



PRESS RELEASE

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Regulated information - Ageas UK announces the acquisition of Groupama Insurance Company Limited (GICL)

Following the announcement of exclusive discussions on 7 September 2012, Ageas today confirms the signing of an agreement to acquire Groupama Insurance Company Limited for a total consideration of GBP 116 million (EUR 145 million). The acquisition will propel Ageas to fifth largest UK Non-Life insurer (with a 5.2% market share); fourth largest Private Motor insurer (with a 11.7% market share); and fourth largest Personal lines insurer (with a 7.1% market share).¹

The acquisition represents a strong strategic fit and complements Ageas UK's multi-channel distribution approach, strengthening its presence in the UK broker market. GICL offers a range of car, motorcycle, home, travel, personal accident and commercial insurance in the UK, further strengthening Ageas's existing portfolio as well as adding new niche product areas. This transaction excludes Groupama's UK broking operations.

The adjusted book value of GICL as at 31 December 2011 was GBP 211 million (EUR 252 million), reflecting the release of the Defined Benefit liability and the pre-transfer payment.² Based on 2011 Non-Life income of Ageas UK and GICL, the annual inflows (or gross written premiums) of Ageas UK as a result of the acquisition would increase by around 20% on a pro forma basis, amounting to over GBP 2.1 billion (EUR 2.4 billion).³ In terms of operational performance, GICL reported a 2011 post tax profit of GBP 25.9 million (EUR 29.8 million) and a combined ratio of 97.8% (FY2011).

The deal is subject to regulatory approvals and closing is expected before the end of 2012. On completion of the transaction, GICL will become a wholly owned subsidiary of Ageas UK.

Announcing the transaction, Bart De Smet, CEO of Ageas, said: *"I welcome this acquisition on its strategic and financial merits and as an important next step in the execution of the Ageas Group strategy towards a well balanced portfolio in terms of Life and Non-Life business. Following on from the start of the partnership with Tesco Bank in 2010, and more recently the acquisition of Kwik Fit Financial Services and Castle Cover, this acquisition also reflects the multi-channel, multi-brand distribution strategy of Ageas as a group and more specifically in the UK. In terms of financial merits, the return on investment is expected to exceed Ageas's minimum return requirement of 11%."*

Barry Smith, CEO of Ageas UK, added: *"This deal is a great strategic fit in the continuing development of Ageas in the UK. Both Ageas and GICL have strong reputations in the UK broker market and this deal reinforces our ongoing commitment to brokers and their customers. We pride ourselves on strong relationships with brokers and today's announcement sends a clear signal that we will continue to support and work closely with them. The complementary strengths of Ageas and GICL will create an exciting business focused on customer needs whilst generating a greater return for our company."*

¹ Based on analysis of Datamonitor/Synthesis 2011 market share data except for Admiral where total premiums are sourced from annual reports

² Prior to completion, GICL will inject GBP 40 million (EUR 50 million) into the Defined Benefits pension fund, which will be subsequently transferred to Groupama S.A.

³ Based on 2011 year-end Non-Life income of Ageas UK and GICL combined



Ageas is an international insurance company with a heritage spanning more than 180 years. Ranked among the top 20 insurance companies in Europe, Ageas has chosen to concentrate its business activities in Europe and Asia, which together make up the largest share of the global insurance market. These are grouped around four segments: Belgium, United Kingdom, Continental Europe and Asia and served through a combination of wholly owned subsidiaries and partnerships with strong financial institutions and key distributors around the world. Ageas operates successful partnerships in Belgium, UK, Luxembourg, Italy, Portugal, Turkey, China, Malaysia, India and Thailand and has subsidiaries in France, Hong Kong and UK. It is the market leader in Belgium for individual life and employee benefits, as well as a leading non-life player, through AG Insurance, and in the UK, it has a strong presence as the fourth largest player in private car insurance and the over 50's market. It employs more than 13,000 people and has annual inflows of more than EUR 17 billion.

Ageas UK is a leading provider of award-winning Personal, Commercial and Protection insurance solutions in the UK. Ageas UK distributes both its Non-Life and Life products through a range of channels including brokers, IFAs, intermediaries, affinity partners and the Internet, as well as through its retail strategy via its wholly owned companies (RIAS, Ageas Insurance Solutions, Castle Cover and Kwik Fit Financial Services). Insuring in the region of 8 million customers and working with a range of partners, Ageas is recognised for delivering consistent and high-quality customer experiences. It employs over 5,500 people with offices based in Eastleigh, Belfast, Bournemouth, Gloucester, London, Glasgow, Reigate and Stoke-on-Trent.

Groupama Insurance Company Limited is a highly respected specialist insurer offering solutions for non-standard motor and home insurance as well as an innovative range of niche commercial products for small to medium sized businesses. The company employs over 600 staff in 5 centres and is an accredited 'Investor in People' Gold Standard.

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