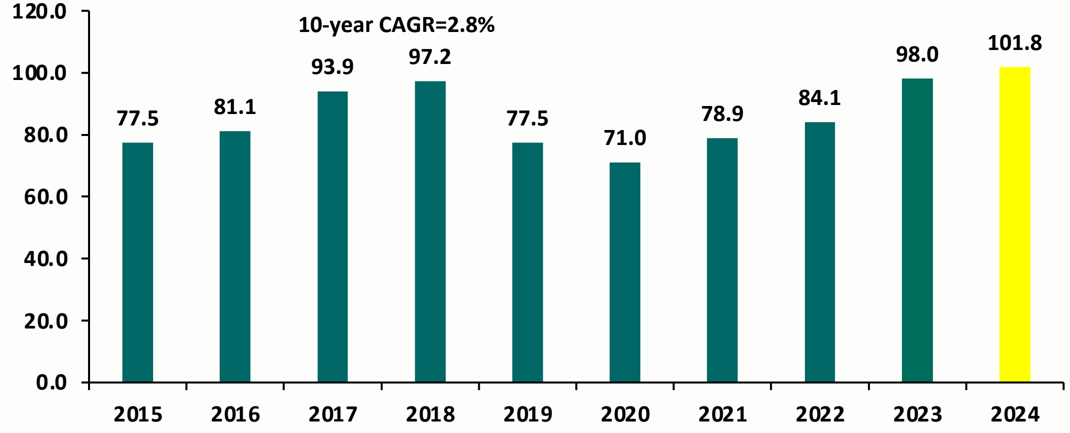
Net Claims (Kshs Bn)



Total Assets (Kshs Bn)



Shareholders Equity (Kshs Bn)



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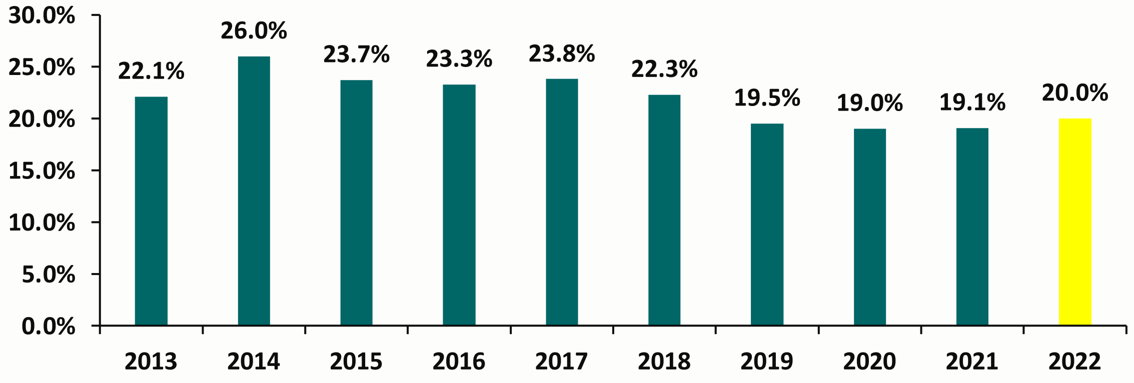
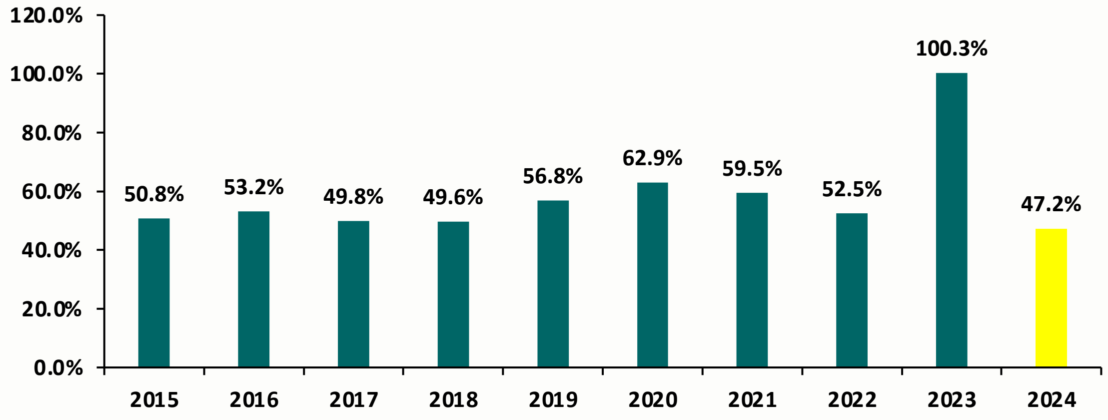
Listed Insurance Sector Metrics

Loss ratio remains elevated, while Expense ratio eased

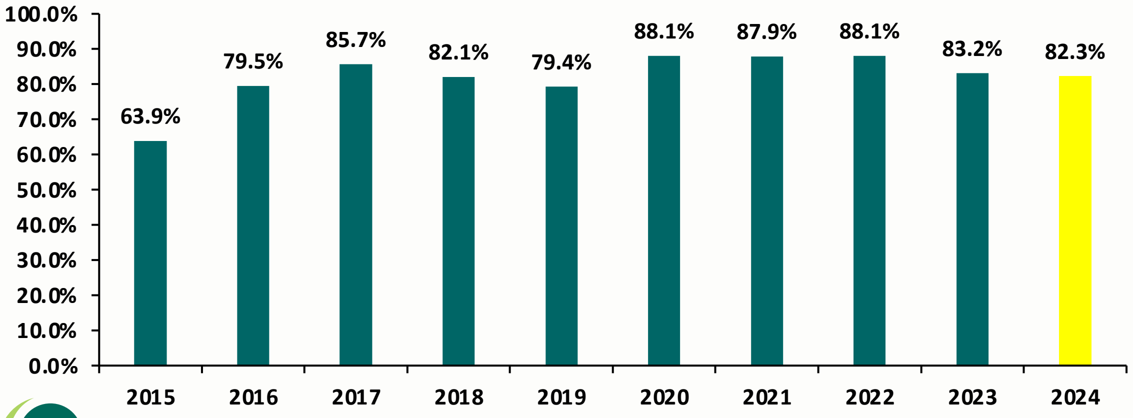
Solvency Ratio



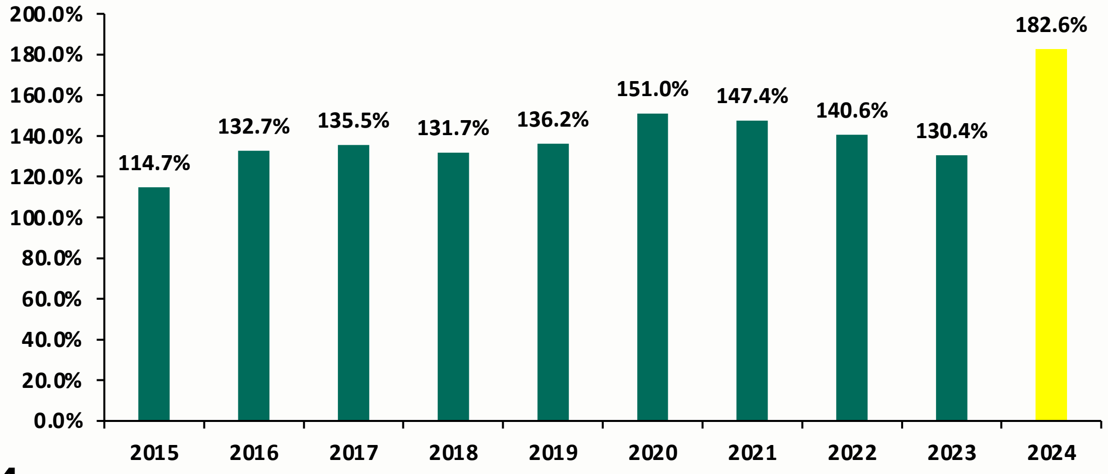
Expense Ratio



Loss Ratio



Combined Ratio



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Listed Insurance Earnings and Growth Metrics

The Expense ratio declined while the Loss ratio increased across the sector

Listed Insurance Companies FY'2024 Earnings and Growth Metrics								
Insurance	Core EPS Growth	Insurance revenue growth	Claims growth	Loss Ratio	Expense Ratio	Combined Ratio	ROaE	ROaA
Sanlam	**695.5%**	6.1%	2.6%	77.1%	40.1%	117.2%	75.7%	2.8%
Liberty	**112.3%**	(2.3%)	44.0%	77.9%	55.8%	133.7%	13.7%	3.0%
Jubilee Insurance	**85.7%**	13.5%	2.6%	94.3%	29.8%	124.2%	9.2%	2.2%
Britam	**53.5%**	3.1%	24.3%	72.7%	32.0%	104.7%	18.3%	2.6%
CIC	**82.5%**	3.7%	7.2%	92.0%	25.6%	117.5%	25.9%	4.6%
***FY'2024 Weighted Average**	**126.7%**	**8.4%**	**23.5%**	**83.2%**	**47.2%**	**130.4%**	**24.9%**	**4.1%**
****FY'2023 Weighted Average**	**116.0%**	**21.3%**	**31.8%**	**82.3%**	**100.3%**	**182.6%**	**10.5%**	**1.7%**

Market cap weighted as at 11/07/2025

*****Market cap weighted as at 21/06/2024***

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Listed Insurance Sector Trading Metrics

Kenya's Insurance sector is trading at an average P/TBV of 0.6x and a P/E of 3.7x

Insurance Company	Share Price*	No of Shares	Market Cap	P/TBV	P/E
Jubilee Insurance	226.0	0.1	16.4	0.3x	3.5x
Britam	8.2	2.5	20.6	0.7x	4.1x
Sanlam Kenya Plc	8.0	0.1	1.2	0.7x	1.1x
Liberty Holdings	10.9	0.5	5.8	0.6x	4.2x
CIC Group	3.3	2.6	8.6	0.8x	3.0x
Median				**0.6x**	**6.5x**
Weighted Average FY'2023* **				**0.5x**	**3.7x**

*Share Price as at 11th July 2025

*** The weighted average is based on Market Cap as at 11th July 2025

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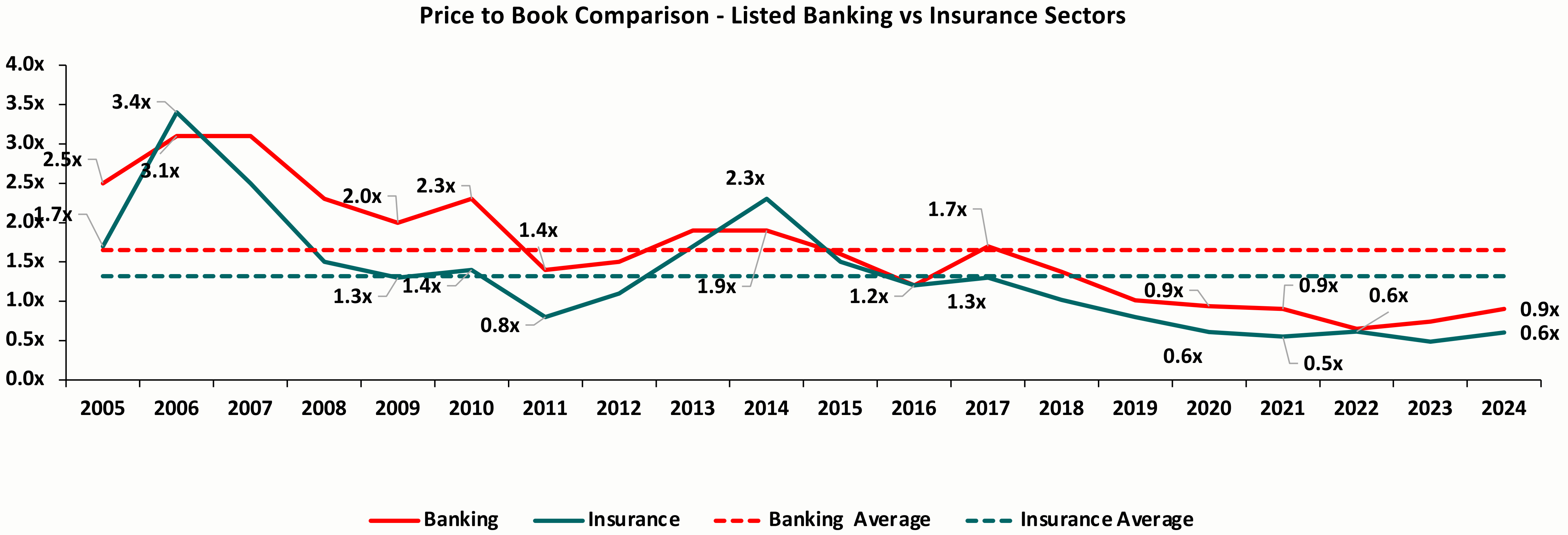
Listed Insurance and Banks Trading Metrics

The listed Insurance sector is trading at an average P/B of 0.6x, lower than the banking sector which is priced at 0.9x. Both sectors are trading below their 16-year averages of 1.3x and 1.7x, respectively



On a price to book valuation, listed Insurance companies are currently priced at a PBV of 0.6x, lower than listed banks 0.9x, with both lower than their historical averages of 1.3x for the insurance sector and 1.7x for the banking sector

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5. Cytonn's Insurance Sector Report

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Executive Summary

- All listed insurance companies in the Kenyan market were analyzed by the Cytonn Investment Team
- The analysis was brought about by a need to be able to offer our investors, especially global investors, which insurance companies in our view are the most stable from a franchise value and from a future growth opportunity perspective
- The analysis covers the health and future expected performance of the financial institution, by highlighting their performance using metrics to measure Profitability, efficiency, diversification, risk appetite and solvency
- For insurance companies which are part of a group structure, the financials of the group were utilized to take into consideration the listed counter which an investor will purchase
- Ranking based on a weighted average ranking of Franchise value (40.0%) and Intrinsic value (60.0%)
- All the listed insurance companies are composite insurance companies, offering both life and general business

Regulation and Consolidation to Drive Attractiveness

Focus Area	Summary	Effect on Insurance Sector
Regulation	• **Risk Based-Supervision:** The IRA is implementing risk-based supervision which looks at the risk exposure of a company • **IFRS 17**: Effected on January 2023 encompass separation of financial and insurance results in the income statement	• Regulatory changes are foreseen to impact the sector positively in line with international best practices, thus buoying investor confidence in the capitalization and future position of the Insurance sector • IFRS 17 will affect the volatility of profits, net assets and equity in the Insurance sector
Digital Innovations	• **Digital Innovations:** High mobile phone penetration rates in Kenya have aided in the digitization of distribution channels, shifting focus to the customer. Insuretechs and Bancassurance partnerships to continue to disrupt competition in the industry	• Leveraging more on technology will transform how the insurance business is conducted. The use of Blockchain technology, AI and Big Data will also help prevent fraudulent claims by enabling early detection and audit trails
Consolidation	• **Increase in Mergers & Acquisitions:** Most of the smaller players in the insurance industry are lacking adequate capital to finance operations and meet regulatory requirements	• Will be driven by capital adequacy requirements coupled by erosion of capital buffer erosion following the tough pandemic year FY'2020. We expect the more M &A activity as smaller players look to strengthen their capital and market positions
Insurance Fraud	• **Fraudulent claims:** It is estimated that 25.0% of the insurance industry's income fraudulently claimed. In FY'2024, 213 insurance fraud cases were reported to the Insurance Fraud Investigation Unit (IFIU), with Motor Insurance Claims being the most prevalent	• Fraudulent claims have had the effect of hurting the profitability, translating into high premium rates and huge claim reserve ratios. As a result, verification of claims has resulted in the slowing down of the settlement pace

Regulatory trends in the Insurance sector will very much determine growth and investments prospects. Newer minimum capital requirements are expected to set off mergers and acquisitions in the sector, with many insurers failing to meet the minimum. The regulatory reforms also present an opportunity to international firms to enter into the Kenyan market, given it has strong economic growth prospects

Rankings by Franchise Value

Sanlam Kenya presents the most attractive insurance franchise, with a Score of 14

Insurance Company	Loss Ratio	Expense Ratio	Combined Ratio	Net Premium Growth	PEG ratio	ROaA	Total	Rank
Sanlam Kenya	2	4	2	2	1	3	14	1
Britam	1	3	1	4	2	4	15	2
CIC Group	4	1	3	3	3	1	15	3
Jubilee Holdings	5	2	4	1	4	5	21	4
Liberty Holdings	3	5	5	5	5	2	24	5

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Valuation Summary of Listed Insurers

Sanlam Kenya presents the highest upside with an expected total return of 27.1%

Insurance Company	Current Price	Target Price	Upside/ (Downside)	Dividend Yield	Total Potential Return
Sanlam Kenya	8.0	10.2	27.1%	0.0%	27.1%
CIC Group	3.3	4.0	22.5%	4.0%	26.4%
Liberty Holdings	10.9	12.5	14.6%	9.2%	23.8%
Jubilee Holdings	226.0	260.4	15.2%	5.1%	20.3%
Britam Holdings	8.2	9.5	16.4%	0.0%	16.4%

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Cytonn Insurance Report – Comprehensive Rankings

Sanlam Kenya emerged top of the rankings, leading in Franchise and Intrinsic Valuation

Listed Insurance Companies FY’2024 Comprehensive Ranking					
Insurance Co.	Franchise Value Score	Intrinsic Value Score	Weighted Score	FY'2023 Ranking	FY'2022 Ranking
Sanlam Kenya	1	1	1.0	1	1
CIC Group	3	2	2.4	2	4
Britam Holdings	2	5	3.8	3	5
Liberty Holdings	5	3	3.8	4	3
Jubilee Holdings	4	4	4.0	5	2

- Sanlam Kenya maintained position 1 in FY’2024 driven by strong intrinsic and franchise score, attributable to the sharp increase in core earnings per share growth to a growth of 695.5%, from a decline of 87.9%, CIC Group improved to position 2 in FY’2024 driven by improved franchise score, attributable to the decrease in the claims growth to 7.2%, from a 17.8% growth recorded in FY’2023.
- Liberty Holdings declined to position 4 in FY’2024 mainly due to weakened franchise score in FY’2024, driven by an increase in claims ratio to 44.0% in FY’2024, from 42.0% recorded in FY’2023, and,
- Britam Holdings improved to position 3 in FY’2024, mainly due to increase in franchise scores in FY’2024, driven by the decrease in claims growth to 24.3%, from the 55.1% growth recorded in FY’2023.

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6. Appendix – Valuation Summaries

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Valuation Summary – Jubilee Holdings

Jubilee Holdings is undervalued with an upside of 15.2%

Valuation Summary:	Implied Price	Weighting	Weighted Value
Residual Income	49.0	40%	19.6
Dividend Discount Model	456.8	35%	159.9
PBV Multiple	307.6	20%	61.5
PE Multiple	386.1	5%	19.3
Fair Value			**260.4**
Current Price			**226.0**
Upside/(Downside)			**15.2%**
Dividend Yield			5.1%
Total Upside/(Downside)			**20.3%**

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Valuation Summary – CIC Group

CIC Group is undervalued with an upside of 22.5%

Valuation Summary:	Implied Price	Weighting	Weighted Value
Dividend Discount	3.9	40%	1.6
Residual Income	4.4	35%	1.5
PBV Multiple	3.0	15%	0.5
PE Multiple	4.8	10%	0.5
Fair Value		**100%**	**4.0**
Current Price			**3.3**
Upside/(Downside)			**22.5%**
Dividend Yield			4.0%
Total Return			**26.4%**

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Valuation Summary – Liberty Holdings

Liberty Holdings is Undervalued with an upside of 14.6%

Valuation Summary:	Implied Price	Weighting	Weighted Value
Residual Income	13.9	40%	5.6
Dividend Discount	10.8	40%	4.3
PBV Multiple	12.0	10%	1.2
PE Multiple	14.0	10%	1.4
Fair Value			**12.5**
Current Price			**10.9**
Upside/(Downside)			**14.6%**
Dividend Yield			9.2%
Total Return			**23.8%**

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Valuation Summary – Sanlam Insurance

Sanlam Insurance is Undervalued with an upside of 27.1%

Valuation Summary	Implied Price	Weighting	Weighted Value
Residual Income	10.6	60%	6.4
PBV Multiple	6.9	20%	1.4
PE Multiple	12.2	20%	2.4
Fair Value			**10.2**
Current Price			**8.0**
Upside/(Downside)			**27.1%**
Dividend Yield			0.0%
Total Return			**27.1%**

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Valuation Summary – Britam Holdings

Britam Holdings is undervalued with an upside of 16.4%

Valuation Methodology	Implied Price	Weighting	Weighted Value
Dividend Discount	10.7	40%	4.3
Residual Income	11.0	35%	3.9
PBV	5.2	15%	0.8
PE	5.9	10%	0.6
Fair Value		**100%**	**9.5**
Current Price			**8.2**
Upside/(Downside)			**16.4%**
Dividend Yield			0.0%
Total Return			**16.4%**

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Thank You!

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