



## **NN Group to acquire MetLife's business activities in Poland and Greece**

5 July 2021

# Value enhancing acquisition in line with NN Group's strategic and financial criteria

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## Adding strong, profitable businesses in Europe

- Consolidating NN's leading positions in Poland and Greece:
  - strengthening #3 position in life insurance and #1 position in pensions in **Poland**
  - creating #1 life insurer in **Greece**
- Adding scale and expanding distribution by adding strong (tied) agent networks and brokers
- Capturing growth opportunities in profitable protection market

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## Creating value for shareholders

- Estimated purchase price at completion of EUR 584m<sup>1</sup> financed from cash capital at holding and around EUR 100m of local surplus capital
- Expected cost synergies of EUR 20m (pre-tax) per annum
- Incremental operating capital generation of EUR 50m per annum in 2024; excluding part of the cost synergies that will be capitalised via assumption changes of EUR ~10m (post-tax) per annum
- Double-digit return on investment

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## Maintaining a strong balance sheet

- Impact on Group solvency ratio of approx. -6%-points (pro forma 31 Dec 2020)
- Capital return policy including share buyback programme unaffected

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## Timetable

- Transaction is subject to regulatory approvals
- Closing expected in 1H22

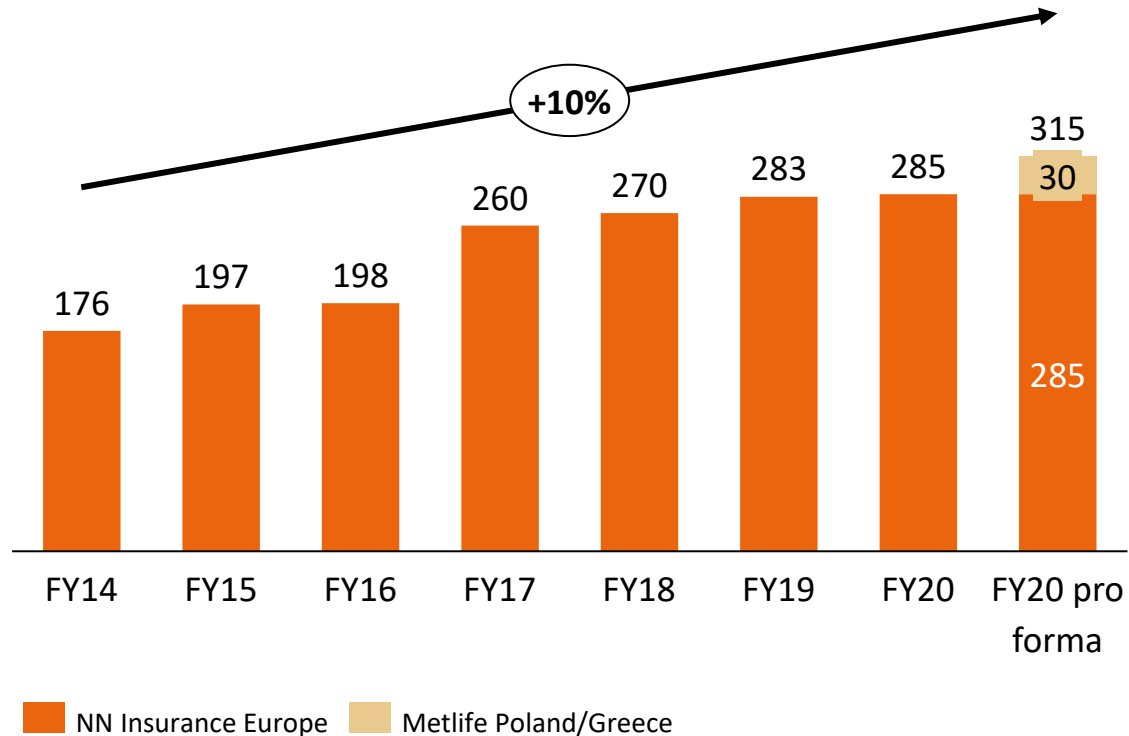
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1. Total consideration of EUR 620m less cash flows (including dividends) to be paid to current shareholders prior to completion, expected to be EUR ~36m, at current FX rates

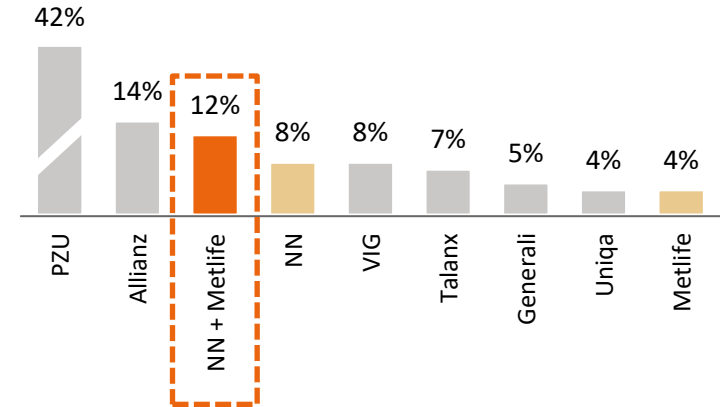
# Accelerate growth by strengthening leading positions

## Accelerating the successful growth in Insurance Europe

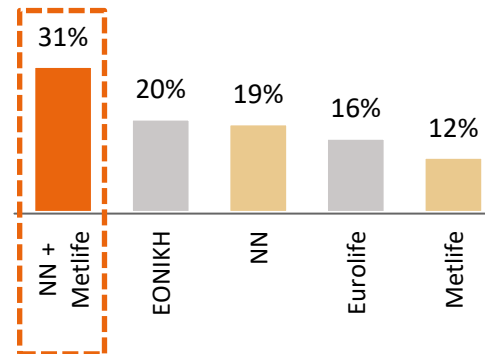
(Insurance Europe operating result in EURm, CAGR in %)



## Strengthening top 3 position in Polish life<sup>1</sup>



## Becoming #1 life and health insurer in Greece<sup>1</sup>



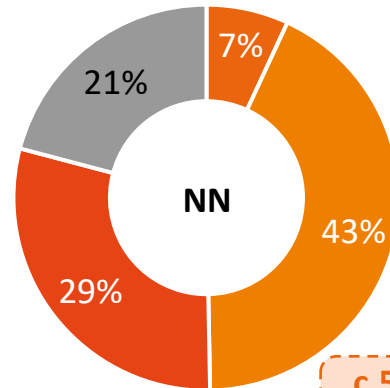
1. Market shares based on GWP 2020

# Adding scale and enhancing diversification in life and protection

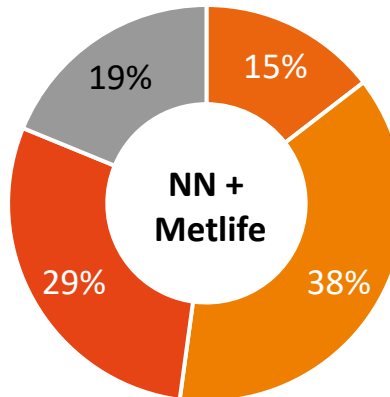
## Creating a strong platform for future growth

- Overlapping business lines offer potential for cost and revenue synergies
- Expansion of profitable Greek health portfolio improves strategic positioning, increased diversification via employee benefit portfolio
- Adding around 2.7 million new customers
- Strengthening distribution with a total of >1,600 (tied) agents, international and local brokers (Greece) and bank partnerships (Poland)
- Digital capabilities enabling synergies and best-in-class service to combined customer base

## Adding scale in Poland<sup>1</sup> (GWP 2020)

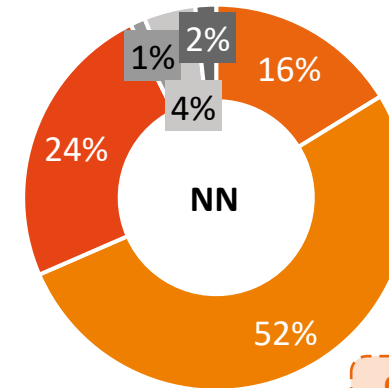


c.50% GWP increase on a combined basis

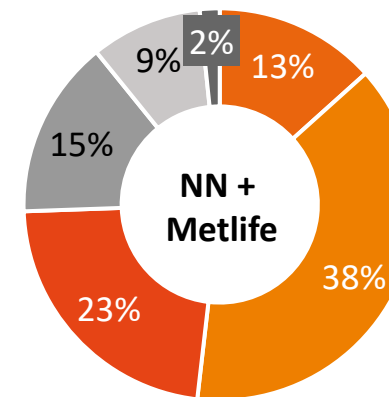


- Traditional life
- Unit-linked
- Accident & Health
- Other

## Enhancing portfolio diversification in Greece<sup>2</sup> (GWP 2020)



c.60% GWP increase on a combined basis



- Traditional life
- Unit-linked
- Accident & Health
- Group pensions
- Employee benefits
- Other

1. GWP 2020 (NN Group EUR 363m; Metlife Poland EUR 170m)

2. GWP 2020 (NN Group EUR 471m; Metlife Greece EUR 285m)

# Key takeaways

- ▶ NN Group strengthens its leading positions in Poland and Greece, capturing growth opportunities in profitable individual and group protection market
- ▶ Adds scale and expands distribution channels by adding strong (tied) agent networks and brokers
- ▶ Double-digit return on investment; incremental operating capital generation to grow to EUR ~50m per annum in 2024, excluding part of the cost synergies that will be capitalised via assumption changes
- ▶ Strong solvency ratio post transaction, capital return policy unchanged

# Important legal information

All figures in this document are unaudited. Small differences are possible in the tables due to rounding. Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in NN Group's core markets, (2) the effects of the Covid-19 pandemic and related response measures, including lockdowns and travel restrictions, on economic conditions in countries in which NN Group operates, on NN Group's business and operations and on NN Group's employees, customers and counterparties (3) changes in performance of financial markets, including developing markets, (4) consequences of a potential (partial) break-up of the euro or European Union countries leaving the European Union, (5) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets generally, (6) the frequency and severity of insured loss events, (7) changes affecting mortality and morbidity levels and trends, (8) changes affecting persistency levels, (9) changes affecting interest rate levels, (10) changes affecting currency exchange rates, (11) changes in investor, customer and policyholder behaviour, (12) changes in general competitive factors, (13) changes in laws and regulations and the interpretation and application thereof, (14) changes in the policies and actions of governments and/or regulatory authorities, (15) conclusions with regard to accounting assumptions and methodologies, (16) changes in ownership that could affect the future availability to NN Group of net operating loss, net capital and built-in loss carry forwards, (17) changes in credit and financial strength ratings, (18) NN Group's ability to achieve projected operational synergies, (19) catastrophes and terrorist-related events, (20) adverse developments in legal and other proceedings and (21) the other risks and uncertainties contained in recent public disclosures made by NN Group.

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