

Press

Allianz enters into a long-term partnership with Yapı Kredi in Turkey and acquires Yapı Kredi Sigorta

- 15-year exclusive bank distribution agreement with the 4th largest private bank in Turkey
- Acquisition of the non-life as well as life and pension businesses of Yapı Kredi in Turkey
- Allianz to become the number 1 insurance group in Turkey
- Total net consideration of TRY 1,602 million (EUR 684 million)¹
- Transaction consistent with Allianz approach to access growth through strategic relationships in high-growth insurance markets

Allianz and Yapı Kredi have reached an agreement to enter into a 15-year exclusive distribution agreement and for Allianz to acquire Yapı Kredi Sigorta, the property and casualty insurer, including its subsidiary Yapı Kredi Emeklilik, the life and pension business.

Yapı Kredi Sigorta is the 5th largest property and casualty insurance company in Turkey with total premiums of EUR 531 million². Yapı Kredi Emeklilik holds a top-4 position in life insurance with premiums of EUR 90 million², with a pensions business ranked 3rd with assets under management of EUR 1.5 billion². The combination of Allianz Turkey with the Yapı Kredi insurance operations will create the number 1 non-life insurer, the number 2 pensions provider and the number 3 life insurer in Turkey, a strategically important market for Allianz where the group has a 90-year history.

Under the terms of the agreed transaction, Allianz will acquire Yapı Kredi's 93.9 percent shareholding in Yapı Kredi Sigorta for a total net consideration to Yapı Kredi of EUR 684 million. The remaining 6.1 percent of Yapı Kredi Sigorta is listed on the Istanbul Stock Exchange and will be subject to a mandatory tender offer by Allianz shortly after closing. Yapı Kredi will retain a 20 percent stake in Yapı Kredi Emeklilik, the life and pension business which is a subsidiary of Yapı Kredi Sigorta, to support the long-term strategic partnership with Allianz.

¹ Based on the exchange rate of 2.3425 on 25 March 2013. Final consideration to be determined based on exchange rate at closing.

² Premiums based on the average exchange rate of 2.3134 for 2012. AuM based on the year-end exchange rate of 2.3530 for 2012.

An important part of the agreement between Allianz and Yapı Kredi is a 15-year bancassurance agreement, which will provide Allianz exclusive access to the 5th largest banking network in Turkey with 928 branches and 6.5 million customers.

“Turkey is one of the fastest growing insurance markets worldwide, supported by a robust economic outlook and a large, young population of 75 million people,” said Oliver Bäte, member of the board of management of Allianz SE. “The transaction with Yapı Kredi is a unique opportunity to move into a market-leading position in one of Europe’s key growth markets which is also an important bridge between Europe and Middle East/Central Asia. This transaction fits perfectly into Allianz’s strategy to use bolt-on acquisitions to strengthen its position in growth markets.”

Yapı Kredi CEO Faik Açıklan stated that the Turkish insurance sector has become one of the most prominent markets in the world in recent years also thanks to Turkey’s sound macroeconomic fundamentals. Açıklan continued “During the sales process, both Yapı Kredi Sigorta, which enjoys a pioneering position in the insurance sector with its performance, and Yapı Kredi Emeklilik, which has a significant place in the lives of its customers with the added value it creates, received considerable interest from several strong international institutions. We are pleased with having reached an agreement with Allianz at the end of this process. The agreement also includes the continued distribution of insurance and pension fund products to customers through our Bank’s extensive service network. Thus, we have chosen a business partner with whom we can both walk together, consolidate strategic cooperation, and jointly create added value for our customers in the sector.”

The Turkish market offers significant growth potential for insurance due to low penetration, with premiums at just 1.3 percent of GDP in Turkey compared to 7.9 percent for Western Europe and 2.6 percent for Central and Eastern Europe. In the last five years (2007-12) annual premium growth has averaged 12.5 percent in P/C, 14.2 percent in life insurance and 35.1 percent in pensions. In recent years bank distribution has become the dominant channel for life and pension products with banks representing 77 percent of life premiums in 2012 in Turkey.

The transaction is expected to close during the second half of 2013 and is subject to regulatory and competition board approvals.

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About Allianz

Together with its customers and sales partners, Allianz is one of the strongest financial communities. Around 78 million private and corporate customers rely on Allianz's knowledge, global reach, capital strength and solidity to help them make the most of financial opportunities and to avoid and safeguard themselves against risks.

In 2012, around 144,000 employees in over 70 countries achieved total revenue of 106.4 billion euros and an operating profit of 9.5 billion euros. Benefits for our customers reached 89.2 billion euros.

This business success with insurance, asset management and assistance services is based increasingly on customer demand for crisis-proof financial solutions for an aging society and the challenges of climate change. Transparency and integrity are key components of sustainable corporate governance at Allianz SE.

Allianz in Turkey

Allianz in Turkey is a major player with its property, casualty and health subsidiary Allianz Sigorta and its life and pension subsidiary Allianz Hayat ve Emeklilik and also with respective representations of Allianz Global Assistance (Mondial Assistance) and Euler Hermes. As end of 2012, with 1.66 million customers and some 630 employees operating at the Allianz Headquarters in İstanbul, Allianz in Turkey offers a wide range of products, an extensive network of contracted service providers and detailed policy coverage to many retail and corporate customers.

About Yapı Kredi

Established in 1944, Yapı Kredi is the fourth largest private bank with total assets of TRY 131.5 bn as of 2012. Driven by a customer-centric strategy, Yapı Kredi serves 6.5 mn customers through its credit cards, individual banking, SME, corporate and commercial and private banking operations supported by its domestic product factories and international banking operations in the Netherlands, Russia and Azerbaijan.

Yapı Kredi maintains leading positions in key segments and products supported by its strong franchise, large network and leading brand. The bank is the leader in credit cards (19.4% market share in outstanding, 19.3% market share in acquiring volume, 17.2% market share in number of credit cards). In addition, Yapı Kredi holds leading positions in factoring (#1 with 15.0% market share), leasing (#1 with 17.2% market share), asset management (#2 with 17.6% market share), brokerage services (#2 with 7.0% market share), private pension funds (#3 with 17.1% market share), and life and non-life insurance (#4 with 7.7% and #5 with 7.2% market shares, respectively).

Yapı Kredi has a wide service network include 928 branches and nearly 18 thousand employees. High quality products and services are also provided to customers through alternative delivery channels, which cover 80% of total banking transactions, including 2,819 ATMs, innovative internet banking, leading mobile banking and 2 award winning call centers.

Yapı Kredi recorded consolidated net income of TRY 2.1 bn and return on average tangible equity of 17.5% in 2012 driven by focus on customer-oriented banking and value generating growth.

About Yapı Kredi Sigorta

YKS is a leading non-life insurance company with the no 1 franchise in health insurance (23% market share) and strong positions in other insurance lines (including motor, fire, engineering, marine). It has an experience of ~70 years in the Turkish non-life insurance market. As of 2012, gross written premiums amount to TRY 1,227 mn, up 26% compared to TRY 973 mn in 2011.

About Yapı Kredi Emeklilik

YKE is a leading life insurance and pension company with TRY 212 mn life gross written premiums and TRY 3.5 bn assets under management as of 2012, up 20% compared to TRY 176 mn life gross written premiums and 51% to TRY 2.3 bn assets under management in 2011. The company was founded in 1991 and has been authorised to operate in the private pension system since 2002.

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/U.S. 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.