

## **Grupo Security Announces Sale of Minority Holding in Penta Security for Ch\$31,028 Million**

July 13, 2015

Security will use the funds raised to continue capitalizing its banking, asset and life insurance businesses.

Grupo Security reported that it had signed an agreement to sell its minority holding (29.55%) in Penta Security at a price of Ch\$31,028 million. The transaction is part of the sale by Empresas Penta—the majority shareholder of Penta Security—to Liberty International Holdings Inc., for a total price of Ch\$105 billion.

The agreement is subject to certain customary conditions for this type of transaction and the sale will take place once it has been authorized by the SVS and once a Takeover Bid (TOB) has been launched and completed. This TOB will be directed to all shareholders of Penta Security for all of the shares issued, subscribed and paid at the same price per share for all shareholders.

Francisco Silva, the chairman of Grupo Security, commented, “We have always envisioned Grupo Security as a key player in the life insurance market, but have remained minority shareholders in the property and casualty segment since the merger with Empresas Penta in 2004. As a result, we have decided to concentrate our efforts on the traditional life insurance and annuity businesses. Since the opportunity to sell is managed by Empresas Penta, we are participating in this process with a very good return for the Group.”

Grupo Security entered the property and casualty insurance business in 1995, with the purchase of a majority stake in Compañía de Previsión Generales. In 2004, Penta Security was formed following the merger of Compañía de Seguros Generales Las Américas—owned by Empresas Pensa—and Seguros Security Previsión Generales S.A

Regarding the deal, Renato Peñafiel, CEO of Grupo Security, remarked, “The funds raised from this sale will allow us to keep capitalizing the businesses where we are actively involved—mainly banking, life insurance and asset management—and will strengthen our competitive position as a financial services conglomerate both in Chile and the rest of the Andean region, an area that we see as a hub of considerable development over the next few years.” It is worth mentioning that Security signed a promise to purchase agreement in March of this year to acquire Protecta Compañía de Seguros in Peru.

In addition, Peñafiel, emphasized that in 2015 Grupo Security will further strengthen its track record of growth, with profits up 20% over 2014, thanks to strong performances from all subsidiaries, together with an extraordinary pre-tax gain of Ch\$18,986 million for Security from this sale.

Last week, Security reported that it had reached an agreement with Banco Penta to buy its asset management subsidiaries, Penta Administradora General de Fondos S.A. and Penta Corredores de Bolsa S.A. for up to Ch\$19,500 million, equivalent to adjusted net equity of up to Ch\$15,000 million and goodwill of Ch\$4,500 million, equivalent to 0.61% of assets under management.

Grupo Security has a risk rating of A+ from Fitch Ratings Chile and ICR Chile. This rating acknowledges the high credit quality and low risk of its financial assets, as well as the suitable past performance of its main subsidiaries. It has 13 operating companies, 3,578 employees and a market value of around US\$ 1,000 million. Through its subsidiaries it manages group and third-party assets totaling more than US\$16 billion and posted US\$107 million in profit in 20