

Zurich acquires QBE operations to become the leading insurer in Argentina

- **Zurich will also build incremental scale in Brazil, Colombia and Mexico and become a top three insurer in Ecuador**
- **Transaction expected to comfortably exceed Zurich's hurdle rate of 10% return on investment in the first full year post completion**

Zurich, February 25, 2018 – Zurich Insurance Group (Zurich) has entered into an agreement to acquire the operations of Australian insurer QBE Insurance Group Limited (QBE) in Latin America for a total aggregate price of USD 409 million subject to closing adjustments. The transaction, which is subject to regulatory approvals, will position Zurich as the leading insurer in Argentina, while also adding incremental scale and capabilities in Brazil, Colombia and Mexico and making the Group the number three insurer in Ecuador.

“This transaction positions us as the leading insurer in Argentina, a market that is demonstrating strong growth, a stable economy and a positive environment for insurance. It deepens our capabilities in the retail and commercial businesses and supports our strategy to become the preferred retail and commercial insurer in the region, protecting our customers and helping them to reach their full potential,” said Claudia Dill, Zurich’s Chief Executive Officer for Latin America. “We welcome our new customers, distributors and colleagues to Zurich.”

The acquired operations had combined gross written premiums of about USD 790 million in 2017, with a highly diversified product offering and strong distribution.

Argentina represents around 50% of the acquired operations. The transaction will approximately double Zurich’s property and casualty (P&C) business in Argentina and create the leading insurance franchise in the country across the P&C and life businesses with 8.4% market share and the third-largest stand-alone P&C business with a similar



market share. The acquired operations complement Zurich's existing businesses in Argentina and add additional distribution and product capabilities particularly among small and medium sized commercial customers.

In Brazil, Colombia and Mexico, the Group will gain a range of incremental capabilities and access to additional distribution channels, and in Ecuador the acquired business ranks third in the country.

Zurich expects to achieve an overall return on investment comfortably in excess of the Group's indicated hurdle rate of 10% within the first full year post completion of the transaction. The acquisition is expected to be completed by the end of 2018 and is expected to be funded from internal resources.

Zurich Insurance Group (Zurich) is a leading multi-line insurer that serves its customers in global and local markets. With about 53,000 employees, it provides a wide range of property and casualty, and life insurance products and services in more than 210 countries and territories. Zurich's customers include individuals, small businesses, and mid-sized and large companies, as well as multinational corporations. The Group is headquartered in Zurich, Switzerland, where it was founded in 1872. The holding company, Zurich Insurance Group Ltd (ZURN), is listed on the SIX Swiss Exchange and has a level I American Depositary Receipt (ZURVY) program, which is traded over-the-counter on OTCQX. Further information about Zurich is available at www.zurich.com.



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