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Press Release: Affin and Generali to create General Insurance Business with Gross Written Premium (GWP) of more than RM2.0 billion

Kuala Lumpur, 22 June 2021 - Affin Bank Berhad (“**Affin**”) and Generali Asia N.V. (“**Generali**”) had today agreed to form a new joint venture that will encompass Affin’s general and life insurance businesses and Generali’s general insurance business in Malaysia. The 2 parties entered into an implementation agreement where Affin has agreed to dispose of 21.00% equity interest in AXA Affin Life Insurance Berhad (“**AALI**”) and approximately 2.95% equity interest in AXA Affin General Insurance Berhad (“**AAGI**”) to Generali. Further, Affin has also agreed for AAGI to acquire certain assets and liabilities of MPI Generali Insurans Berhad (“**MPIG**”) via a business transfer (“**AAGI Merger**”) to create an enlarged company (“**MergeCo**”). The transactions are subject to the approvals of Bank Negara Malaysia (“**BNM**”) and other relevant authorities/parties.

The general insurance business of AAGI and MPIG will be merged under AAGI, the new enlarged MergeCo, via a business transfer arrangement. Affin currently owns 51.00% in AALI and 49.95% in AAGI. Affin’s eventual shareholding in both AALI and AAGI (MergeCo) will be reduced to 30.00% upon completion of the transaction.

“We are excited to be taking the MergeCo into the 2nd position in the general insurance business arena and I look forward to grow our businesses together. As shareholder of both the insurance entities, we hope to create synergistic growth opportunities for AAGI and AALI and reinforce our commitment to offering holistic financial solutions to our customers and enhance the overall customer experience through the future bancassurance partnership with Generali.” – **Datuk Wan Razly Abdullah Bin Wan Ali, President & Group Chief Executive Officer of Affin.**

“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 MPIG 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. By pooling Affin’s bancassurance channel with Generali’s expertise in Life and General insurance, our customers will have access to a more extensive range of products and services. We have ambitions to further transform and grow our business in this important market and look forward to working with our customers, agents, partners and distributors on that journey.” - **Rob Leonardi, Regional Officer of Generali Asia.**

The entry of Generali as the new major shareholder of AALI and AAGI (MergeCo) will enable Affin to monetise part of its investments in the insurance businesses, the proceeds of which will be reallocated to fund business growth in its core banking business. From the AAGI Merger, there will be enhanced brand equity for Affin via ownership of a larger scale general insurer in Malaysia which is expected to be the 2nd biggest General Insurance providers with an estimated GWP of more than RM2.0 billion and total assets of more than RM6.0 billion. Affin believes that with the new partnership with Generali, being one of the largest global insurance groups, both insurance entities will be poised to scale greater heights.

[This press release contains forward-looking statements. Although Affin believes that the expectations reflected in such future statements are reasonable at the date of this press release, there can be no assurance that such expectations will eventually materialise.]

Information on Affin

Affin is the financial holding company of Affin Islamic Bank Berhad, Affin Hwang Investment Bank Berhad, Affin Moneybrokers Sdn Bhd and AALI. AAGI is an associate company of Affin.

Affin and its subsidiaries (“**Affin Group**”) are primarily involved in provision of banking services. Affin Group offers a wide suite of financial products and services that is catered to both retail and corporate customers. The target business segments are categorized under key business units such as Community Banking, Enterprise Banking, Corporate Banking and Treasury. As at 31 December 2020, Affin has a network of 110 branches in Malaysia.