



Talanx becomes one of the top insurers in Latin America through acquisition of companies from Liberty Mutual

- Acquisition of select Liberty Mutual Insurance Inc. businesses in Brazil, Chile, Colombia, and Ecuador
- HDI International moves up to third place in the property and casualty insurance market in Latin America through acquisitions

Hannover and Boston, 27 May 2023

The Talanx Group rises to become the third-largest insurer by premium income in property/casualty business in Latin America through the acquisition of companies from Liberty Mutual Insurance Inc. The Retail International division of the Talanx Group has signed a purchase agreement to acquire the Liberty Seguros personal and small commercial business in Brazil, Chile, Colombia, and Ecuador.

HDI is expected to increase its gross written premiums (IFRS 4) in Latin America by around EUR 1.7 billion. With this transaction, HDI reaches pro forma rank 2 in Brazil, rank 1 in Chile, and rank 7 in Colombia. Furthermore, the division's overall portfolio will be significantly better diversified as a result of the increase in Latin American business to approximately 45 per cent. The purchase price is expected to be approximately EUR 1.38 billion (approximately USD 1.48 billion) at the closing date of the transaction, subject to customary purchase price adjustment mechanisms.

"With the acquisition of these Liberty Mutual operations we are continuing our success story in Latin America," says Torsten Leue, Chairman of the Board of Management of Talanx AG. "The acquisition fits seamlessly into our strategy of achieving market-leading positions in our core markets through organic and inorganic growth. Alongside

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Europe, Latin America is one of our core regions in the retail business. We are therefore pleased to be among the top 3 in Latin America with this acquisition. The acquisition will improve our Group net income and our return on equity already in the first year after the expected closing in 2024. The acquisition will further strengthen our primary insurance business and our diversification across business lines.”

Dr Wilm Langenbach, Member of the Board of Management of Talanx AG with responsibility for the Retail International division and Chief Executive Officer of HDI International AG, says: "The acquisition is an important milestone in the implementation of our strategy to reach a top 5 position in our core markets across the property/casualty business by 2025, to further diversify our portfolio and to strengthen our technical excellence. In addition, the acquisitions will allow us to achieve significant opportunities with our existing business in Brazil, Chile, and Colombia. I am very pleased that our future Liberty colleagues will strengthen us with their outstanding expertise and experience in Latin America."

“In a world that is rapidly changing, sharpened operational focus across our channels, products and markets is becoming increasingly important for long-term success and will ensure we deliver exceptional value to our customers, brokers, agents, partners, employees, and the communities we serve,” says Tim Sweeney, President and Chief Executive Officer of Liberty Mutual Insurance. “We thank our Latin American teams of over 4,600 employees for their tremendous commitment and dedication to our business over many years. We’re confident in their future with Talanx, which shares similar core values.”

Liberty Mutual operates in 29 countries, making it one of the largest insurance companies in the world by insurance revenue. Liberty Seguros Brazil holds a top 5 position in motor and a top 10 position in property/casualty after full year 2022. In 2022, the Brazilian company generated gross written premiums of BRL \$6.1 billion (EUR 1.1 billion), much of which was generated through a distribution network of 20,000

independent distributors. Liberty Seguros Chile offers non-life products and achieved a gross premium volume of CLP \$325 billion (EUR 0.4 billion) in 2022. Liberty Seguros Colombia's gross premium volume in 2022 was COP \$1,033 billion (EUR 0.2 billion). Liberty Seguros Ecuador generated a gross premium volume of USD \$33 million (EUR 31 million) in 2022.

The transaction includes Liberty Specialty Markets direct insurance business in Brazil, Chile and Colombia. The transaction does not include Liberty Specialty Markets facultative reinsurance, Liberty Mutual Reinsurance treaty reinsurance and Liberty Mutual Surety businesses which will continue to operate in Brazil, Chile and Colombia.

HDI International AG is already represented in Brazil, Chile and Colombia through its subsidiaries. HDI Seguros generated a gross premium volume of around 4.5 billion BRL (789 million EUR) in Brazil in 2022. HDI Seguros in Chile generated a gross premium volume of 488 billion Chilean pesos (533 million EUR) and HDI Seguros in Colombia 425 billion Colombian pesos (82 million EUR).

The closing of the acquisition is expected in the first half of 2024. The transactions are subject to approval by the relevant governmental and regulatory authorities.


Rothschild & Co acted as financial advisor and Hogan Lovells acted as legal advisor to Talanx AG and HDI International AG in the transaction. J.P. Morgan Securities LLC acted as financial advisor and Skadden, Arps, Slate, Meagher & Flom LLP provided legal advice to Liberty Mutual in the transaction.

About Talanx

Talanx is a major European insurance group with premium income of EUR 37 billion (2022, according to IFRS 17) and roughly 24,000 employees worldwide. Based in Hannover, Germany, the Group is active in more than 175 countries. Talanx is a multi-brand provider with a focus on B2B insurance. Its industrial insurance and retail business in Germany and abroad is operated under the HDI brand, which has a rich tradition

stretching back about 120 years. Other Group brands include Hannover Re, one of the world's leading reinsurers; the bancassurance specialists TARGO insurers, LifeStyle Protection and neue leben; and Polish insurer Warta. Ampega, one of Germany's largest asset management companies, manages the Talanx Group's assets and is also an experienced provider of asset management solutions for non-group institutional investors. Rating agencies have awarded the Talanx Primary Insurance Group financial strength ratings of A+ ("strong"/Standard & Poor's) and A+ ("superior"/AM Best). Hannover Re Group is rated AA- ("very strong"/S&P) and A+ ("superior"/AM Best). Talanx AG is listed on the Frankfurt Stock Exchange, where it is a member of the MDAX, and on the Hannover stock exchange (ISIN: DE000TLX1005, German Securities Code: TLX100).

Talanx – Together we take care of the unexpected and foster entrepreneurship

For further information, please see www.talanx.com. 

Current photographs and Company logos are available at <https://mediathek.talanx.de>.

About Liberty Mutual Insurance

At Liberty Mutual, we believe progress happens when people and businesses feel secure. By providing protection for the unexpected and delivering it with care, we help people embrace today and confidently pursue tomorrow.

In business since 1912, and headquartered in Boston, today we are the fifth largest global property and casualty insurer based on 2022 gross written premium. We also rank 78 on the Fortune 100 list of largest corporations in the US based on 2021 revenue. As of December 31, 2022, we had \$50 billion in annual consolidated revenue.

We employ over 50,000 people in 29 countries and economies around the world. We offer a wide range of insurance products and services, including personal automobile, homeowners, specialty lines, reinsurance, commercial multiple-peril, workers compensation, commercial automobile, general liability, surety, and commercial property.

For more information, visit www.libertymutualinsurance.com.

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Forward-looking statements

This press release, and any related oral statements, may contain forward-looking statements that are based on certain assumptions, expectations and opinions of Talanx AG and Liberty Mutual management and include, but are not limited to, statements that represent the parties' expectations of timing for closing the proposed transaction. These statements are neither promises nor guarantees and are subject to known and unknown risks and uncertainties. A variety of factors, many of which are beyond Talanx AG and Liberty Mutual's control may affect Talanx AG and Liberty Mutual's business activities, business strategy, results, performance and achievements. Should one or more of these factors or risks or uncertainties materialise, actual results, performance or achievements of Talanx AG or Liberty Mutual may vary materially from those expressed or implied in the relevant forward-looking statement.

Neither Talanx AG nor Liberty Mutual guarantees that the assumptions underlying such forward-looking statements are correct nor does Talanx AG or Liberty Mutual accept any responsibility for the actual occurrence of the forecasted developments. Talanx AG and Liberty Mutual neither intend, nor assume any obligation, to update or revise these forward-looking statements in light of developments that differ from those anticipated.



Footnote

FX rates as of May 26, 2023, USD/EUR = 1.07

FX rates used to translate 2022 year end premiums are as of December 31, 2022,

BRL/EUR = 5.66, CLP/EUR = 915.59, COP/EUR = 5,178.78