

## **Strategic Partnership with Bank Negara Indonesia and BNI Life Insurance**

Sumitomo Life Insurance Company (President and CEO: Yoshio Sato, “Sumitomo Life” or “we”) has agreed to acquire a pro forma approximately 40% of the total number of shares outstanding of PT BNI Life Insurance (“BNI Life”) for IDR 4.2 trillion (Approximately, JPY 36.2 billion), via a subscription of new shares issued by BNI Life. BNI Life is a subsidiary of PT Bank Negara Indonesia (Persero) Tbk (“BNI”), a leading state-owned commercial bank in Indonesia.

The partnership with BNI and BNI Life, who possess a well regarded brand in Indonesia, aims to assist the growth of life insurance business in Indonesia while utilizing the expertise in life insurance business which Sumitomo Life has acquired over more than a century. It also aims to support long-term enhancement of Sumitomo Life’s policyholder interests by realizing further earnings growth and diversification.

We have been focusing on operations in Asia, where we expect high economic growth. We established PICC Life Insurance Company Limited in China in 2005 and formed a strategic partnership with BaoViet Holdings in Vietnam in 2012. We intend to focus on these investments in Asia to further grow our business outside Japan.

### **1. Summary of this partnership**

Subject to regulatory approvals, we will subscribe newly issued shares of BNI Life, a subsidiary of BNI. After the subscription of new shares, we will own approximately 40% of the total number of pro forma shares outstanding of BNI Life and will become the second largest shareholder of BNI Life, following BNI. We will appoint senior executives to BNI Life as members of the Board of Commissioners and Board of Directors, and other professionals to BNI Life and will actively participate in its day-to-day management and provide technical assistance in various areas, including distribution channel development, risk management, IT system development and asset management.

In addition to this partnership, BNI Life will enter into an exclusive long-term bancassurance distribution agreement with BNI. We will provide our experience and expertise in order to expand the bancassurance which is a major distribution channel of BNI Life. Furthermore, we will continue to enhance a multi-channel strategy, including agency, employee benefits and Sharia (Sales of Islamic insurance products such as Takaful) channels, and will provide quality services to customers while expanding BNI Life’s distribution reach in Indonesia and raising BNI Life’s profile in the market.

## 2. Overview of the Indonesian market

Indonesia is currently the world's fourth most populous country with more than 245 million people. Its population will continue to grow, with the middle-class segment, which are potential purchasers of life insurance, expected to grow even more rapidly. However, currently, Indonesia's life insurance penetration rate (a ratio of life insurance premiums against GDP) is only 1.2% (Fiscal year 2012), far below Japan's rate of 9.1%. Therefore, Indonesia is a highly promising market where we can expect strong growth of life insurance premiums. In 2012, life insurance premiums was IDR 102.4 trillion (Approximately JPY 884 billion), a 13.1% increase from the previous year.

<Supplementary information>

### About BNI

Established in 1946 as the Central Bank of Indonesia, BNI is the fourth largest commercial bank in Indonesia by total assets, deposits, loans and branch network as of December 31, 2012. BNI offers a full range of banking services across the corporate and consumer segments. Listed on the Indonesia Stock Exchange, BNI has a market capitalization of IDR 76,925,700 million (Approximately JPY 664 billion) as of November 27, 2013.

(As of December 31, 2012)

Name	PT Bank Negara Indonesia (Persero) Tbk
Established	July 1946
President Director	Gatot M. Suwondo
Total Assets	IDR333,303,506mm (Approximately JPY2,876bn) (consolidated)
Amount of Deposits	IDR257,660,841mm (Approximately JPY2,224bn) (consolidated)
Amount of Loans	IDR200,742,305mm (Approximately JPY1,732bn) (consolidated)
Number of Branches	1,590
Number of Employees	24,861

\*1IDR = 0.00863JPY

### About BNI Life

BNI Life, the life insurance subsidiary of BNI, offers a comprehensive range of both individual and group products across a multi-distribution platform that includes the agency, bancassurance, employee benefits and Sharia channels.

(As of December 31, 2012)

Name	PT BNI Life Insurance
Established	November 1996
President Director	Dr. A. Junaedy Ganie
Total Assets	IDR2,795,441mm (Approximately JPY24.1bn)
Premiums Revenue	IDR1,245,039 mm (Approximately JPY10.7bn)
Pretax Income	IDR71,016mm (Approximately JPY0.6bn)
Number of Branches	45
Number of Employees	405 (Number of sales agents: 3,289)

\*1IDR = 0.00863JPY