

**Press release**

19 May 2020

## **NN Life completes longevity transactions**

NN Group (NN) announces today that its subsidiary NN Life has completed three transactions to transfer the full longevity risk associated with in total approximately EUR 13.5 billion of pension liabilities in the Netherlands. This will reduce NN's exposure to longevity risk, and consequently reduce the required capital and further strengthen NN's capital position. These transactions cover the risks associated with the policies of over 200,000 pensioners and dependants. The longevity reinsurance agreements have no impact on the services and guarantees that NN provides to its policyholders.

The transactions have been entered into with reinsurance companies Canada Life, Munich Re and Swiss Re. The risk transfer is effective as of 1 January 2020, and the reinsurance agreements will continue until the portfolio has run off.

**David Knibbe, CEO NN Group:** *"These transactions to transfer a part of our longevity exposure are part of our pro-active risk and capital management approach. We continuously investigate options to optimise our capital structure and to further strengthen our balance sheet, through our product mix, underwriting, asset optimisation and risk transfers."*

NN's balance sheet remains strong after the recent volatility in financial markets. The NN Group Solvency II ratio at the end of April 2020 was estimated at approximately 225%. The transactions announced today are expected to increase the NN Group Solvency II ratio by approximately 17%-points.

The NN Life Solvency II ratio at the end of April 2020 was estimated at approximately 220%. The transactions announced today are expected to increase NN Life's Solvency II ratio by approximately 25%-points.

The lower risk profile will result in an upfront capital benefit which is reflected in an improved Solvency II ratio, as well as lower future operating capital generation of approximately EUR 90 million per annum. The IFRS operating result before tax will decrease by approximately EUR 30 million per annum reflecting the ongoing reinsurance premiums. The negative impact on operating capital generation and the IFRS operating result will decrease over time in line with the maturity of the portfolio.

We intend to use the strengthened capital position to improve the capital generation profile of NN Life over time and increase the level of its remittances to NN Group as from the second quarter of this year.

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## **NN Group profile**

NN Group is an international financial services company, active in 18 countries, with a strong presence in a number of European countries and Japan. With all its employees, the Group provides retirement services, pensions, insurance, investments and banking to approximately 18 million customers. NN Group includes Nationale-Nederlanden, NN, NN Investment Partners, ABN AMRO Insurance, Movir, AZL, BeFrank and OHRA. NN Group is listed on Euronext Amsterdam (NN).

## **Important legal information**

Elements of this press release contain or may contain information about NN Group N.V. within the meaning of Article 7(1) to (4) of EU Regulation No 596/2014 (Market Abuse Regulation).

All figures in this document are unaudited. Small differences are possible 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.

Any forward-looking statements made by or on behalf of NN Group speak only as of the date they are made, and, NN Group assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

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