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## **CBL CORPORATION CLOSES NZ\$150M STRATEGIC ACQUISITION**

International credit and financial risk insurer, CBL Corporation Limited (**CBL**), announced today that it has successfully closed its **€94.5m** acquisition of 71% of Securities and Financial Solutions Europe SA (**SFS**), France's largest specialist producer of construction-sector insurance and CBL's largest single client, and IMS Expert Europe SA (**IMS**), SFS' claims management operation. The closing took place in Luxembourg on 5<sup>th</sup> January 2017, following receipt of approval from the Commissariat aux Assurances in October 2016.

CBL Managing Director Mr Peter Harris said "I am pleased to welcome SFS and IMS into the CBL Group and I am excited about the possibilities for the future. The acquisition of SFS is expected to provide important strategic benefits for CBL including the removal of distribution concentration risk that SFS represented being CBL's largest client, the ability to further vertically integrate the Group and to consolidate CBL's market position in Europe, particularly in France, currently our largest European market."

CBL began a working relationship with SFS in 2005 following establishment of the business in 2002 by entrepreneur and principal owner Mr Patrice Gilles. A strong relationship was built over the following 11 years resulting in SFS becoming the largest building risk insurance specialist in France and writing the largest proportion of CBL's French construction-sector insurance products, mainly Dommages Ouvrage (project-specific workmanship) and Decennial Liability.

Mr Gilles said "CBL has been an important partner to SFS over the years and together we have developed a strong market position. That is why I see CBL as the natural party to further develop opportunities and grow the business alongside SFS CEO Mr Antoine Guiguet and IMS CEO Gérard Marichy. My future role as an Ambassador of SFS will allow me to continue my support for the business in a non-Executive capacity. I am delighted we have now consummated the SFS and CBL partnership today."

Mr Guiguet, who along with Mr Marichy will maintain a 29% shareholding in SFS and IMS, with CBL holding the balance has expressed his excitement about the prospects for the future now that SFS and IMS will be part of the larger CBL Group. "We have worked closely with CBL for many years and the opportunity to build an even closer relationship opens up many exciting prospects to continue our growth under CBL ownership" said Mr Guiguet. "The recent upgrade in CBL Insurance Limited's AM Best rating to A- (Excellent) in particular presents opportunities to make SFS and CBL into even more significant players in the French construction insurance market. We look forward to working with CBL and helping them achieve their long term goals for CBL and SFS."

SFS is a leading MGA, writing specialist construction-sector insurance products on behalf of insurers in France and has recently opened branches in Belgium and Luxembourg. As a Managing General Agent (MGA), SFS does not bear any insurance risk and earns revenue from brokerage and fees. In addition to CBL, SFS has large limit capacity binders with other European insurers including Zurich, Alpha, Mitsui Sumitomo, Elite, and HDI Gerling. IMS is a claims management business that manages the claims for SFS and other third party clients.

Mr Harris said he is looking forward to working with Mr Guiguet and Mr Marichy in their executive roles and with Mr Gilles in his non-Executive role. “The acquisition of SFS is complementary to our existing UK-based MGA European Insurance Services Limited, which also distributes construction-sector insurance products in France. SFS and IMS add significant specialist skills and resources that are expected to enable CBL to grow both businesses. There are no redundancies contemplated” said Mr Harris. CBL has worked with Mr Guiguet and Mr Marichy for some years now and they are both on top of their game in their French market.

The acquisition was funded by a combination of cash, bank and vendor funding.



Mr Peter Harris, CEO of CBL Corporation and Monsieur Patrice Giles, CEO of SFS, shake hands at today's signing in Luxembourg.

**ENDS**

**CBL Corporation Limited (CBL)** (NZX: CBL; ASX: CBL) is a specialist insurer and reinsurer group focused on credit and financial risk. CBL has eight offices spread across 25 countries and over 180 employees. The acquisition of SFS and IMS will add, approximately, a further 360 employees to the CBL Group. CBL is a public company with its shares listed on ASX and NZX. CBL's main operating subsidiary is CBL Insurance Limited, which is a New Zealand licenced non-life insurer and re-insurer, supervised and regulated by the Reserve Bank of New Zealand and has been operating for over 43 years. CBL also has a number of wholly owned subsidiary insurance companies including CBL Insurance Europe Limited, which is a regulated insurer in Ireland, and Assetinsure Pty Ltd a regulated Surety & Bonding insurer in Australia, and owns a 35% investment in Afianzadora Fiducia, S.A. de C.V Fiducia, a regulated Surety and Bonding Insurer in Mexico.

CBL also has Managing General Agents (MGA's), the largest being European Insurance Services (EISL 100% owned) and Professional Fee Protection (PFP which is 92% owned by the Group).

CBL specialises in writing property liability and construction related credit and financial surety insurance, bonding and reinsurance. CBL Insurance Limited has a Financial Strength Rating of A- (Excellent) and an issuer rating of a-, with both outlooks 'Stable', from A.M. Best Ratings Agency.

Visit <http://cblcorporation.co.nz/> for further information

**SFS** was established in 2002 and is a leading MGA writing specialist construction-sector insurance products on behalf of insurers. SFS has 48 wholly-owned branches, 313 employees, and has a presence in 13 markets including France, Luxembourg, Belgium, Italy and French Overseas Departments and Territories. The company is domiciled in Luxembourg.

Visit [www.sfs-groupe.com](http://www.sfs-groupe.com) for further information

**IMS** was established in 2010 to undertake claims management on behalf of SFS and third party clients. IMS is also headquartered in Luxembourg and has offices in Paris, Montauban, Toulouse, and Reunion Island, with a total of 81 employees.

Visit [www.ims-expert.com](http://www.ims-expert.com) for further information

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