

NN Group Insurance International

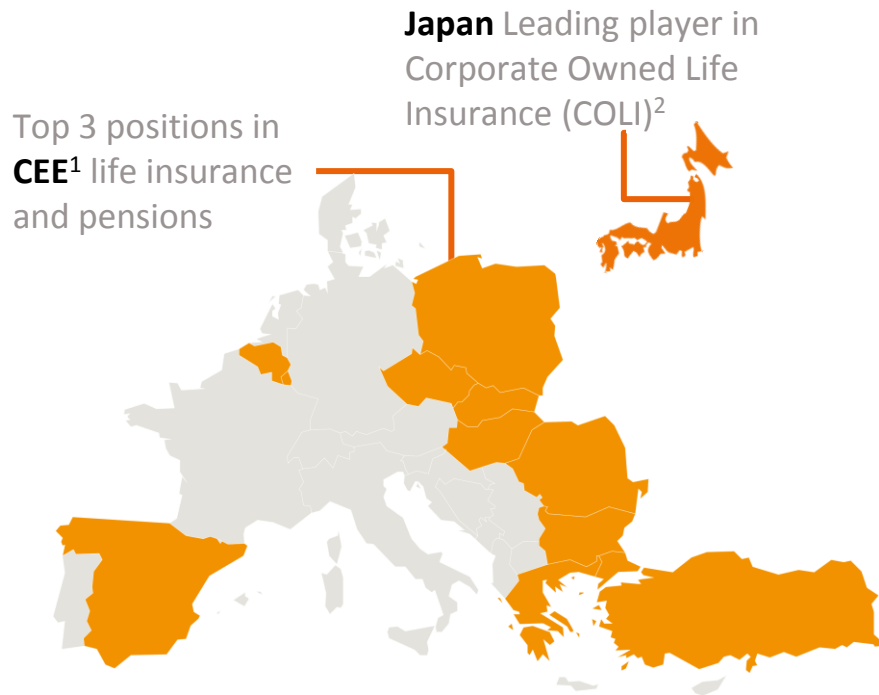
Robin Spencer, CEO International Insurance

Capital Markets Day

19 November 2015



Portfolio of mature and developing international markets



International businesses

- Organically built
- Trusted brand
- Large and professional distribution channels
- Cash generative

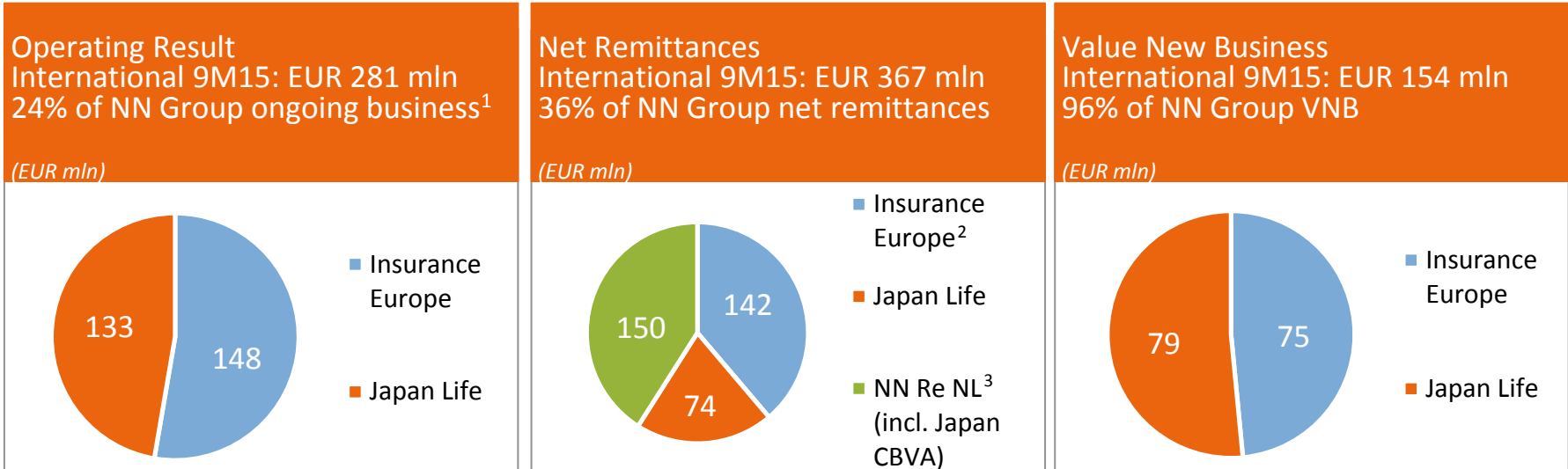
Insurance Europe

- Significant upside potential:
 - Recovering GDP
 - Expected disposable income growth
 - Markets remain underpenetrated
 - Increasing gap of long term savings

Japan Life

- Second largest life market in the world
- COLI segment accounts for 20% of life market

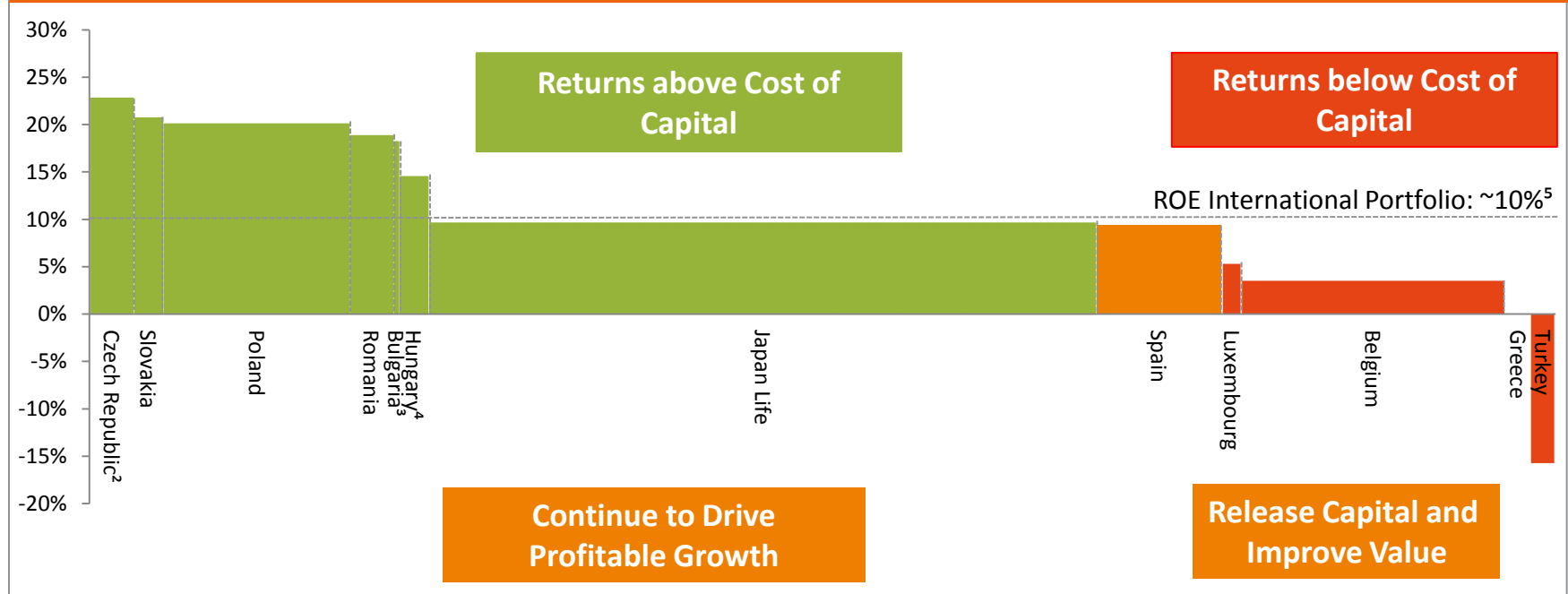
Strong contribution to NN Group results



- Successfully managing the International businesses to maximise value and meet IPO commitments
- Key value drivers considered to be distribution, efficiency, product mix and innovation
- Clear strategy by market to drive value
- Strong leadership team with excellent delivery capabilities

Managing businesses for value

Return on Equity 9M15 International Businesses¹



1. Width of the bar represents adjusted equity; Greece has negative adjusted equity due to negative retained earnings
2. NN Czech is a branch of NN Life, risk capital held in the Netherlands is included in the calculation
3. NN Bulgaria is adjusted to a stand-alone status
4. NN Hungary eliminates NN Re equity and funding of Bulgarian Life business from equity
5. Average of international businesses of Insurance Europe and Japan Life as of 9M15

Insurance Europe

Insurance Europe has a strong footprint



Top 3 positions¹ in CEE
life insurance and pensions



Businesses rebranded in 1H15



EUR 15 bln pensions
asset under management



10 mln customers



8,150 professional tied agents
10 bancassurance partnerships

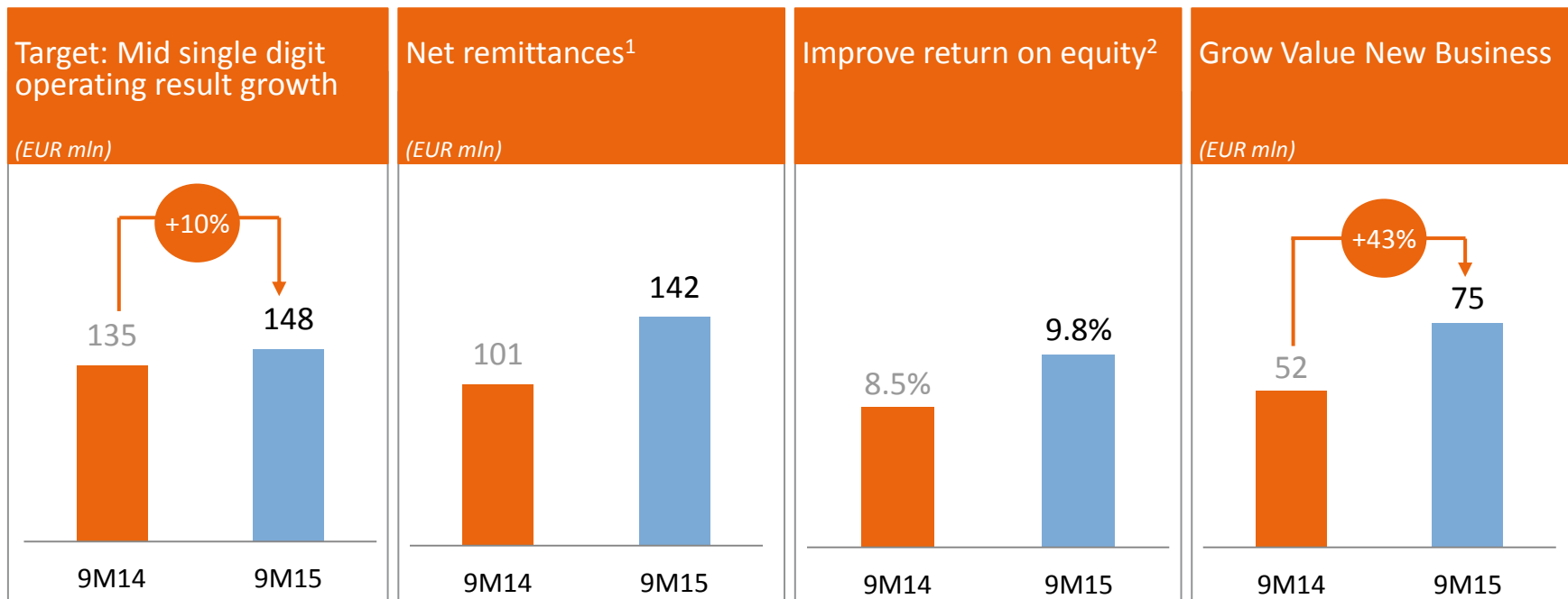
- ✓ Strong market positions
- ✓ Significant distribution power via tied agents and banks
- ✓ Excellent customer experience

- ✗ Subscale in some markets
- ✗ Traditional distribution channel
- ✗ Interest rates putting pressure on saving propositions



1. By APE (2013), includes Poland, Czech Republic, Bulgaria, Hungary, Romania, Slovakia, Baltics, Balkans, Russia, Ukraine and Turkey; Insurance Europe operates in all of these countries except for Russia, Ukraine, the Baltics and the Balkans; Source: NN Group
All other figures as of 3Q15

Showing early signs of turnaround



- Disciplined cost, product and capital management driving financial metrics
- Continue to deliver IPO commitments



1. Net remittances exclude Czech Life insurance business (branch of NN Life). Polish Pension Fund remittances were at 80% until July 2015 when NN Group acquired the remaining 20% stake from ING Bank Slaski
2. Net operating ROE

Driving long-term value focusing on 4 strategic themes

1

Disciplined capital allocation at a portfolio and product level

2

Driving high quality distribution, with ongoing focus on efficiency and quality

3

Growing through innovation in our markets

4

Focus on delivering excellent customer experience

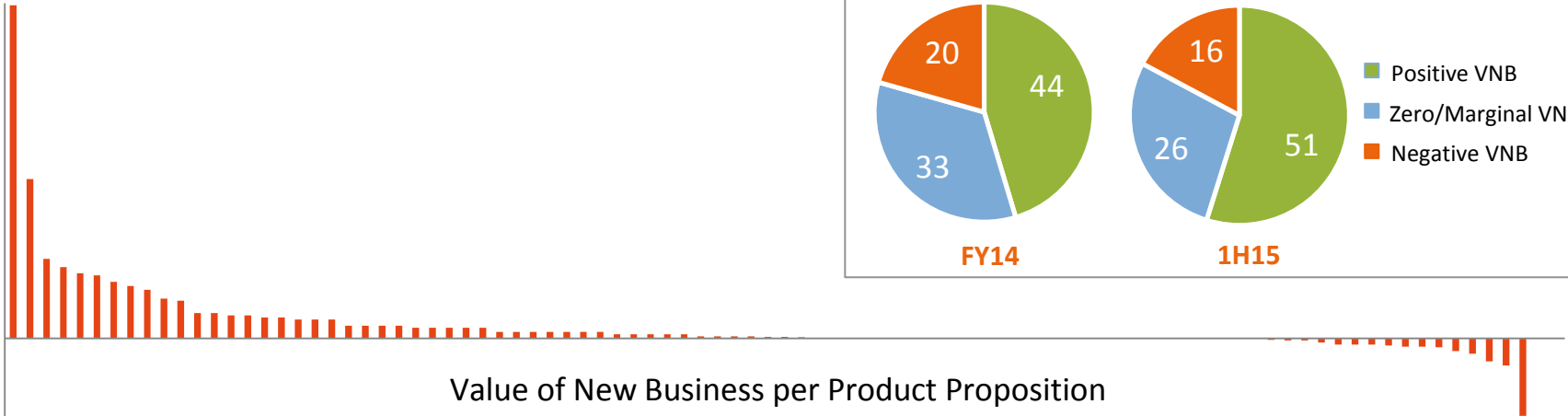
All enabled through digital transformation of the businesses

1

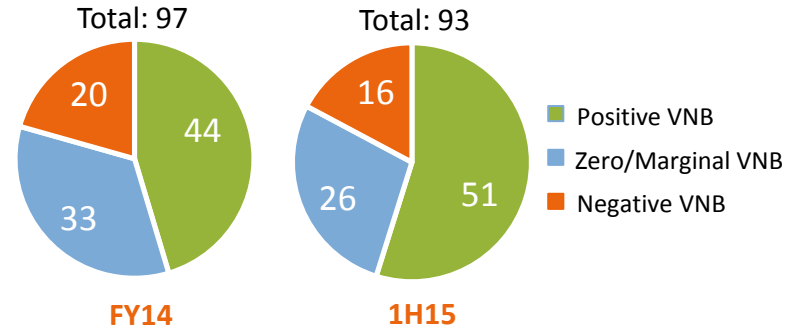
Optimising our product propositions

1H15: 93 propositions¹

VNB



Number of propositions

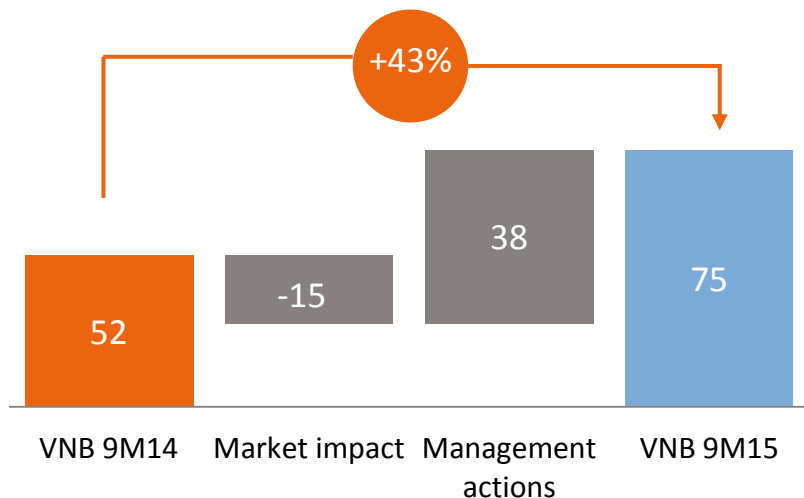


- Analysing and managing our business by individual product propositions to increase VNB
- Strong progress being achieved year-to-date

1

Improving VNB despite low interest rates

VNB Development (EUR mln)



Improvements in products and distribution have led to higher VNB

- VNB Margin¹ improved from 2.3% to 3.0%
- Payback² period shortened from 9 years to 8 years
- Business mix improvements: shift to protection and capital light products
- Reducing new business expenses
- Renegotiating commissions
- Improving persistency

2

Leveraging high quality distribution

Strategic partnerships with
10 banks
35% of APE (up 2%)



Professional financial advisors
42% of APE (up 2%)



Selective cooperation with
brokers
21% of APE (down 4%)



Digital sales and servicing tools
Customer intelligence, data analytics
Improving productivity

Growing through innovation in our markets

- NN has history of product innovation: right propositions tailored for local markets
- NN Hungary regained #1 position, market share up from 15.6% to 19.0%¹, and grew new business by 10%¹
- Synergies across Europe – MCPPI: Sales grew 14%² in Spain; Greece EUR 19 mln APE since launch in March



“Your Life Matters”
in Poland

Életút: New
modular protection
product in Hungary



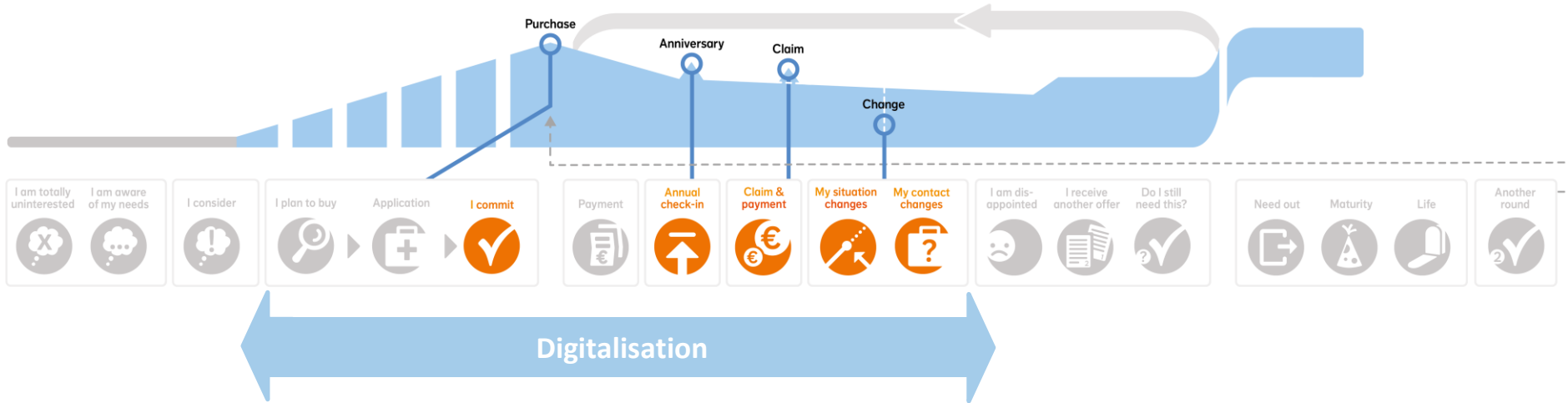
MCPPI in
Spain and Greece

Launching Health
in Romania



4 Improving Customer Experience

- Relational NPS ahead of competitors
- Retention rate improvements 2013 versus 2014
- Digitalisation: 82% decrease in new business processing costs in Spain with paperless sales



Strategic focus on profitable growth

Strategic Focus	Next 24 months
1 Disciplined capital allocation at a portfolio and product level	<ul style="list-style-type: none">• Turnaround low return businesses• Release capital from back books
2 Driving high quality distribution, with ongoing focus on efficiency and quality	<ul style="list-style-type: none">• Capitalise on significant Tied Agent Network• Grow our Bancassurance partnerships
3 Growing through innovation in our markets	<ul style="list-style-type: none">• Continue to deliver tailored new propositions• Launch long term savings solutions
4 Focus on delivering excellent customer experience	<ul style="list-style-type: none">• Digitalise customer touchpoints• Leverage customer intelligence and data analytics

Target: Mid-single digit operating result before tax annual growth rate on average

Japan Life

NN Life Japan built a large COLI business



Japanese Life Market¹: EUR 21 bln
COLI segment¹: EUR 4.5 bln



Leading COLI player



EUR 10 bln Life Reserves



67,000 SME customers



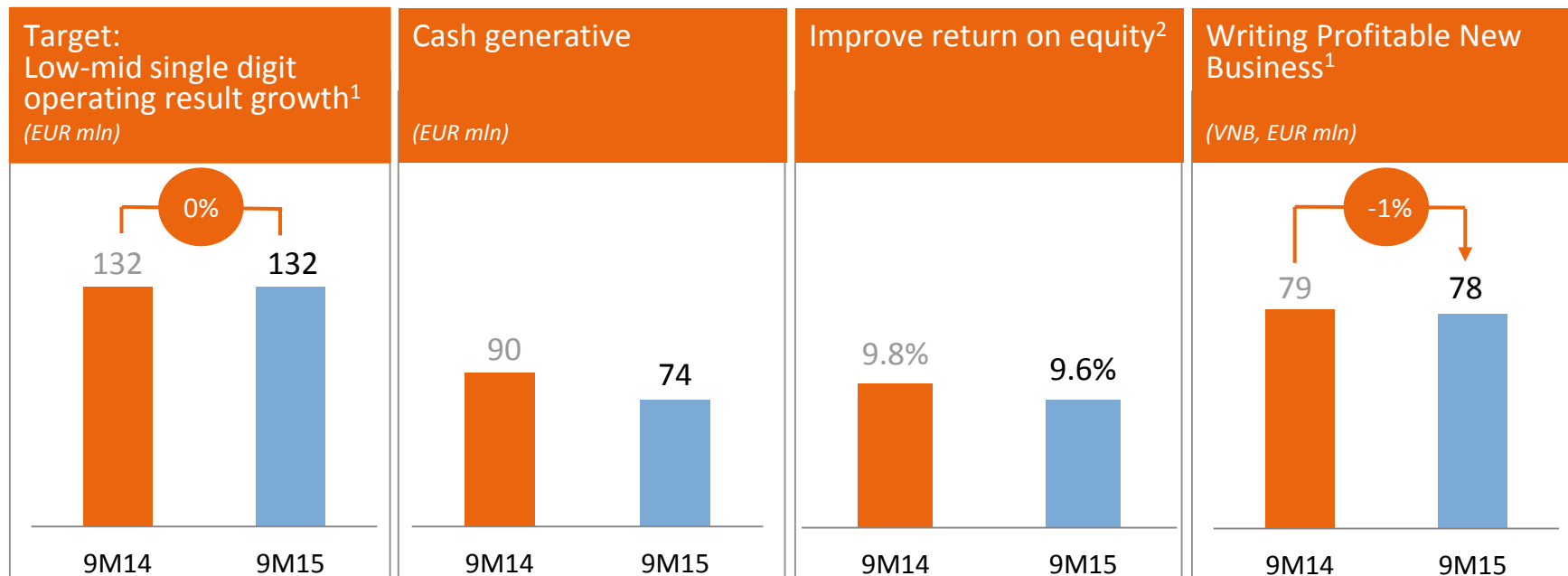
5,000+ independent agencies

50+ bancassurance partners

- ✔ Known for product innovation and superior service
- ✔ Long-lasting distribution relationships
- ✔ High barriers to entry

- ✘ Pressure on investment margins
- ✘ Reduction in corporate tax rates

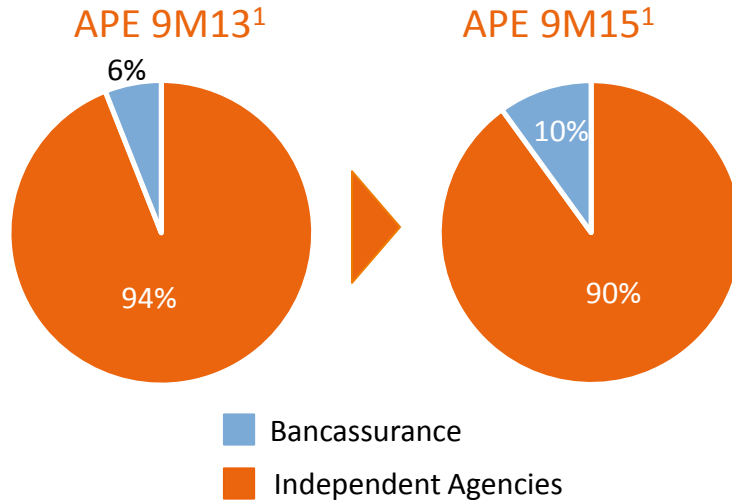
Profitable, value creating and cash generative



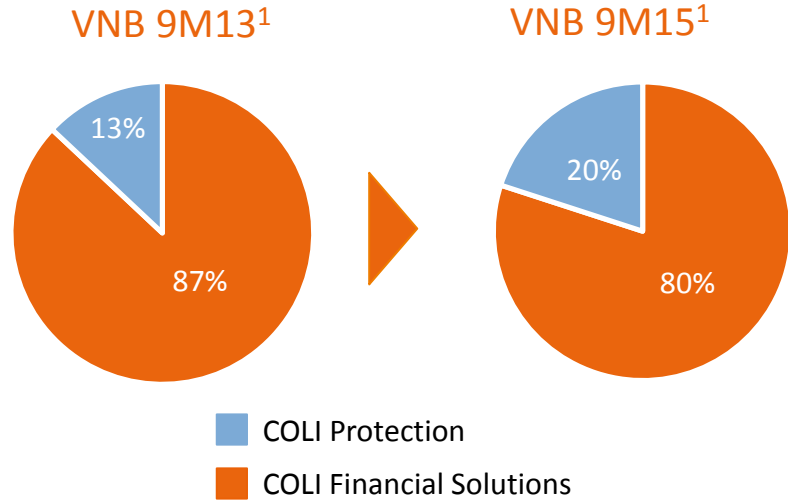
- Significant and sustainable contribution to NN Group's key financial metrics
- VNB broadly stable as impact of low interest rates was offset by management actions

Product and distribution diversification strategy

Distribution Diversification: Expand Bancassurance COLI



Business Diversification: Expand COLI Protection



Strategic focus on profitable growth

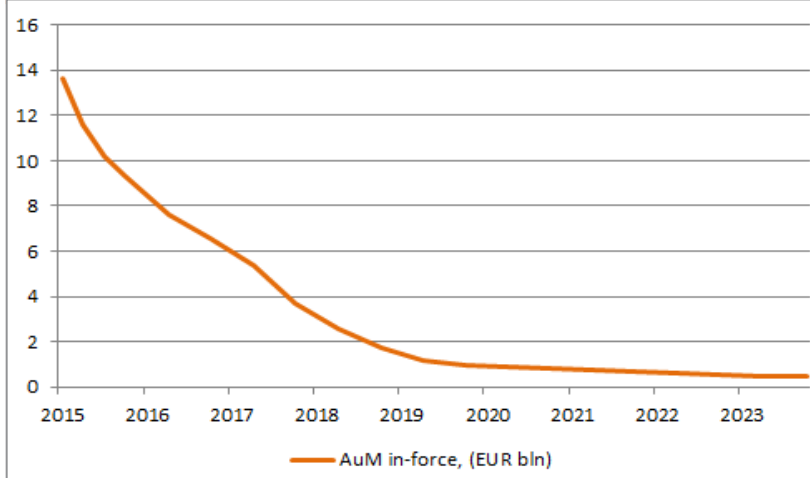
Strategic Focus	Next 24 months
1 Disciplined capital allocation at product level	<ul style="list-style-type: none">• Move to more profitable products• Diversify towards protection
2 Driving high quality distribution, with ongoing focus on efficiency and quality	<ul style="list-style-type: none">• Continue to expand bancassurance• Drive down cost-income ratio
3 Growing through innovation in our markets	<ul style="list-style-type: none">• Deliver innovative COLI financial solutions and protection products
4 Focus on delivering excellent customer experience	<ul style="list-style-type: none">• Digitalise critical customer processes• Superior customer advice via innovative e-training

Target: Low to mid-single digit operating result before tax annual growth rate on average

Japan Closed Block VA

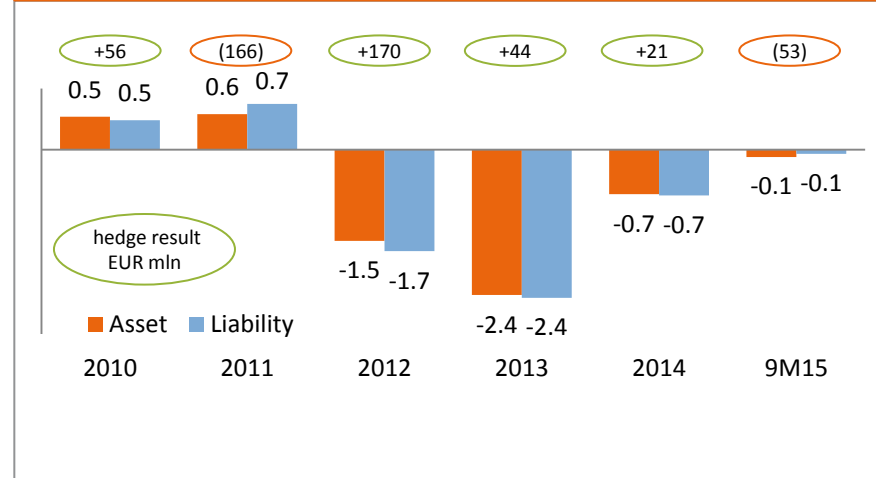
Japan Closed Block VA continues to release cash

~90% expected to have matured by end 2019



- Portfolio reinsured to NN Re in the Netherlands
- Expected capital release by end of 2019 EUR 0.7 bln plus or minus hedge results

Liabilities are actively managed and hedged
(EUR bln)



- Hedge result is expected to remain volatile
- Secured the quality of hedging and the team by successful migration from Japan to the Netherlands

Key takeaways

Insurance Europe

- 1 Organically built businesses leveraging significant distribution platform
- 2 Grow profitability through disciplined capital allocation

Japan Life

- 3 Top 3 player in large, structurally attractive COLI segment
- 4 Focused on driving Value New Business through product innovation and expanding distribution

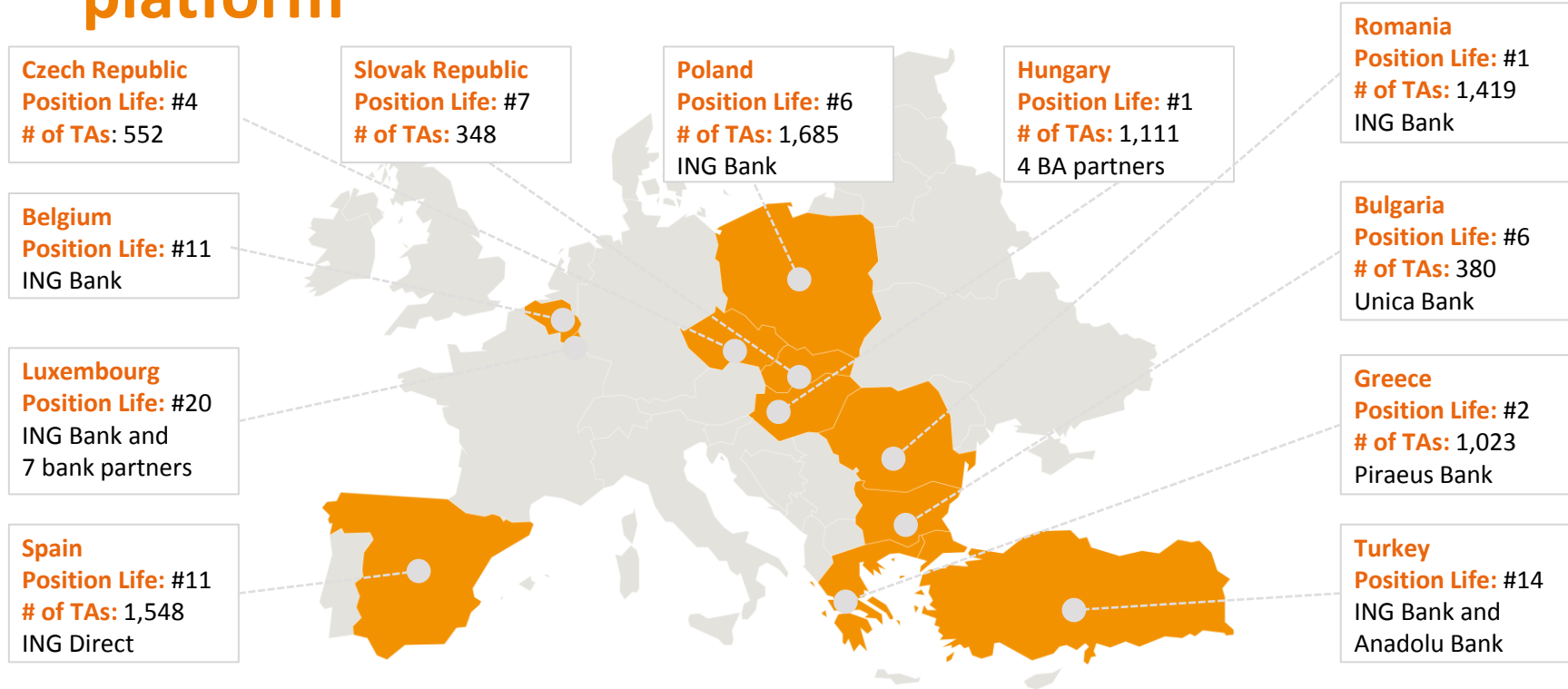
Japan Closed Block VA

- 5 Japan Closed Block VA continues to release capital via NN Re Netherlands

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Appendix: Insurance Europe leveraging
on distribution platform

1 Insurance Europe leveraging on distribution platform



Important legal information

NN Group's Consolidated annual accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and with Part 9 of Book 2 on the Dutch Civil Code. In preparing the financial information in this document, the same accounting principles are applied as in the NN Group N.V. condensed consolidated interim financial information for the period ended 30 June 2015.

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) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro, (4) the implementation of the EC Restructuring Plan, (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, (14) changes in the policies 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 us 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 and (19) the other risks and uncertainties contained in recent public disclosures made by NN Group and/or related to NN Group.

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