



Press Release

Outside trading hours - Regulated information*

Brussels, 11 February 2021 (7.05 a.m. CET)

KBC to acquire NN's Bulgarian pension insurance and life insurance businesses

Yesterday, KBC Group and the Netherlands-based NN Group reached agreement for KBC's Bulgarian subsidiary, DZI – Life Insurance EAD, to acquire:

- all the shares of NN Pension Insurance Company EAD (Bulgaria)
- all the assets and liabilities of NN Insurance Co. Ltd. – Sofia Branch (Bulgaria)

The deal has a total consideration of 77.7 million euros and will only have an immaterial impact on KBC's solid capital position. Upon closure, KBC Insurance's Solvency II ratio – which stood at an excellent 222% at the end of 2020 - will be reduced by approximately 6 percentage points, but remain well above regulatory requirements, while KBC Group's CET1 ratio will be maintained at an outstanding level (17.6% in 4Q2020, Basel III, fully loaded – Danish compromise).

Closure of the deal is subject to regulatory approval and is expected to be finalised in the course of 2021.

The acquisition of NN Pension Insurance Company EAD ('NN PIC') allows KBC's Bulgarian franchise - in the shape of UBB and DZI - to broaden its extensive bank-insurance offering to customers with the addition of high-end pension fund products, while also providing additional cross-selling opportunities for banking and non-life insurance products in a one-stop shop approach.

The acquisition of NN Insurance Co. Ltd - Sofia Branch ('NN Life') will allow DZI - KBC's Bulgarian insurance franchise - to further increase its share of the life insurance market in Bulgaria through a range of traditional life insurance and unit linked insurance products, thus reaffirming its leading position. It will also strengthen DZI's distribution power thanks to NN Life's network of 300 tied insurance agents in Bulgaria's main cities.

NN Bulgaria has developed its pension and life insurance business since entering the market in 2001. It has 138 employees, and boasts a customer base of over 400,000 individuals and 400 corporate entities, and approximately 1 billion euros in AUM.

Pending closure of the deal and the subsequent integration of the entities into KBC's Bulgarian operations, NN PIC and NN Life will continue to honour their commitments to the market while continuing to provide professional service of the highest quality to their customers.

The deal is fully in line with the strategy of the KBC group, which focuses on retail customers, small and medium sized enterprises and midcaps in its core markets of Belgium, the Czech Republic, Slovakia, Hungary, Bulgaria and Ireland.

KBC has been present in the Bulgarian financial sector since 2007. In 2009, KBC redefined its strategy to include Bulgaria as one of its core markets. The acquisition will allow UBB and DZI to further increase cross-

selling potential through their already well-established bank-insurance presence in the Bulgarian market, to serve more customers, and to benefit from economies of scale and increased visibility.

Johan Thijs, KBC Group CEO, commented as follows on the deal: *“I am delighted with this acquisition in Bulgaria. We’ve become a strong player in this core market, distinguishing ourselves in our banking, insurance, asset management and leasing lines of business. Since our Group’s entry in Bulgaria in 2007 our commitment to the Bulgarian market has been firmly stated many times. Today we are taking a next step and adding pension insurance to our already wide-spread presence in Bulgaria. This means that we will be in a position to offer all types of high-end integrated bank-insurance products to our Bulgarian customers. We’re extremely happy to acquire a high-quality concern with an excellent reputation and management team, and we are looking forward to developing it in a responsible manner with our other Bulgarian entities, and so affirm our leading position on the Bulgarian financial market.”*

Luc Popelier, CEO of KBC Group’s International Markets Business Unit added: *“This deal further strengthens our already strong position in Bulgaria and is a fine example of our strategic approach to our core markets. We’re convinced that NN’s customers and KBC’s stakeholders will benefit from the amalgamation of our brands.”*

Peter Andronov, country manager for KBC in Bulgaria commented: *“This deal gives our 1.8 million customers access to pension insurance and additional life insurance opportunities, in addition to our broad range of stable, secure and fully integrated financial solutions. Expanding our activities in Bulgaria, building on the competence and dynamism of UBB and DZI, and leveraging our joint product and service offering will help us to achieve our objectives, diversifying our income and ensure future success. I look forward to collaborating with our new staff and management and am convinced that, together, we will affirm our leading position for all our customers and other stakeholders.”*

For more information, please contact:

Kurt De Baenst, General Manager, Investor Relations, KBC Group

Tel. +32 2 429 35 73 - E-mail : IR4U@kbc.be

Viviane Huybrecht, General Manager, Corporate Communication/Spokesperson, KBC Group

Tel +32 2 429 85 45 - E-mail: pressofficekbc@kbc.be

* This news item contains information that is subject to the transparency regulations for listed companies.

KBC Group NV

Havenlaan 2 – 1080 Brussels

Viviane Huybrecht

General Manager

Corporate Communication /Spokesperson

Tel. +32 2 429 85 45

Press Office

Tel. +32 2 429 65 01 Stef Leunens

Tel. +32 2 429 29 15 Ilse De Muyer

Tel. +32 2 429 32 88 Pieter Kussé

Tel. +32 2 429 85 44 Sofie Spiessens

E-mail: pressofficekbc@kbc.be

KBC press releases are available at

www.kbc.com or can be obtained by

sending an e-mail to pressofficekbc@kbc.be

Follow us on www.twitter.com/kbc_group

Stay up-to-date on all [innovative solutions](#)