

PRESS RELEASE

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Ageas acquires Aviva's 40% stake in Turkish Life insurer AvivaSA

Ageas announces that it has signed today an agreement with Aviva plc to acquire its 40% stake in the Turkish listed life insurance and pensions company AvivaSA for a total consideration of GBP 122 million (TL 1.2 billion¹) or circa EUR 142 million².

AvivaSA is the fifth largest life insurance company³ and the leading private pension provider⁴ in Turkey. It offers pension, protection and savings products to over 2 million customers through bancassurance, tied-agents and a direct sales force. Founded in 2007, AvivaSA is a privately held company listed on Borsa Istanbul with a market capitalisation of TL 3.4 billion as at 22 February (EUR 401 million)⁵. The company is currently owned 40% by Aviva plc, 40% by Sabanci Holding and 20% is free float.

The investment in AvivaSA fits Ageas's strategy to expand in regions in which it is already present and provides the opportunity to tap into low-penetrated and high-growth markets such as the Turkish Life insurance market, which has been growing at 28% per year in the 2014-2019 period. It also allows Ageas to broaden the collaboration with Sabanci Holding, its partner in the Non-Life joint venture AKSigorta.

In 2020 AvivaSA reported a net result of TL 350 million (EUR 41 million)⁵, representing an increase of 36% compared to 2019 and a 36% return on equity (RoE). The company announced a dividend over 2020 of TL 160 million (EUR 19 million)⁵. Between 2016 and 2020 the company's net income grew 34% on a yearly basis, with an average 32% RoE, and a dividend payout ratio (based on Turkish GAAP accounting) consistently at 50% or above.

Ageas will pay to Aviva plc the consideration of GBP 122 million in cash for the 40% stake at closing. The price corresponds to a 8.6x P/E 2020. The transaction is subject to regulatory approval and is expected to close in 2021. The impact on the Group's solvency position at the time of closing is estimated to be around 3 percentage points.

Hans De Cuyper, CEO of Ageas said: *"The investment in AvivaSA offers Ageas a great opportunity to enter the growing Turkish Life insurance market alongside our long-lasting local partner Sabanci. Already present via AKSigorta in the Non-Life business, this transaction allows Ageas to be a core shareholder of Turkish market leading insurance companies both in Life and Non-Life"*

Haluk Dinçer, Chairman of AvivaSA and Financial Group President of Sabanci Holding adds: *We were pleased to learn about Ageas's intention to enhance the ongoing successful and strong partnership with Sabanci Holding in Non-Life insurance in a manner to include private pension and life insurance markets. With this new partnership structure, AvivaSA will continue with its efforts for achieving further success, with the awareness of our key roles in the financial future of our customers and our responsibilities towards our stakeholders."*

1 At TL/GBP exchange rate of 0.102 as at 22 Feb 2021

2 At EUR/GBP exchange rate of 0.8641 as at 22 Feb 2021

3 by gross written premiums

4 by Assets under Management

5 At TL/EUR exchange rate of 0.118 as at 22 Feb 2021

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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%).