



Press release

Brussels, Sofia – 30 July 2021 – 2 p.m. CEST

KBC finalises acquisition of NN's Bulgarian pension insurance and life insurance businesses

Belgium's KBC Group and the Netherlands-based NN Group today finalised the agreement [announced](#) on 11 February 2021 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, which had received regulatory approval, 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 235% at the end of March 2021 – 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 1Q2021, Basel III, fully loaded – Danish compromise).

The acquisition is fully in line with KBC Group strategy and allows UBB and DZI to not only further increase their cross-selling potential through their already well-established bank-insurance presence in the Bulgarian market, but also to serve more customers and benefit from economies of scale and increased visibility.

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') allows 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.

Following these acquisitions, NN Pension Insurance will be renamed UBB Pension Insurance, while NN Life Insurance will cease to exist as a separate legal entity and be merged into DZI Life Insurance.

Johan Thijs, KBC Group CEO, welcomed today's news: *'This acquisition further strengthens our share of the Bulgarian market, where we have been present since 2007 and have since become a strong player, distinguishing ourselves in our banking, insurance, asset management and leasing lines of business. Adding pension insurance to our already widespread presence in Bulgaria means we are now in a position to offer all types of high-end integrated bank-insurance products to our Bulgarian customers. We're delighted to acquire these businesses along with their excellent reputation and management teams, and are looking forward to developing them in a responsible manner together with our other Bulgarian entities.'*

KBC Group NV

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