



NN Group to acquire VIVAT Non-life

7 June 2019

Transaction characteristics

Key terms

- Athora to acquire VIVAT from Anbang, followed by NN Group acquiring VIVAT Non-life for a consideration of EUR 416m
- In addition, NN Group to acquire the intercompany Tier 2 loans from VIVAT Holding to VIVAT Non-life for EUR 150m
- 100% cash transaction financed from cash capital at holding; current share buyback programme unaffected
- Double digit return on investment and increase in free cash flow¹ expected to grow to ~EUR 50m per annum by 2022

Strategic benefits

- NN Group to become the leading player in Dutch Non-life
- Strengthening position in Motor, Fire and D&A and expanding leading position in Bancassurance

Synergies

- Initial capital synergies from diversification, additional benefits expected following legal mergers and application of the PIM
- Cost synergies of ~EUR 40m (pre-tax) per annum from 2022 driven by complimentary portfolios and benefits of scale
- High confidence in execution given lessons learned from Delta Lloyd transaction and in-market characteristics

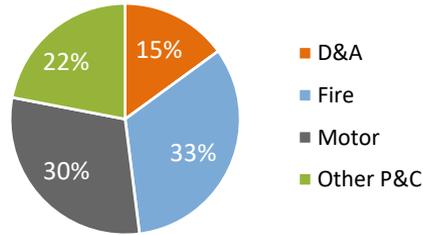
Next steps

- Transaction is subject to offer conditions; closing expected in the first quarter of 2020
- NN Group and Athora to enter into a service agreement to ensure a smooth transition

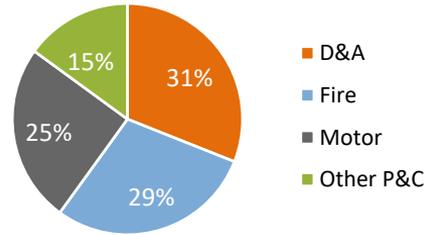
1. Excluding ~EUR 10m of coupons on the intercompany loans to the holding company

Market leading position NN Non-life

VIVAT Non-life standalone
(by GWP FY18: EUR 0.7bn)



NN + VIVAT Non-life
(by GWP FY18: EUR 3.8bn)



Strategic position enhanced

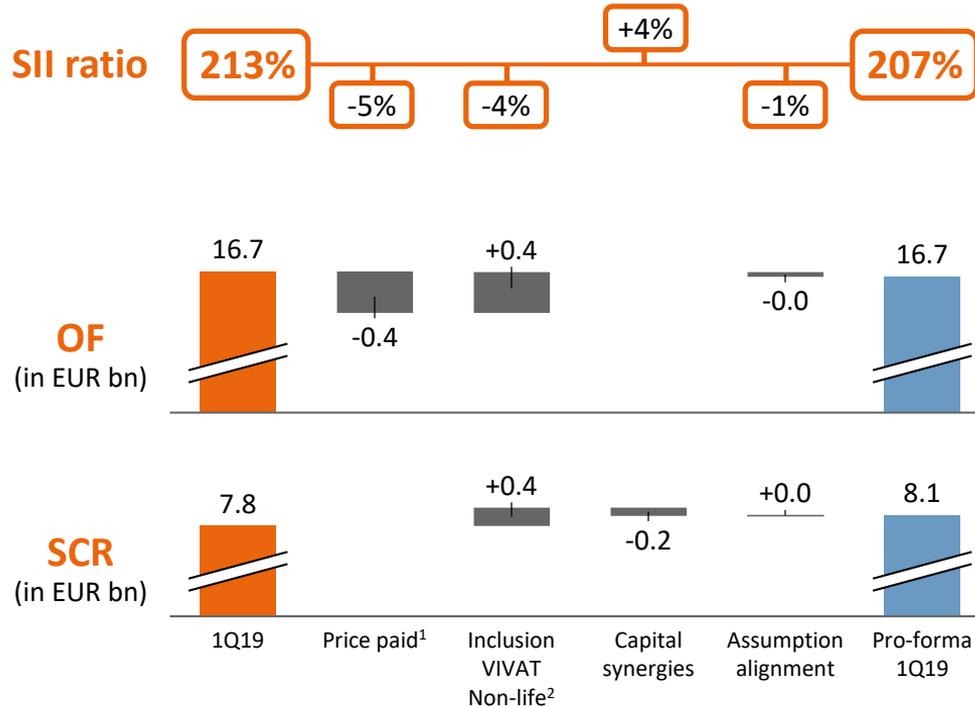
- Creating a market leading and well balanced Non-life company in the Netherlands
- Improved client propositions through lower expense levels and better data driven pricing and underwriting
- Adding scale in Fire, Motor and D&A
- Expanding leading position in Bancassurance and strengthening #2 position in direct channel

Combined market shares¹

- Overall Non-life (excl. health): 28% (#1)
- D&A: 31% (#1)
- P&C: 26% (#2)

1. By GWP (2017), excludes foreign insurers active on the Dutch market that are not subject to DNB prudential supervision, source: DNB

Financial highlights



- Initial capital synergies from Group diversification. Additional benefits following legal mergers and application of the PIM
- Cost synergies of ~EUR 40m (pre-tax) will be reflected in future capital generation. Restructuring costs consistent with precedent transactions of similar nature
- Incremental free cash flow expected to grow to ~EUR 50m per annum by 2022; net operating result broadly similar over time
- Additional annual free cash flow contribution of ~EUR 10m from interest payments on intercompany Tier 2 loans
- Double-digit return on investment

Wrap up

1

NN Group to acquire VIVAT Non-life for a total consideration of EUR 416m

2

Double-digit return on investment and increase in free cash flow to ~EUR 50m per annum, driven by synergies and operational improvement

3

High confidence in execution given track record and in-market characteristics

4

Strong balance sheet post transaction, pro-forma 1Q19 Solvency II ratio of 207%

Q&A

Lard Friese, Delfin Rueda, Jan-Hendrik Erasmus

Important legal information

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