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PRESS RELEASE

Generali to enter the Malaysian P&C insurance market with purchase of 49% of MPIB

- Call option to increase its holding to 70% in 2 years
- Generali will be able to immediately appoint key managers

Trieste – Generali has entered into an agreement with Multi-Purpose Capital Holdings Berhad – a wholly owned subsidiary of the Malaysian group headed by MPH Capital - to acquire a 49% stake in its P&C insurance subsidiary, Multi-Purpose Insurans Berhad (“MPIB”), for a consideration of € 81.4 million (MYR 355.8 million)^{1,2}.

With this acquisition, the Group will enter the Malaysian market placing itself among the top ten P&C insurers of the country.

The agreement includes a call option exercisable in two years on an additional 21% stake of MPIB, which will enable the Group to increase its holding to 70% of the company’s capital, the highest amount allowed under Malaysian law for foreign companies. The transaction is substantially neutral in Solvency terms.

Moreover, a shareholders’ agreement will allow Generali to immediately appoint some Directors and key managers of the Company³.

The **Group CEO of Generali, Mario Greco**, commented: “*Our entry into the Malaysian market marks an important step for Generali’s development in Asia, an important area for the Group’s future growth and where we are already investing. Malaysia is a market which is significantly growing and offers great opportunities, especially in the P&C segment*”.

The transaction has been approved by the local regulator, Bank Negara Malaysia, and is subject to the approval of MPH Capital’s shareholders.

In 2013 MPIB reported premium income of €128 million¹, equivalent to a 3.4% market share. During the last 4 years, the company registered a yearly premium growth of c. 8% showing a high profitability with an average combined ratio of around 90%⁴. In comparison to other local competitors, MPIB owns a more diversified portfolio, mainly consisting of Motor (27.3%), Fire (21.7%), Medical (6.8%), Contractors All Risk (6.8%). The company leverages a multi-channel business model, which mainly includes agents (49%), brokers (25%) and direct channels (6%).

Generali already operates in 9 different Asian markets (China, Hong Kong, India, Indonesia, Japan, Philippines, Singapore, Thailand and Vietnam), with a 2013 premium income of about €1 billion. In China, Generali is one of the most important foreign life insurance companies.

THE GENERALI GROUP

The Generali Group is one of the largest global insurance providers with 2013 total premium income of €66 billion. With 77 thousand employees worldwide serving 65 million clients in more than 60 countries, the Group occupies a leadership position on West European markets and an increasingly important place on markets in Central Eastern Europe and Asia.

¹ EUR/MYR exchange rate at 16th December 2014.

² Consideration subject to price adjustment to reflect the performance of MPIB from 31 December 2013 to completion.

³ The appointment of key managers and the right of Generali to exercise the call option are subject to the authorization of Bank Negara Malaysia.

⁴ Excluding the effect of MMIP, the high-risk motor insurance pool that is managed collectively by the insurance industry under the instructions from the regulator.

Media Relations
T +39.040.671085
press@generali.com

Investor Relations
T +39.040.671202
+39.040.671347
ir@generali.com

www.generali.com