



Media Release

Allianz to acquire Janashakthi General Insurance Limited in Sri Lanka

2nd February 2018, Colombo/ Singapore – Allianz, the global financial services leader, today announced that it has entered into an agreement with Janashakthi Insurance PLC (“JINS”) to acquire 100% of its subsidiary Janashakthi General Insurance Limited (“JGIL”) for LKR 16.4 billion (EUR 85.9 million). The transaction is subject to regulatory approval and is expected to complete in the first quarter of 2018.

This acquisition makes Allianz Insurance Lanka (“Allianz Lanka”) one of the country’s largest general insurers, with a market share of approximately 20%. The acquisition will deliver a range of strategic benefits to all stakeholders, including:

- Strengthens Allianz Lanka’s customer reach and service capabilities
With close to a million policyholders island-wide, the expanded client base represents a significant growth opportunity for Allianz in Sri Lanka.
- Janashakthi’s general insurance portfolio complements Allianz Lanka’s existing business, and represents a strategic fit across both corporate and retail lines. In addition, Allianz will bring its core capabilities in data science and technology to deliver superior experiences for all customers.
- Together with its 6% share in the country’s life insurance market, the acquisition positions Allianz Lanka as one of the strongest protection leaders in the country. This supports Allianz’s strategic priorities of achieving market leadership positions and high-quality growth in the Asia Pacific region.
- Janashakthi Insurance PLC will continue to focus on its life insurance portfolio in order to strengthen its presence in the Sri Lankan life insurance industry, and remains committed to its vision of lighting the lamp of insurance in every home and workplace.

The consideration represents a multiple of 2.2x JGIL's adjusted net asset value in 2017. Janashakthi Insurance has been operating in Sri Lanka for over 23 years with a focus on motor, fire and health protection for individuals and corporates.

This transaction also represents one of the largest investments into Sri Lanka, demonstrating Allianz's confidence in this market. The Sri Lankan general insurance market has posted a compound annual growth rate (CAGR) of 12.1% between 2010-2016¹. This is expected to accelerate to 12.5% by 2020, driven by improving trade and macro-economic conditions, as well as increased insurance penetration.

George Sartorel, Allianz's Regional CEO for Asia Pacific, said:

"This transaction provides a highly attractive opportunity to transform our market presence in Sri Lanka, while accelerating our growth agenda in the Asia Pacific region. We are greatly impressed with the JGIL team, and believe the expanded business provides a strong foundation from which to drive continued innovation and excellence for our customers."

Surekha Alles, Managing Director, Allianz Insurance Lanka, said:

"We're excited about our future ahead, and look forward to welcoming Janashakthi customers and employees to the Allianz family. Together, we will be well-placed to seize growth opportunities in Sri Lanka, and generate enduring benefits for our customers and stakeholders."

Prakash Schaffter, Managing Director, Janashakthi Insurance PLC, said:

"I am convinced that this amalgamation with Allianz represents the natural progression of JGIL's evolution from a small, home grown general insurance business to a leader in the industry, while reflecting the strength of the business we've built over the last 23 years. Becoming part of Allianz's larger organisation also provides many new opportunities for our employees and our customers. We share many of the same values, and we are happy to see our commitment to customer service excellence and belief in driving process enhancement and digitalisation reflected in Allianz's priorities and strengths."

¹ Source: Allianz Group Economic Research

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About Allianz

The Allianz Group is one of the world's leading insurers and asset managers with more than 86 million retail and corporate customers. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world's largest investors, managing over 650 billion euros on behalf of its insurance customers while our asset managers Allianz Global Investors and PIMCO manage an additional 1.4 trillion euros of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we hold the leading position for insurers in the Dow Jones Sustainability Index. In 2016, over 140,000 employees in more than 70 countries achieved total revenues of 122 billion euros and an operating profit of 11 billion euros for the group.

About Allianz in Asia

Asia is one of the core growth regions for Allianz, characterized by a rich diversity of cultures, languages and customs. Allianz has been present in the region since 1910, when it first provided fire and marine insurance in the coastal cities of China. Today, Allianz is active in 14 markets in the region, offering its core businesses of property and casualty insurance, life, protection and health solutions, as well as asset management. With its more than 32,000 staff, Allianz serves the needs of over 18 million customers in the region across multiple distribution channels and digital platforms.

About Janashakthi Insurance PLC

Founded in 1994 as a life insurance company, Janashakthi Insurance PLC (JIPLC) made its mark in the industry as an innovator and household name over a span of over 23 years. Janashakthi has a strong presence across the island, with a 24-hour call centre, and an around-the-clock assessor service. In line with its vision of lighting the lamp of insurance in every home and workplace, JIPLC remains committed to delivering a service beyond insurance to its customers and stakeholders.

About Janashakthi General Insurance Limited

A fully owned subsidiary of Janashakthi Insurance PLC, Janashakthi General Insurance Limited (JGIL) has been an industry leader in both the Motor and Non-Motor categories. As an organisation that strives to deliver excellence in customer service, it has a strong nationwide presence in Sri Lanka supported by an extensive branch network. JGIL is one of the largest general insurance companies in Sri Lanka, providing a wide range of products to its customer base that comprises individuals and corporates and covers non-life insurance risks.

These assessments are, as always, subject to the disclaimer provided below.

Cautionary note regarding forward-looking statements. The statements contained herein may include prospects, statements of future expectations and other forward looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events), (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the euro/US-dollar exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

No duty to update. The company assumes no obligation to update any information or forward-looking statement contained herein, save for any information required to be disclosed by law.