

Grupo Security Enters Peruvian Life Insurance Market and Acquires 61% of Protecta

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Following the tenth acquisition in Security's history, it now controls Peru's seventh largest insurance company based on investment portfolio size.

Grupo Security reported that it had signed a deal to partner with Grupo ACP and purchase a stake in Protecta Compañía de Seguros through its subsidiary Vida Security. The transaction, valued at almost US\$23 million, involves the acquisition of a 61% interest in the Peruvian insurance company, currently owned by Grupo ACP and the International Financial Corporation (IFC). Under the new shareholder structure, Grupo Security will control the insurance company while Grupo ACP will hold a 39% interest.

Protecta Compañía de Seguros, founded in 2007 by Grupo ACP, is engaged in the annuity and group credit life insurance businesses. In 2014, it had 2.8% market share based on net premiums and 3.0% based on insurance in the Peruvian private pension system. Currently, it is the seventh largest company by investment portfolio with US\$ 144 million and an annuity portfolio with reserves of US\$ 112 million. It has 121 associates in 13 offices, four of which are located in Lima.

The Chairman of the Board of Directors of Grupo Security, Francisco Silva, commented, "The signing of this deal is the culmination of a long search and negotiating process to identify a stable investment in the Peruvian financial sector with significant growth projections. This transaction, alongside a prominent group with a strong track record like ACP, will enable Grupo Security to strengthen its presence in Peru, looking to expand and diversify its activities in Pacific Alliance member countries, an area with strong prospects."

Silva also highlighted that this is the tenth acquisition in the Group's history and its second in Peru, following its 2012 purchase of a 75% stake in the Peruvian travel agency Travex, the fourth largest of its kind in Peru, now called Travex Security.

The CEO of Grupo Security, Renato Peñafiel, emphasized "the favorable future growth prospects for the Peruvian economy and its significant progress in recent years in pro-growth legislation, which have positively impacted financial market development and increased competition. With this acquisition, we hope to contribute our experience in the Chilean financial market to strengthen Protecta's life insurance and annuity businesses. We also hope that this investment will allow us to participate actively in other financial services in Peru."

For the transaction, Baker & McKenzie advised Grupo Security on legal matters and LXG Capital on financial matters.

Grupo Security is a conglomerate with more than 20 years' experience in the Chilean financial market that operates in the banking, factoring, asset management, life and P&C insurance, travel services and property development industries. The Group has 13 operating companies, 3,578 employees and a market value of around US\$ 1,100 million.

Through its subsidiaries, Grupo Security manages group and third-party assets totaling more than US\$16 billion and reported US\$107 million in profit in 2014. 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.

Vida Security, founded in 1928, has vast experience in the Chilean insurance industry, including life, individual and group health, group credit life and family protection policies as well as annuities. It has 764,766 policyholders in Chile, an investment portfolio of US\$ 2,843 million and an annuity portfolio with reserves of US\$ 2,379 million. Vida Security completed the merger with Cruz del Sur Seguros de Vida in March 2014. It acquired the company in mid-2013 for US\$ 300 million, together with other asset management companies. Thanks to this transaction, the company doubled in size.

Peñafiel remarked that Security has been recognized repeatedly for its high quality customer service, good workplace environment and successful implementation of policies that encourage work-life balance. One such recognition that confirms these good practices is the ProCalidad survey, which has ranked Security as the best company in Chile in

service quality in recent years. Another example is the Great Place to Work ranking, where Grupo Security has been honored among the best companies to work for in both Chile and Latin America. Grupo Security was also the first company accredited as a family-responsible company.