

Joint Press release

23 December 2016

This is a joint press release by NN Group N.V. ('NN Group') and Delta Lloyd N.V. ('Delta Lloyd'), pursuant to the provisions of Section 4 Paragraph 3, Section 5 Paragraph 1 and Section 7 Paragraph 4 of the Decree on Public Takeover Bids (Besluit Openbare Biedingen Wft) (the 'Decree') in connection with the intended public offer by NN Group for all the issued and outstanding ordinary shares in the capital of Delta Lloyd. This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities. Any offer will be made only by means of an offer memorandum. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, the United States, Canada or Japan or in any other jurisdiction in which such release, publication or distribution would be unlawful.

NN Group and Delta Lloyd agree on recommended transaction

To form a leading insurance and asset management company in the Netherlands

- **NN Group and Delta Lloyd reached a conditional agreement on a recommended all-cash public offer of EUR 5.40 (cum dividend) per issued and outstanding ordinary share of Delta Lloyd representing a total consideration of EUR 2.5 billion**
- **Transaction supported and recommended by Delta Lloyd's Executive Board and Supervisory Board**
- **Offer price represents a premium of 55% over the 3-months average closing price prior to the initial announcement on 5 October 2016, delivering immediate and certain value to Delta Lloyd shareholders**
- **Creation of a well-diversified leader in the Dutch pensions, life and non-life insurance and banking sectors, with a strong asset management platform, attractive international presence, ample growth opportunities and appealing customer propositions**
- **NN Group anticipates a return on investment of around 10% and a double digit accretion in dividend per share (DPS) for 2018 and onwards**
- **Robust combined balance sheet and solid 3Q16 pro-forma Solvency II ratio of approximately 189%**
- **NN Group has committed financing in place and will fund the transaction via a combination of existing cash resources and debt**
- **Draft offer memorandum will be submitted to AFM no later than 28 December 2016**

NN Group and Delta Lloyd announce today that a conditional agreement (the 'Merger Protocol') has been reached on a recommended public offer (the 'Offer') to be made by NN Group for the entire issued and outstanding ordinary share capital of Delta Lloyd (the 'Shares') for EUR 5.40 in cash per ordinary Delta Lloyd share (cum dividend) (the 'Offer Price').

This announcement follows constructive interactions between the boards and management teams of both companies including a period of targeted due diligence.

Lard Friese, CEO of NN Group: 'Today's announcement is a significant step in our journey to build a sustainable, profitable business for the future, and to strengthen our leading position in the Netherlands and Belgium. I value the entrepreneurial spirit, customer focus, the commercial agility, and strong distribution capabilities of Delta Lloyd. Customers of both companies will benefit from an enhanced proposition by complementing our product offering and distribution. Consolidation in the insurance sector will bring additional stability in our markets, and will generate a materially higher cash return to our shareholders over time, through the benefits of scale. We strongly believe this transaction to be in the best interest of both companies' stakeholders, and I am pleased the transaction has the support and recommendation of the Delta Lloyd Boards.'

Hans van der Noordaa, CEO of Delta Lloyd: 'Delta Lloyd is a highly client focused organisation with excellent market positions. I am proud of how the management and employees of Delta Lloyd have worked together over the last years to improve the operations and capital of the Group. We have been making good progress towards our goals. But our Boards have recognised the risks to the achievement of those goals which exist particularly in respect of the ongoing evolution of Solvency II capital requirements and a competitive market, that is on the verge of consolidation. After extensive analysis of different alternatives, we made a clear decision that a combination of NN Group and Delta Lloyd is in the long term interest of our stakeholders including our shareholders. The offer provides a certain cash premium for shareholders and also a secure future for policyholders.'

Strategic rationale

NN Group and Delta Lloyd believe that a combination of Delta Lloyd and the Dutch and Belgian activities of NN Group (the 'Combined Company') is compelling. The transaction will result in an overall stronger platform within the Benelux from which to provide enhanced customer propositions and generate shareholder return:

- Additional scale and capabilities will result in an improved customer proposition within the Dutch pension market;
- Doubling the size of the non-life insurance business will drive underwriting results and customer experience;
- The integration of two leading asset management businesses creates additional scale and expertise;
- Increased size and scale of the banking business, thereby improving the competitive offering to existing and new customers;
- Doubling the presence in Belgium, leading to a strong life insurance market share with a more diversified offering through additional channels.

The Combined Company will be better placed to capture opportunities that technological innovation brings and will provide increased possibilities for knowledge sharing, strengthening capabilities and talent development. It will bring a perspective of growth and lead to opportunities for employees of both companies and will facilitate continuous improvement in customer service and experience.

Transaction details

The Offer envisions the acquisition of Shares pursuant to a recommended public offer by NN Group. The Offer Price represents:

- a premium of approximately 31% over the closing price of EUR 4.12 per Share on 4 October 2016, the last trading day before NN Group initially announced its intention to make an offer for Delta Lloyd;

- a premium of approximately 38% relative to the average closing price per Share during the last month prior to the initial announcement; and
- a premium of approximately 55% relative to the average closing price per Share of Delta Lloyd during the last three months prior to the initial announcement.

Financing

The Offer values 100% of the Shares at EUR 2.5 billion. NN Group will be able to pay the Offer consideration for an amount of EUR 1.4 billion with cash from its own available resources. For the remainder, NN Group has, subject to customary conditions, committed debt financing made available to it from reputable global financial institutions. The financial leverage ratio and fixed cost coverage ratios of the Combined Company are estimated in a range of 30% and 9x on a pro-forma basis at 30 September 2016.

Synergies and cash generation

The combination of Delta Lloyd and the Dutch and Belgian activities of NN Group will facilitate a drive for further efficiency, supporting the Combined Company's cash generation capacity. NN Group will provide additional information on potential cost and capital synergies in due course, but is currently anticipating cost synergies of approximately EUR 150 million pre-tax by 2020. This is anticipated to occur in a range of areas including:

- Integration of operational and supporting activities in Life and Non-Life, including commercial migration
- Full integration of Bank & Asset Management
- Removal of overlap in centralised functions
- Reduction in project spend

With respect to capital, NN Group estimates the 3Q16 pro-forma Solvency II ratio of the combination to be at 189%, taking into account the reversal of the EUR 333 million deduction of the share buy-back and assuming the base case of senior debt issuance. Based on its due diligence, NN Group believes that there will be some initial capital synergies from the combination but also expects meaningful negative impacts from the alignment of actuarial assumptions under NN Group ownership. The combination of these is anticipated to result in the 3Q16 pro-forma Solvency II ratio declining from 189% to approximately 185%.

Over time, NN Group sees potential for further capital synergies, the transition of Delta Lloyd's legal entities onto the NN Group Partial Internal Model, but also the removal of the longevity hedge benefit currently included in Delta Lloyd's standard formula approach.

NN Group anticipates the transaction to generate a return on investment of around 10% and a double digit accretion in DPS for 2018 and onwards. The Combined Company will remain focussed on generating capital within its operating units and remitting this capital to the holding company where it will be subject to NN Group's unchanged dividend policy.

Recommendation by Delta Lloyd's Executive Board and Supervisory Board

On 2 October 2016, Delta Lloyd received a conditional approach from NN Group valued at EUR 5.30 which the Delta Lloyd Boards rejected. Consistent with their fiduciary responsibilities, the Boards of Delta Lloyd entered into talks with NN Group to assess whether a transaction would be feasible to create compelling value for shareholders and deliver benefits to other stakeholders. Delta Lloyd and NN Group management have been in discussion about the potential size of the consolidation benefits, both

from a financial and capital perspective, from combining the two companies, which are substantial. A key point for Delta Lloyd was that the proposal needed to reflect an appropriate share of benefits of Dutch consolidation for Delta Lloyd shareholders since the Delta Lloyd Boards believe that consolidation will take place in the near future given regulatory developments and market headwinds.

Throughout the process, the Delta Lloyd Executive Board and Supervisory Board met frequently to discuss the progress of the process and the key decisions in connection therein. The Delta Lloyd Executive Board and Supervisory Board received extensive financial and legal advice and there was regular contact with the Dutch Central Bank. The Delta Lloyd Boards gave careful consideration to all aspects - including strategic, financial, current trading, operational and social points of view - and consequences of the proposed transaction.

In the trading update regarding the first nine months of 2016, Delta Lloyd reported good progress on its management priorities of capital, performance and customers, alongside its Solvency II capital ratio of 156%. Since the end of the quarter, Solvency II is expected to have benefited from the closure of the duration gap and favourable market movements. Delta Lloyd expects its 4Q16 Solvency II ratio to be adversely affected by the LAC-DT review by DNB, the possible removal of the risk margin benefit of the longevity hedge and adverse longevity developments. Delta Lloyd will report its final assessment of these items at its full year results in February 2017.

In this context, the Delta Lloyd Boards have carefully considered the financial and stakeholder considerations of all options, including remaining standalone.

After due and careful consideration, both the Delta Lloyd Executive Board and the Supervisory Board are of the opinion that the Offer is in the best interest of Delta Lloyd and its stakeholders. As will be further set out in the Position Statement to be published in connection with the Offer, the Delta Lloyd Executive Board and Supervisory Board support the Offer, shall recommend to the shareholders of Delta Lloyd to accept the Offer and to tender their Shares pursuant to the Offer, and recommend voting in favour of all resolutions relating to the Offer and the Legal Merger that will be proposed at the EGM.

On 23 December 2016, Goldman Sachs issued a fairness opinion to the Delta Lloyd Executive Board and Supervisory Board, and Bank of America Merrill Lynch issued a fairness opinion to the Delta Lloyd Supervisory Board, in each case as to the fairness, as of such date, and based upon and subject to the factors and assumptions set forth in each fairness opinion, that the EUR 5.40 in cash to be paid pursuant to the Offer or the exchange ratio¹ of NN Group shares to be issued in connection with the Legal Merger, as applicable, to the holders of Shares, collectively, is fair from a financial point of view to such holders.

The full text of such fairness opinions, each of which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each such opinion, will be included in the Position Statement. The opinions of Goldman Sachs and Bank of America Merrill Lynch are given to the Delta Lloyd Executive Board and Supervisory Board, respectively and not to the holders of Shares. As such, the fairness opinions do not contain a recommendation to the holders

¹ Exchange ratio is defined in the Merger Protocol as the Offer Price per Share divided by the NN Group stock price on the last day prior to the date of the execution of the Legal Merger

of Shares as to whether they should tender their Shares under the Offer (if and when made) or how they should vote or act with respect to the Legal Merger or any other matter.

Further undertakings

NN Group and Delta Lloyd have agreed to certain covenants in respect of corporate governance, post-closing legal merger, strategy, organisation, integration and employees for a duration of three years after settlement (the 'Non-Financial Covenants').

Corporate governance

After successful completion of the Offer, the Delta Lloyd Supervisory Board will be composed of three new members appointed by NN Group and two members of the current Delta Lloyd Supervisory Board qualifying as independent within the Dutch Corporate Governance Code (the 'Continuing Members'). The Continuing Members will continue to serve on the Delta Lloyd Supervisory Board, or, should the Delta Lloyd Supervisory Board no longer exist, be appointed to the NN Group Supervisory Board, for the duration of the Non-Financial Covenants.

NN Group will determine the composition of the Delta Lloyd Executive Board on or prior to launch of the Offer. The NN Group Executive Board and Management Board will not change as a result of the transaction.

Post-closing legal merger

NN Group's willingness to pay the Offer Price and pursue the transaction is predicated on the acquisition of 100% of the Shares. NN Group and Delta Lloyd anticipate that full integration of their companies will deliver substantial operational, commercial, organisational, financial and tax benefits, which could not, or only partially, be achieved if Delta Lloyd were to continue as standalone entity with minority shareholders.

If NN Group acquires at least 95% of the Shares, it is intended that Delta Lloyd's listings on Euronext Amsterdam and Euronext Brussels will be terminated as soon as possible. In addition, NN Group will commence statutory squeeze-out proceedings.

If NN Group acquires less than 95% but at least 67% of the Shares, NN Group will, subject to NN Group and Delta Lloyd agreeing on a final structure prior to launch of the Offer, be entitled to pursue one or more legal mergers of Delta Lloyd into NN Group, or a subsidiary of NN Group, whereby Delta Lloyd shareholders will ultimately receive listed shares in NN Group (the 'Legal Merger'). The exchange ratio pursuant to the Legal Merger is defined as the Offer Price divided by the NN Group share price on the last day prior to the date of the execution of the Legal Merger. The Legal Merger will be subject to Delta Lloyd's Extraordinary General Meeting ('EGM') approval and is to be held prior to closing of the tender offer period. The Delta Lloyd Executive Board and Supervisory Board have approved and consented to the Legal Merger and shall recommend the Delta Lloyd shareholders to vote in favour of the Legal Merger.

Strategy, integration and organisation

NN Group and Delta Lloyd intend to integrate and align their operations in the Netherlands and Belgium to fully benefit from their combined reach, scale and resources, in order to provide a compelling platform, maximise the potential of the two businesses and enhance their capabilities to service customers. The integration will be led by the NN Group Management Board, determining the parameters for integration and supervising the operational working groups. The integration process will

be executed in a fair, balanced and timely manner, respecting the talents and strengths of people in both organisations. In order to safeguard the process, a transition committee will be established to supervise, monitor and advise on the fairness of the integration process.

The NN Group brands will be the brands for the combined businesses. The brands OHRA and BeFrank shall be maintained. The head office of the Combined Company will be in The Hague. Delta Lloyd's location in Amsterdam shall be maintained for insurance activities for a period of at least three years following settlement. The Combined Company shall strive to be a leader in the field of sustainability, inspired by Delta Lloyds's current leadership in this field.

Employees

NN Group values the experience and expertise of Delta Lloyd's employees which will help further shape the future success of the Combined Company. NN Group will respect any and all existing rights and benefits of employees of Delta Lloyd, including existing social plans, profit sharing schemes, covenants (including covenants with the Delta Lloyd works council) and collective labour agreements (including the employee benefits included in the terms thereof), as well as the terms of the individual employment agreements between Delta Lloyd and its employees for the agreed duration of these arrangements and agreements or, if earlier, until new plans and/or agreements will be in place amending these rights.

Following settlement, the nomination, selection and appointment of staff for functions within the integrated combined group will, subject to applicable law and regulation, be based on the 'best person for the job' principle, or, where not feasible or appropriate, on a non-discriminatory, fair and business-oriented transparent set of criteria.

Pre-Offer and Offer conditions

The commencement of the Offer is subject to the satisfaction or waiver of pre-offer conditions customary for a transaction of this kind, including:

- (i) no material breach of the Merger Protocol having occurred;
- (ii) no revocation or amendment of the recommendation by the Delta Lloyd Executive Board and Supervisory Board;
- (iii) no material adverse effect having occurred;
- (iv) the Dutch Authority for the Financial Markets ('AFM') having approved and the Belgian Financial Services and Markets Authority ('FSMA') having acknowledged the offer memorandum;
- (v) no public announcement of a Competing Offer (as defined below) having been made;
- (vi) the Stichting Continuïteit Delta Lloyd (the 'Foundation') not having exercised its call option to have protective preference shares issued to it;
- (vii) no notification having been received from AFM stating that investment firms will not be allowed to cooperate with the Offer; and
- (viii) no order, stay judgment or decree having been issued prohibiting the making of the Offer.

If and when made, the consummation of the Offer will be subject to the satisfaction or waiver of the following Offer conditions:

- (i) minimum acceptance level of at least 95% of the Shares, which will be reduced to 67% in the event that the Delta Lloyd shareholders have adopted the legal merger resolution at the EGM (if proposed), provided however that NN Group may waive the minimum acceptance condition without the consent of Delta Lloyd if the acceptance level is 67% and above;
- (ii) antitrust clearance having been obtained;
- (iii) declarations of no-objection from the Dutch Central Bank, the National Bank of Belgium and the European Central Bank having been obtained;

- (iv) no material breach of the Merger Protocol having occurred;
- (v) no revocation or amendment of the recommendation by the Delta Lloyd Executive Board and Supervisory Board;
- (vi) no material adverse effect having occurred;
- (vii) no public announcement of a Competing Offer (as defined below) having been made;
- (viii) the Foundation not having exercised its call option to have protective preference shares issued to it and having agreed to terminate the call option agreement subject to the Offer being declared unconditional;
- (ix) no notification having been received from AFM stating that investment firms will not be allowed to cooperate with the Offer; and
- (x) no order, stay judgment or decree having been issued prohibiting the making of the Offer.

On termination of the Merger Protocol by NN Group on account of a material breach of the Merger Protocol by Delta Lloyd or a Competing Offer having been made, Delta Lloyd will forfeit a EUR 25 million termination fee to NN Group.

If the Merger Protocol is terminated by Delta Lloyd (i) on account of a material breach of the Merger Protocol by NN Group, (ii) because all conditions are satisfied or waived and NN Group fails to launch or declare the Offer unconditional, as the case may be or (iii) because the declarations of no-objection from the Dutch Central Bank, the National Bank of Belgium and the European Central Bank are not obtained, NN Group will forfeit a EUR 25 million reverse termination fee to Delta Lloyd.

If the Merger Protocol is terminated because antitrust clearance is not obtained NN Group will forfeit a EUR 67.5 million reverse termination fee to Delta Lloyd.

Competing Offer

NN Group and Delta Lloyd may terminate the Merger Protocol in the event a bona fide third-party offeror makes an offer which, in the reasonable opinion of the Boards, is a more beneficial offer than the Offer, exceeds the Offer Price by 7% and is launched or is committed to be launched within four weeks (a 'Competing Offer'). In the event of a Competing Offer, NN Group will be given the opportunity to match such offer, in which case the Merger Protocol may not be terminated by Delta Lloyd. Any additional subsequent competing offer will have a 5% offer threshold and matching right for NN Group. As part of the agreement, Delta Lloyd has entered into customary undertakings not to solicit third party offers.

Indicative timetable

NN Group and Delta Lloyd will seek to obtain all necessary approvals and antitrust clearances as soon as possible. The required advice of the NN Group and Delta Lloyd works councils and consultation with the unions will be commenced immediately (to the extent not already in progress). Both parties are confident that NN Group will secure all antitrust and regulatory approvals within the timetable applicable to the Offer.

NN Group expects to submit a request for review and approval of its offer memorandum with AFM no later than 28 December 2016 and to publish the offer memorandum shortly after approval, in accordance with the applicable statutory timeline.

Delta Lloyd will hold an EGM at least six business days prior to the closing of the tender offer period in accordance with Section 18 Paragraph 1 of the Decree to inform the shareholders about the Offer and to adopt certain resolutions that are conditions to the consummation of the Offer. Based on the

required steps and subject to the necessary approvals, NN Group and Delta Lloyd anticipate that the Offer will close in the second quarter of 2017.

Transaction advisors

In connection with the transaction, NN Group's Executive and Supervisory Board financial advisors are J.P. Morgan Limited (lead), ING Bank N.V., and Morgan Stanley, and its legal counsel is Freshfields Bruckhaus Deringer. On behalf of Delta Lloyd, Goldman Sachs International is acting as financial advisor to the Executive Board, Bank of America Merrill Lynch is acting as financial advisor to the Supervisory Board, and Allen & Overy is acting as legal counsel.

Other

To the extent permissible under applicable law or regulation, NN Group and its affiliates or brokers (acting as agents for NN Group or its affiliates, as applicable) may from time to time after the date hereof, and other than pursuant to the intended offer, directly or indirectly purchase, or arrange to purchase, ordinary shares in the capital of Delta Lloyd, that are the subject of the intended offer. To the extent information about such purchases or arrangements to purchase is made public in the Netherlands, such information will be disclosed by means of a press release to inform shareholders of such information, which will be made available on the website of NN Group. In addition, financial advisors to NN Group may also engage in ordinary course trading activities in securities of Delta Lloyd, which may include purchases or arrangements to purchase such securities.

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Wires call

Lard Friese, Hans van der Noordaa, Delfin Rueda and Clifford Abrahams will host a wires conference call at 7.30 CET on 23 December 2016. Journalists can join the conference call at +31 20 531 5851 (NL).

Investor call

Lard Friese, Hans van der Noordaa, Delfin Rueda and Clifford Abrahams will host an analyst and investor conference call at 9.15 CET on 23 December 2016. Members of the investment community can join the conference call at +31 20 531 5851(NL), +44 20 3365 3210 (UK), +1 866 349 6093 (US) or follow the webcast on www.nn-group.com.

Press conference and webcast

Lard Friese and Hans van der Noordaa will host a Press conference at 11.00 CET on 23 December 2016. Journalists join the conference at NN Group Headquarters, Prinses Beatrixlaan 35, The Hague or follow the webcast on www.nn-group.com. Please confirm your attendance via mediarelations@nn-group.com or +31 70 513 1918.

NN Group profile

NN Group is an international insurance and asset management company, active in more than 18 countries, with a strong presence in a number of European countries and Japan. With around 11,500 employees the group offers

retirement services, insurance, investments and banking to more than 15 million customers. NN Group includes Nationale-Nederlanden, NN and NN Investment Partners. NN Group is listed on Euronext Amsterdam (NN).

Delta Lloyd profile

Delta Lloyd offers products and services in insurance, pensions, investment and banking, serving 4.2 million commercial and retail clients in The Netherlands and Belgium. Our four brands are Delta Lloyd, ABN AMRO Insurance, BeFrank and OHRA. Delta Lloyd is listed on Euronext Amsterdam and Brussels, and included in the DJSI World and DJSI Europe.

General restrictions

This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire the securities of Delta Lloyd or NN Group in any jurisdiction.

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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 and Delta Lloyd's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro, (4) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets generally, (5) the frequency and severity of insured loss events, (6) changes affecting mortality and morbidity levels and trends, (7) changes affecting persistency levels, (8) changes affecting interest rate levels, (9) changes affecting currency exchange rates, (10) changes in investor, customer and policyholder behaviour, (11) changes in general competitive factors, (12) changes in laws and regulations, (13) changes in the policies of governments and/or regulatory authorities, (14) conclusions with regard to accounting assumptions and methodologies, (15) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (16) changes in credit and financial strength ratings, (17) NN Group's ability to achieve projected operational synergies and (18) the other risks and uncertainties detailed in the Risk Factors section contained in recent public disclosures made by NN Group or Delta Lloyd.

Any forward-looking statements made by or on behalf of NN Group or Delta Lloyd speak only as of the date they are made, and, NN Group or Delta Lloyd assume 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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