

South Korea's Hanwha Life to acquire majority stake in U.S.-based Velocity Clearing, allowing both companies to target global markets

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Hanwha Life →

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Milestone transaction will mark the first time a Korean insurance company has acquired a controlling interest in a foreign brokerage firm

SEOUL, South Korea and NEW YORK, Nov. 20, 2024 /PRNewswire/ -- Hanwha Life, South Korea's first life insurance company, today announced it has agreed on the 18th to acquire a 75% stake in the parent of Velocity Clearing, a U.S.-based global financial services firm. The Velocity Clearing management team will retain the remaining minority stake. With this acquisition, Hanwha Life will secure a foothold in the U.S. financial sector, expanding access to excellent opportunities to maximize the return on investment.

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A leading Korean life insurance company, Hanwha Life has been at the forefront of developing both the insurance industry and South Korea's economic growth for 78 years. As part of that growth, the financial group has expanded into several overseas markets, including Vietnam and Indonesia, with its latest market being the U.S.

"As we look to expand into the U.S. market, we wanted to partner with a firm that has a strong footprint in financial services — and that is Velocity Clearing," said Seung Joo Yeo, Hanwha Life CEO. "Establishing opportunities for diversified growth that transcend borders and industries in the U.S. market is of immense significance to us. With Velocity Clearing's robust platform and expertise, this acquisition will serve as a



springboard for enhancing the global capabilities of South Korea's leading insurance company. Together with the Velocity Clearing management team, we are well positioned to make a strong impact in the U.S. and lay the foundation for sustainable, long-term growth."

Velocity Clearing, which offers a unique combination of people, processes and technology that allows clients to trade, borrow and invest with confidence, will join Hanwha Life following a record year of growth. Since 2023, Velocity Clearing grew its assets under custody by 300%, more than doubled its correspondent clearing business, increased its U.S. and offshore technology staff by 50% and expanded into Latin American and Asian markets. The acquisition of Velocity Clearing by Hanwha Life will allow the New York brokerage and global financial technologies company to continue its expansion into the Asian market.

"For Velocity Clearing, forming this partnership was made from a position of strength that speaks to the broad marketplace appeal of our offerings," said Michael Logan, CEO of Velocity Clearing. "Velocity Clearing is seeing record growth across multiple success metrics and clients are embracing our offering of a full suite of trading solutions and services that empowers them to reach their goals and objectives. We look forward to Hanwha Life's support in accelerating our growth even further, particularly across Asia."

Brian Schaeffer, President of Velocity Clearing, added: "The Velocity Clearing team is well positioned for continued meaningful global expansion of our institutional business and we have made demonstrable progress in multiple geographies such as Europe, Asia, Latin America and the Middle East. This partnership builds on our plans, allowing us to effectively address growing customer demand in new markets and positioning us for long-term success."

Hanwha Life is committed to retaining Velocity Clearing's existing staff and promoting collaboration to foster synergies for the future. The extensive professional experience and expertise of Velocity Clearing's employees will be a valuable asset to Hanwha Life as it continues to grow.

The transaction is subject to customary closing conditions, including the receipt of various U.S. and South Korean regulatory approvals. Houlihan Lokey has acted as financial advisor, and Wollmuth Maher & Deutsch and Schulte Roth & Zabel have acted as legal advisors, to Velocity Clearing and its investors in connection with the transaction. BDA Partners has acted as financial advisor, and Skadden has acted as legal advisor to Hanwha Life in connection with the transaction.

About Velocity Clearing

Velocity Clearing is a technology-driven, self-clearing broker/dealer providing execution services, clearing, and custody along with access to stock locate services, securities lending, competitive financing, and a firm-wide focus on world-class customer service. Velocity Clearing supports retail traders and institutional clients including brokers/dealers, hedge funds, family offices, and proprietary trading firms in the United States and across the globe. With a growing team of professionals in multiple locations throughout the United States and across the globe, Velocity has the right combination of resources and people to provide seamless and reliable service to clients. Velocity Clearing is registered with the SEC and a member of FINRA and SIPC.

About Hanwha Life

Established in 1946, Hanwha Life is not only a leading South Korean life insurance company but also the first and oldest in the nation. For the past 78 years, Hanwha Life has played a critical role in developing the industry and expanding the country's economic growth. In 2023, Hanwha Life reported total assets of USD 113.77 billion, demonstrating its sound structure and firm commitment to adding innovative products and services that meet a wide range of customer needs.

For more information, visit:

https://www.hanwhalife.com/static/company/english/EN_000000_P10000.htm

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