

# PRESS RELEASE

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## Ageas increases its stake in Indian Life insurance JV

**Ageas announces that it has executed an agreement with IDBI Bank to acquire an additional 23% stake in the Indian Life insurance joint venture IDBI Federal Life Insurance Company Ltd. (IFLIC).**

With this transaction, Ageas has agreed to increase its interest in IFLIC to 49% and become the largest shareholder in the joint venture it operates together with IDBI Bank and Federal Bank. Federal Bank also intends to acquire (subject to necessary regulatory approvals) an additional 4% in IFLIC from IDBI Bank. The new shareholding structure of IFLIC is envisaged to be Ageas 49%, Federal Bank 30% and IDBI 21%.

Going forward IFLIC will focus on strengthening its distribution capacity by entering into additional bancassurance agreements, and developing the agency and direct distribution channels. The company will also be rebranded in the coming months.

The investment fits Ageas's strategy to expand in regions in which it is already present and in promising markets with a low insurance penetration and high potential for growth such as the Indian Life insurance market.

Ageas will pay IDBI Bank a total consideration of INR 5.1 billion (EUR 57.3 million)<sup>1</sup> in cash for the additional 23% stake in IFLIC, which corresponds to 1.1 times the company's Embedded Value as at the end of March 2020. The transaction is subject to regulatory approval and is expected to be closed before the end of the year. The impact on the Group's solvency position at the time of closing is estimated to be around 2 percentage points.

At the end of 2006, Ageas, IDBI Bank and Federal Bank set up the Life insurance joint venture IFLIC that since that time has grown its gross inflows consistently to reach EUR 245 million in 2019. Within six years the company was profitable and has continued to be, generating a net profit of EUR 20 million in 2019.

**Bart De Smet, CEO of Ageas said :** *"This investment offers Ageas a unique opportunity to increase its presence in India, one of the world's largest and fastest growing economies, and to further develop its Life business, alongside long-lasting partners, in a market with great potential. As the largest shareholder, it also allows us to play a more active role in the further development of the company."*

**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 of over EUR 36 billion in 2019 (all figures at 100%).

<sup>1</sup> Based on: 1 EUR = 88.4762 INR

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