



Joint Press Release

Outside trading hours - Regulated information*

Brussels, Ljubljana - 27 December 2019 - 8.15 a.m. CET

NLB and KBC sell their stakes in life insurer NLB Vita to Sava Re

In a joint process, Nova Ljubljanska banka ('NLB') and KBC Insurance NV ('KBC') have agreed to sell their respective stakes in the Slovenian 50/50 life insurance joint venture NLB Vita to Sava Re, parent company of the Sava Insurance Group, one of the top three insurance groups in the Adria region. In doing so, KBC will completely withdraw from Slovenia, a non-core market to KBC. At the same time, NLB is fulfilling its last commitment towards the European Commission with regard to the state aid proceedings.

The transaction, which is expected to close in in the second quarter of 2020, is subject to regulatory approvals.

Johan Thijs, KBC Group CEO, commented as follows: *"We welcome today's agreement with Sava Re. The deal, which will have a negligible impact on KBC Group's results, fits in perfectly with our strategy to focus on our core markets. This focus lies on retail clients, small and medium sized enterprises and midcaps in Belgium, the Czech Republic, Slovakia, Hungary, Bulgaria and Ireland. We are convinced that, with the support of its new owner, NLB Vita will be able to successfully continue developing its business activities."*

Blaž Brodnjak, President of the NLB Management Board emphasised: *"This is the final step on our path to fulfil all of the commitments imposed by the European Commission and represents an important milestone, which ultimately will enable us to start operating and competing on the market with our full potential. We believe that we have found the right strategic partner for NLB Vita – a partner who will continue its successful business story, as evidenced by its results and efficient sales. As has been our objective all along, NLB will continue to play a role in this story, with our extensive and competitive distribution network remaining the main channel for NLB Vita products. All this will undoubtedly bring added value not only for the new owner, but also for NLB Vita and, most importantly, for its clients."*

Marko Jazbec, Sava Insurance Group CEO commented: *"At year-end 2018, NLB Vita was the second largest life insurance company in the Slovenian market, with a market share of 14.8%. The competitive advantage of NLB Vita lies in its combined know-how and experience drawn from both NLB and KBC, which provides a solid foundation for the development of a strong bancassurance partnership. NLB Vita will offer the Sava Insurance Group further potential to diversify its Slovenian insurance portfolio with life insurance products. In this segment we see a penetration gap compared to other developed EU insurance markets and, thus, an opportunity for future organic growth. With NLB remaining the most important distribution channel of NLB Vita, we will also build on the strong bancassurance partnership between the two groups."*

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