

Generali signs agreement in Malaysia to acquire majority stake in AXA Affin joint ventures and plans to purchase 100% of MPI Generali

- The transactions transform Generali's activities in Malaysia to become the #2 P&C insurer in the country, in line with its strategy to strengthen its leadership position in high potential markets
- Generali to increase its current 49% stake in MPI Generali Insurans Berhad to 100%
- Generali to acquire a 70% stake in AXA Affin Life Insurance joint venture (49% from AXA and 21% from Affin) and approximately a 53% stake in AXA Affin General Insurance joint venture (49.99% from AXA and 3% from Affin and minorities)
- AXA Affin General Insurance and MPI Generali to be merged following the acquisitions creating one of Malaysia's leading general insurance operations, with Generali holding a 70% stake

Milan – Generali has signed an agreement in connection with the purchase of the majority of the shares held by AXA and Affin in the joint ventures, approximately 53% of AXA Affin General Insurance Berhad (49.99% from AXA and 3% from Affin and minorities) and AXA Affin Life Insurance Berhad (49% from AXA and 21% from Affin), respectively.

The Group also submitted an application to the local regulator in order to acquire the remaining shares of MPI Generali Insurans Berhad (MPI Generali) held by its Malaysian joint venture partner, Multi-Purpose Capital Holdings Berhad (MPHB Capital). The transactions are subject to the approval of the Malaysian Minister of Finance and the Central Bank of Malaysia.

The total consideration for the combined transactions is of RM 1,290 million (€ 262 million¹) subject to closing adjustments. The estimated impact on the Group's Regulatory Solvency Ratio is approximately -3.5 p.p..

As a result of the transactions, Generali will operate in Malaysia through two companies – one in the P&C segment and the other in the Life segment. In the P&C segment, Generali plans to merge the businesses of MPI Generali with AXA Affin General Insurance. Once the transactions are completed, Generali will hold 70% in both the Life and P&C entities, which will trade under the Generali name. Affin Bank will hold the remaining 30%.

The acquisitions will position Generali as one of the leading insurers in the Malaysian market, creating the second P&C insurer by market share² and entering the country's Life insurance segment.

¹ 1 Euro = RM 4.9328 as of 18th June 2021 (Source: Bloomberg).

² Based on pro-forma 2020 Gross Written Premiums (Local GAAP).

Generali will enter into an exclusive bancassurance agreement with Affin Bank for the sale of conventional P&C and Life insurance products. Established in 1975, Affin Bank is the tenth largest bank in the country with over 110 branches catering to both retail and corporate customers. Its activities focus on commercial, Islamic and investment banking services, money broking, asset management and underwriting of Life and General insurance business.

Generali, AXA, Affin Bank and MPHB Capital are working together to obtain the required regulatory approvals. Generali will commence the necessary integration planning to develop an organisation that leverages the skills, experience and expertise of all the staff of the combined business. The expected completion date of the acquisition is in the second quarter of 2022.

Jaime Anchústegui Melgarejo, CEO International, Generali Group, said: *“The transactions are fully aligned with Generali’s strategy to strengthen its leadership position in high potential markets, like Malaysia, which represents a very attractive opportunity as it is home to a growing middle-class population and with an insurance penetration rate that is still relatively low compared to other more mature markets in the Asian region.”*

Rob Leonardi, Regional Officer, Generali Asia said: *“This is an exciting time for Generali in Malaysia and for our growth strategy in Asia. Over the last five years we have enjoyed working together with our business partner to reshape MPI Generali and now we can further optimise our strategic position, secure economies of scale for more efficient operations and deliver even greater value for our customers. We have ambitions to further transform and strengthen our business in this important market and look forward to working with our customers, employees, agents, partners and distributors on this journey.”*

Generali has been active in Malaysia since 2015, when it acquired a 49% stake in Multi-Purpose Insurans Berhad - a P&C insurance subsidiary of Multi-Purpose Capital Holdings to create MPI Generali.

AXA Affin General Insurance is among the largest general insurance players in Malaysia, with an extensive distribution network of over 5,000 active agents across the country. The company closed 2020 with € 287 million of gross written premiums³ while AXA Affin Life Insurance, founded in 2006, earned an Annual Premium Equivalent of € 24 million. AXA Affin Life Insurance is a market leading innovator in helping individuals manage risk and achieve their financial goals.

HSBC is acting as exclusive financial advisor to Generali on the transactions. The law firm Wong & Partners is acting as legal advisor.

THE GENERALI GROUP

Generali is one of the largest global insurance and asset management providers. Established in 1831, it is present in 50 countries in the world, with a total premium income of € 70.7 billion in 2020. With more than 72,000 employees serving 65.9 million customers, the Group has a leading position in Europe and a growing presence in Asia and Latin America. Commitment to sustainability is one of the enablers of Generali’s strategy, inspired by the ambition to be the Lifetime Partner to its customers, offering innovative and personalized solutions thanks to an unmatched distribution network.

GENERALI ASIA

Generali is an international insurance company that arrived in Asia in 1975 and is sustainably growing across the region. It operates in its eight key markets of: China, Hong Kong S.A.R, India, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam. Hong Kong is also the home of Generali’s regional headquarters.

www.generaliasia.com

³ Based on Local GAAP.



MPI GENERALI INSURANS BERHAD (MPI GENERALI)

MPI Generali is a joint venture between Multi-Purpose Holdings Capital Berhad, which is a wholly owned subsidiary of MPH Capital Berhad, a public listed company on the Bursa Malaysia, and Assicurazioni Generali S.p.A. (“Generali”), one of the largest global insurance providers with a rich heritage going back to 1831. Established in 1973 and licensed by Bank Negara Malaysia under the Financial Services Act, 2013, MPI Generali’s core business is underwriting of general insurance business offering innovative insurance products and services to individual and corporate customers.

www.mpigenerali.com