

PRESS RELEASE

Brussels, 14 October 2020 – 8:40 (CET)



Ageas sells its share in UK joint venture Tesco Underwriting Ltd.

Today, Ageas and Tesco Personal Finance Plc (Tesco Bank) announce an agreement for Tesco Bank to buy Ageas's 50.1 % stake in Tesco Underwriting Limited (Tesco Underwriting). Tesco Underwriting is the UK-based Non-Life joint venture between Ageas UK and Tesco Bank, providing Motor and Household insurance to the UK market. The partnership was set-up in 2009 and was extended for a 7-year period at the end of 2014.

The sale will allow Ageas in the UK to focus on its core business and further enhancing its strong partnerships in the broker market, and to concentrate its efforts on further developing the direct business. It also offers an opportunity to crystallise the value that has been created in the past years.

Tesco Bank will buy Ageas's stake in Tesco Underwriting for a total consideration of GBP 104 million (EUR 114 million)¹ plus Ageas's part of any change in the net asset value realised by Tesco Underwriting from 30 June 2020 until closing. Additionally, Ageas will receive a reimbursement of an internal loan for an amount of GBP 21 million (EUR 23 million). The transaction is expected to generate a capital gain of approximately EUR 9 million and to have a positive impact of around 3% on Ageas's solvency position based on the second quarter 2020 figures.

The transaction, expected to close in the second quarter of 2021, remains subject to regulatory approvals from the Prudential Regulation Authority (PRA).

Tesco Underwriting had a book value of EUR 100 million (GBP 91 million) as at 30 June 2020, and generated a net profit of EUR 13 million at the end of 2019 (both figures at Ageas part).

Commenting on the transaction, Bart De Smet, CEO of Ageas, says : *"I would like to take this opportunity to thank the management team and the staff of Tesco Underwriting and Tesco Bank for their loyalty, hard work and valuable contribution to the success of the joint venture over the past decade. We wish our former partner and colleagues every success with the continuation of the activity."*

Ageas is a listed international insurance Group with a heritage spanning almost 200 years. It offers Retail and Business customers Life and Non-Life insurance products designed to suit their specific needs, today and tomorrow. As one of Europe's larger insurance companies, Ageas concentrates its activities in Europe and Asia, which together make up the major part of the global insurance market. It operates successful insurance businesses in Belgium, the UK, France, Portugal, Turkey, China, Malaysia, India, Thailand, Vietnam, Laos, Cambodia, Singapore, and the Philippines through a combination of wholly owned subsidiaries and long term partnerships with strong financial institutions and key distributors. Ageas ranks among the market leaders in the countries in which it operates. It represents a staff force of over 45,000 people and reported annual inflows close to EUR 36 billion in 2019 (all figures at 100%).

¹ EUR / GBP dd. 8 October 2020: 0.91

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