

# PRESS RELEASE

Brussels, 14 November 2018 - 07:00 (CET)



## Ageas signs agreement to acquire a 40% stake in Indian Non-Life insurer RSGL

**Ageas announces that it has signed today an agreement to acquire 40% of the share capital of the Indian Non-Life insurance company Royal Sundaram General Insurance Co. Limited (RSGL) for a total consideration of EUR 186 million<sup>1</sup>.**

RSGL is a top 10 privately owned player in the Indian general insurance market with strong positions in Motor and Health insurance. The company benefits from extended distribution capabilities with a nationwide network of more than 5,600 agents, 700 branches, and well-established relationships with banks and other distribution partners off- and online. In 2018<sup>2</sup> RSGL generated EUR 321 million inflows and EUR 10 million net profit and realised between 2015 and 2018, an average annual growth rate of 19% and 55% in inflows and net profit respectively.

The transaction is subject to the approval of regulatory authorities, and is expected to close in the first half of 2019. After completion, Ageas will hold 40% of RSGL's share capital, Sundaram Finance 50% and various other shareholders the remaining 10%.

The acquisition fits Ageas's strategy, as reconfirmed in its recently announced 3-year strategic plan Connect21, to expand its activities in fast growing markets in which it already operates, focussing on Non-Life insurance in particular.

The acquisition will reduce the Group Solvency II by approximately 5%.

This transaction will have no impact on Ageas's share buy-back commitment under its Connect21 strategic plan as announced on 19 September 2018.

**Commenting on the agreement, Bart De Smet, CEO of Ageas, said:** *"Partnering with Sundaram Finance, a well-established company with a vast knowledge of the Indian insurance market, offers us a great opportunity to benefit from the potential of what is one of the world's largest economies with an insurance industry that is expected to grow significantly in the coming years. Being already present in the Indian Life insurance market, we now will be able, through this new joint venture, to also fully grasp opportunities in the Non-Life market. We are confident that Ageas's insurance expertise combined with Sundaram Finance's market knowledge and position will take RSGL to a next level in terms of size and profitability."*

**Commenting on the agreement, T T Srinivasaraghavan, Managing Director of SFL said:** *"Over the past 18 years, Royal Sundaram has built a sterling reputation in the market for its customer service excellence, notably in claims management. The Company has demonstrated strong growth in its chosen segments and is witnessing a rapid growth in its profitability. For the next phase of growth, we are delighted to be partnering with Ageas, whose global experience, including several Asian countries, will be an asset. Ageas is unique in its approach of working through local partnerships and joint ventures across Asia and we believe this can create significant value for Royal Sundaram."*

<sup>1</sup> Agreement to acquire at a price of INR 15.2 billion, corresponding to an amount of EUR 186 million calculated at the 13/11/2018 EUR/INR rate of 81.74.

<sup>2</sup> Indian accounting years with year-end in March

### REGULATED INFORMATION

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**Ageas** is a listed international insurance Group with a heritage spanning 190 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, Luxembourg, 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 50,000 people and reported annual inflows close to EUR 34 billion in 2017 (all figures at 100%).

**Royal Sundaram General Insurance Co. Ltd.** is a subsidiary of Sundaram Finance, a leading financial services provider based in Chennai, Southern India. Sundaram Finance is a listed company with a market capitalisation of EUR 1.9 billion that offers services including general insurance, financing, mutual funds, business process outsourcing ("BPO"), IT services and retail distribution. Royal Sundaram General Insurance Co Ltd. is India's 1<sup>st</sup> privately owned general insurance company (licensed in 2000) and currently holds the 9<sup>th</sup> position in that market segment (ex-standalone health insurers) offering innovative general insurance solutions to individuals, families and businesses directly as well as through its intermediaries and affinity partners. The company offers Motor, Health, Personal Accident, Home & Travel Insurance to individual customers and offers specialised insurance products in Fire, Marine, Engineering, Liability & Business Interruption risks to commercial customers. Royal Sundaram also offers specially designed products to the small & medium enterprises and rural customers as well.