

The EastWest Bank – Ageas Insurance joint venture

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In January 2016 the Insurance Commission issued a Certificate of Authority for the newly created EastWest Ageas Life Insurance Co. It is a joint venture between East West Banking Corp. (EW Bank) and Ageas Insurance International NV (Ageas), wherein each would have a 50-50 equity stake (it is actually 50 percent plus one share for Ageas and 50 percent minus one share for East

West Bank).

It is capitalized at P2.01 billion (\$41.08 million), double the requirement under the Amended Insurance Code. Moreover, EW Bank and EastWest Ageas Life have entered into a 20-year exclusive bancassurance distribution agreement. The first CEO of EW Ageas Life will be Hans Loozekoot. The investment signals the continuing confidence of foreign investors in the Philippine insurance market.

EW Bank is a universal bank and in 2015 has the seventh-largest bancassurance distribution network with about 433 branches nationwide. It is among the top 10 local banks in the country. It is a subsidiary of Filinvest Development Corp. (FDC) with 75-percent equity holding, as of end of 2014. FDC was established in 1955 by Andrew Gotianun. EW Bank was created on July 6, 1994. In May 2012 it became a publicly listed bank through an initial public offering. This is EW Bank's first venture into the life-insurance business. For the year 2015, EW Bank earned P2 billion in net income, which is lower by 3 percent than 2014's P2.073 billion. Its total assets for 2015 stood at P232.9 billion, 24 percent higher than that of 2014. Its current president is Antonio C. Moncupa Jr.

Ageas SA/NV is among the top 20 insurance companies in Europe. It is Belgium's largest insurer with headquarters in Brussels. It operates in 14 other countries in Asia, which includes Malaysia, China, India, Thailand and Vietnam. While it is entering the Philippine market, Ageas sold its life-insurance business in Hong Kong to JD Capital (Beijing Tongchuangjiuding Investment Management Co.) for HK\$10,688 million or €1,230 million. With a mature domestic insurance market, Belgian insurance companies are seeking to expand overseas.

Ageas was formerly known as Fortis Holding, a Dutch-Belgian financial services group, but was renamed in April 2010. Ageas traces its roots to Assurances Generales (AG), founded in 1824. In 1990 AG was renamed Fortis. In April 2010 it was renamed to Ageas SA/NV but the Fortis brand name was passed on to BNP Paribas.

Since it will be operating from scratch, its information-technology platform will be hosted by SAP Hana Enterprise Cloud with data centers in Singapore and a disaster-recovery server in SAP Hong Kong. Its systems will include policy administration, quotation, underwriting, claims, commissions and others. Advice on the joint venture and the bancassurance agreement were given by London law firm Clifford Chance.

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