

NN Group

First quarter 2015 results

Lard Friese, CEO

Delfin Rueda, CFO

Amsterdam, 7 May 2015



Highlights and financial targets

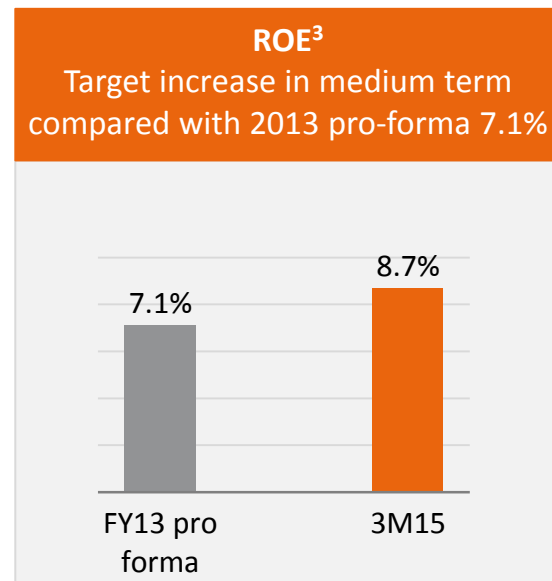
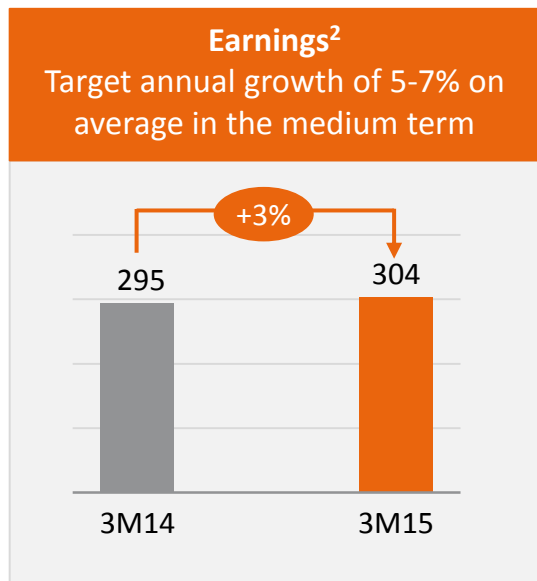
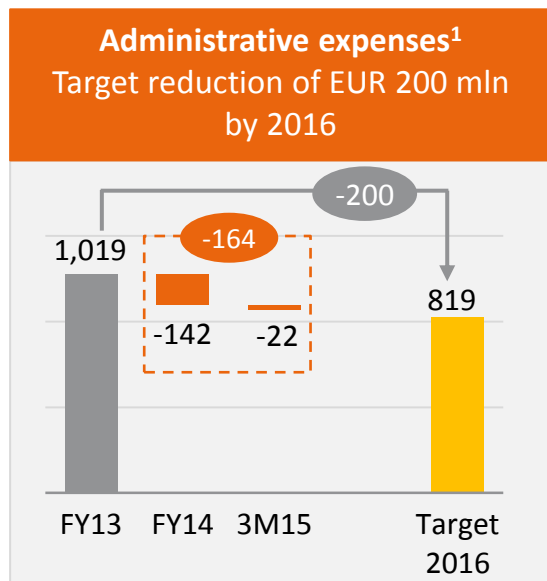
Lard Friese, CEO

1Q15 highlights

Operating result ongoing business	Net result	Net operating ROE ongoing business	IGD
EUR 304 mln	EUR 485 mln	8.7%	335%
EUR 295 mln in 1Q14	EUR -215 mln in 1Q14	9.9% in 1Q14 Pro forma 7.1% in 2013	300% in 4Q14

- Strong operating result ongoing business of EUR 304 mln
- Net result increased to EUR 485 mln
- Cumulative costs savings in the Netherlands of EUR 164 million versus EUR 200 mln target by end of 2016; EUR 22 mln achieved in 1Q15
- Strong capital position; IGD ratio up at 335%

Continuing progress towards achieving financial targets



Over time NN Group expects to generate free cash available to shareholders in a range around the Group's net operating result of the ongoing business⁴

Important developments in 1Q15

Rebranding

- Almost all international ING insurance businesses rebranded to NN or Nationale-Nederlanden
- Investment Management operations rebranded to NN Investments Partners and all investments funds rebranded to NN
- Central and local name change campaigns and marketing activities to support rebranding of businesses
- Total rebranding expenses expected of EUR 135 mln in 2015/16, of which EUR 20 mln recorded in 1Q15

Share buy-back

- As part of ING Group's sell-down in February 2015, NN Group repurchased 8.3 mln shares for an aggregate amount of EUR 200 mln

Solvency II

- NN Group intends to apply for the usage of a Partial Internal Model for NN Group and the insurance entities in the Netherlands

Unit-linked products in the Netherlands

- European Court affirmed position of Nationale-Nederlanden regarding unit-linked products
- Additional information requirements in applicable national law must be clear, accurate and foreseeable
- Nationale-Nederlanden continues to reach out to customers to encourage them to carefully assess their unit-linked products in order to find an appropriate solution on an individual basis

Strong capital position and balance sheet

Operating units

- Manage operating units to commercial capital levels
- Surplus capital above commercial levels to be returned to holding

NN Life solvency increased to 296%

Cash capital at holding

- Hold cash capital in holding to cover stress events and to fund holding costs

Cash capital at holding stable at EUR 1.4 bln

Financial leverage

- Maintain financial leverage and fixed-cost cover ratios consistent with single 'A' financial strength rating

Last 12 months fixed-cost coverage ratio up from 9.9x to 11.8x

Financial leverage ratio reduced from 23.2% to 22.1%

Gross financial leverage stable at EUR 3.7 bln

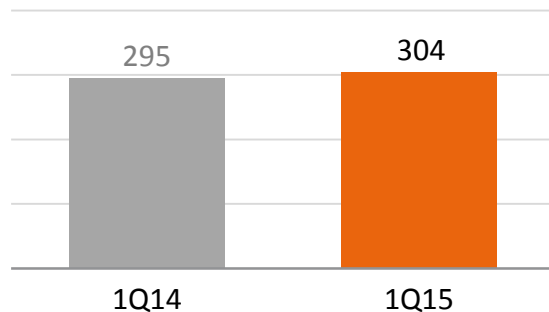
IGD ratio increased to 335%

Discussion of 1Q15 results

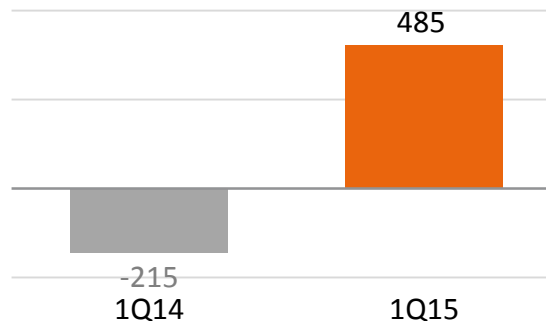
Delfin Rueda, CFO

Operating result ongoing business of EUR 304 mln in 1Q15

Operating result ongoing business
(EUR mln)



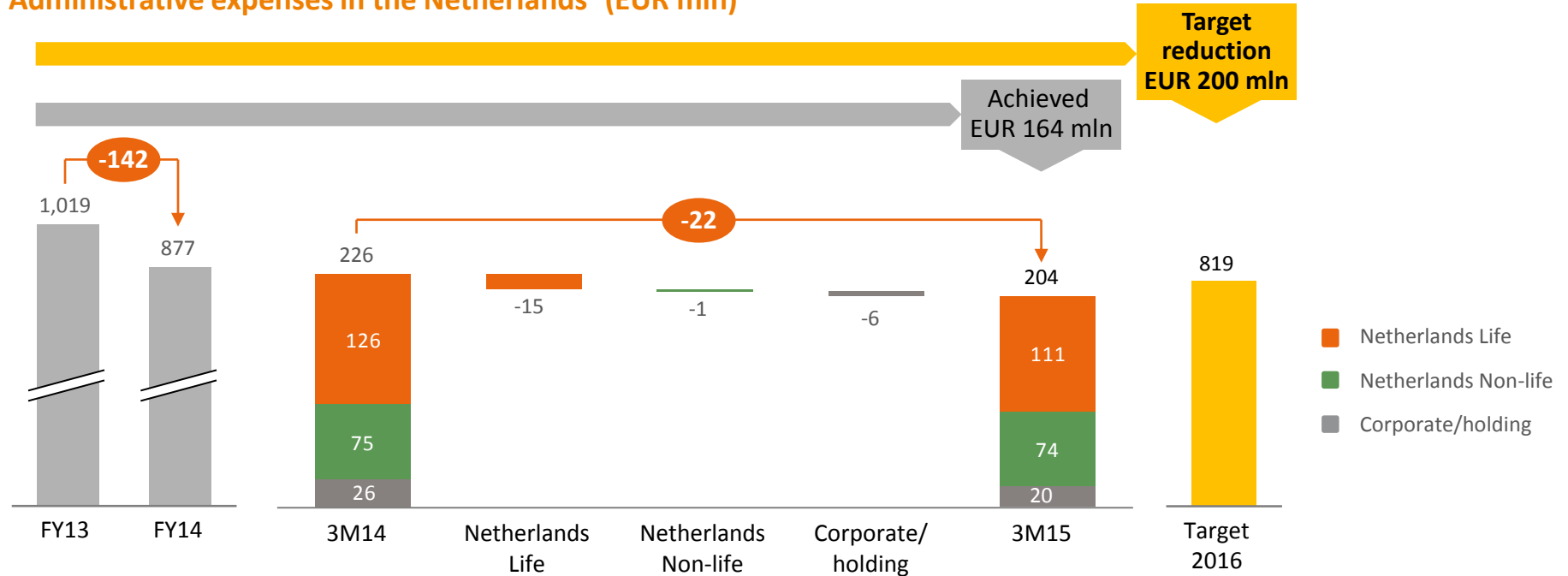
Net result
(EUR mln)



- Operating result ongoing business of EUR 304 mln, up 3% from 1Q14, supported by the expense reduction programme in the Netherlands and lower debt funding costs
- Net result improved to EUR 485 mln versus net loss of EUR 215 mln in 1Q14, reflecting a capital gain on an equity investment, while 1Q14 included a EUR 541 mln one-off charge for the pension agreement in the Netherlands

Total expense reductions of EUR 164 mln from 2013 levels

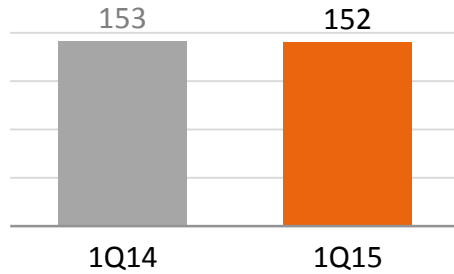
Administrative expenses in the Netherlands¹ (EUR mln)



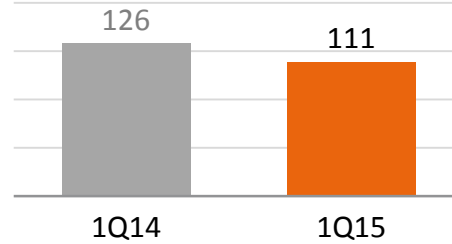
1. Netherlands Life, Netherlands Non-life and Corporate/holding

Netherlands Life

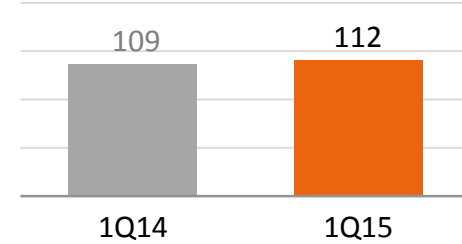
Operating result before tax (EUR mln)



Administrative expenses (EUR mln)



Investment spread¹ (bps)

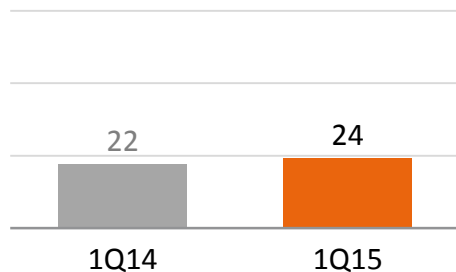


- Operating result broadly stable; lower technical margin and lower fees and premium-based revenues offset by higher investment margin and lower administrative expenses
- Administrative expenses down mainly due to lower project expenses and lower staff costs
- Investment spread improved driven by a private equity dividend and shift to higher-yielding assets

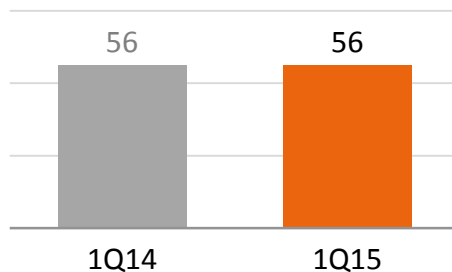
1. Four-quarter rolling average

Netherlands Non-life

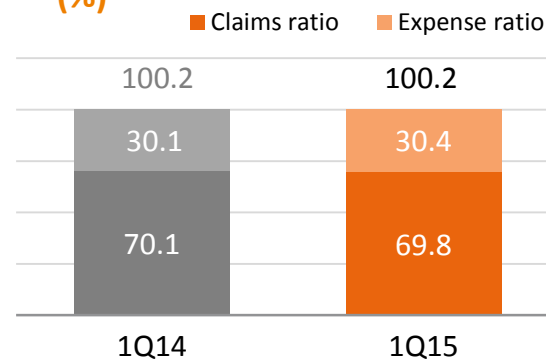
Operating result before tax
(EUR mln)



Administrative expenses¹
(EUR mln)



Combined ratio¹
(%)

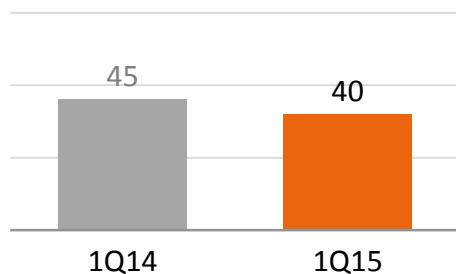


- Improved operating result in D&A driven by EUR 9 mln positive impact from an IBNR update related to better than expected recovery experience; combined ratio of D&A improved to 92.6%
- P&C operating result in 1Q15 impacted by EUR 12 mln of large claims and weather-related claims, both in Fire; combined ratio P&C up at 106.5%
- Total combined ratio stable at 100.2%

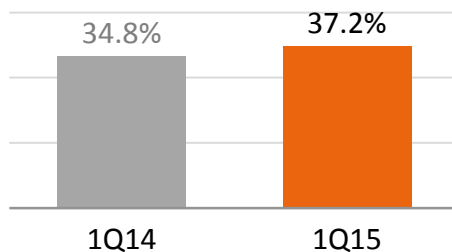
1. Excludes Mandema and Zicht broker businesses

Insurance Europe

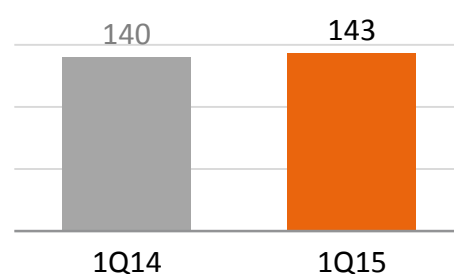
Operating result before tax
(EUR mln)



Cost-income ratio
(%)



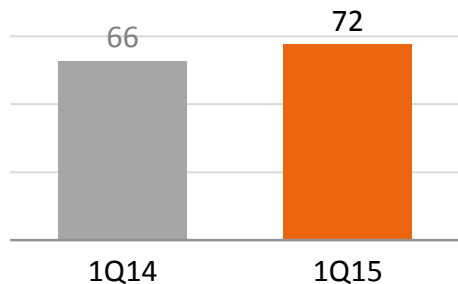
New sales (APE)
(EUR mln)



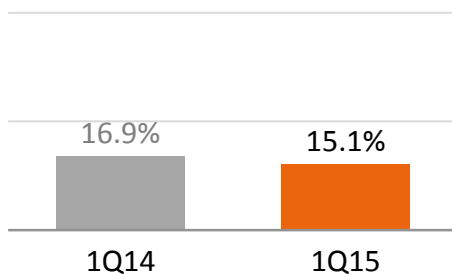
- Operating result down, mainly reflecting lower investment margin and the impact of pension reforms in Poland
- Cost-income ratio deteriorated on lower income and higher project expenses
- New sales (APE) broadly stable, excluding currency effects, as higher life sales of protection products were offset by lower pension sales

Japan Life

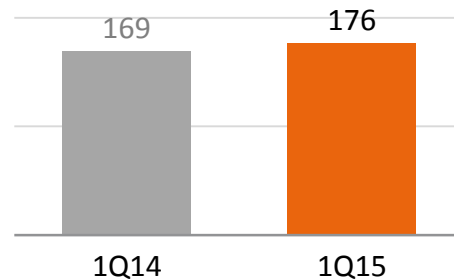
Operating result before tax
(EUR mln)



Cost-income ratio
(%)



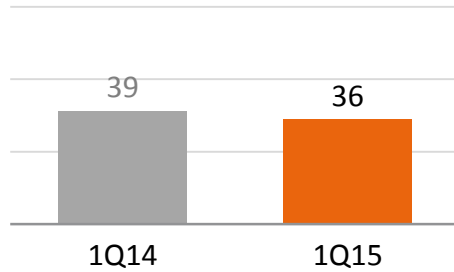
New sales (APE)
(EUR mln)



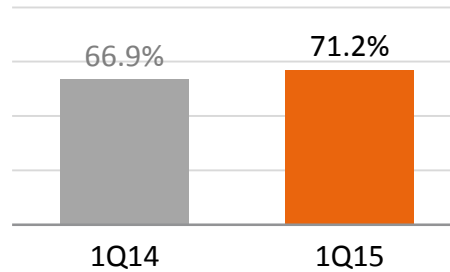
- Increased operating result reflecting higher fees and premium-based revenues, partly offset by higher DAC amortisation and trail commissions
- Cost-income ratio improved on higher income and lower expenses, mainly due to a one-off pension liability release in 1Q15
- New sales (APE) broadly at same level as 1Q14, at constant currencies

Investment Management

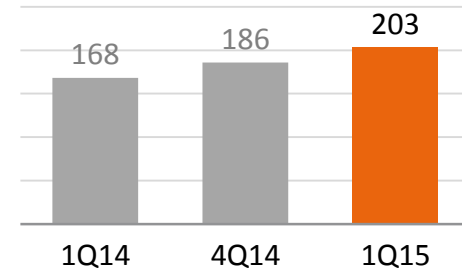
Operating result before tax
(EUR mln)



Cost-income ratio
(%)



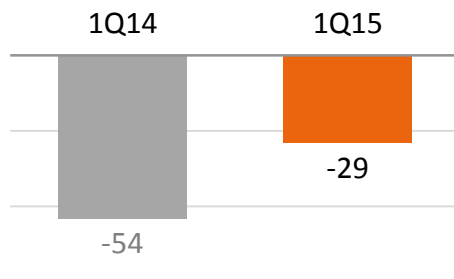
Assets under Management
(EUR bln, end of period)



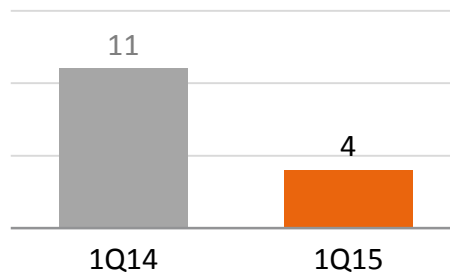
- Assets under Management higher at EUR 203 bln driven by strong market performance and net inflows in Third Party, offset by a combined net outflow in Proprietary and Other Affiliated business
- Operating result down as 1Q14 benefitted from EUR 10 mln non-recurring items; higher fee income offset by higher expenses
- Fees up 5.9% on higher AuM
- Administrative expenses up 12.7%, due to higher staff-related expenses, IT and market data expenses

Other

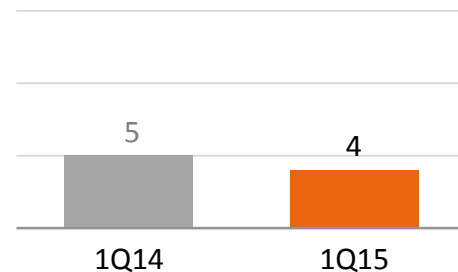
Holding - Operating result before tax (EUR mln)



Reinsurance - Operating result before tax (EUR mln)



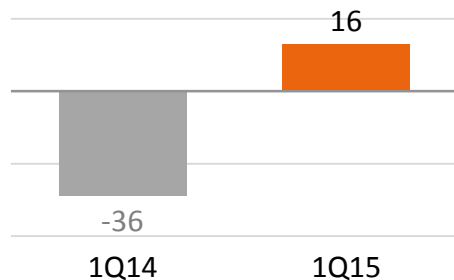
NN Bank - Operating result before tax (EUR mln)



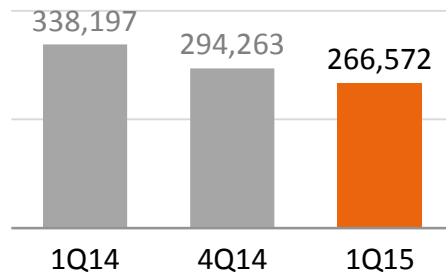
- Operating result of the segment Other improved from EUR -31 mln to EUR -20 mln
- Improved 1Q15 holding result mainly due to lower holding expenses, lower funding costs and higher investment income
- Operating result of reinsurance decreased versus strong results in 1Q14 on a specific contract
- NN Bank operating result decreased slightly reflecting higher interest result offset by higher expenses
- NN Banks' mortgage portfolio increased to EUR 8.6 bln

Japan Closed Block VA

Result before tax
(EUR mln)



Number of policies
(end of period)



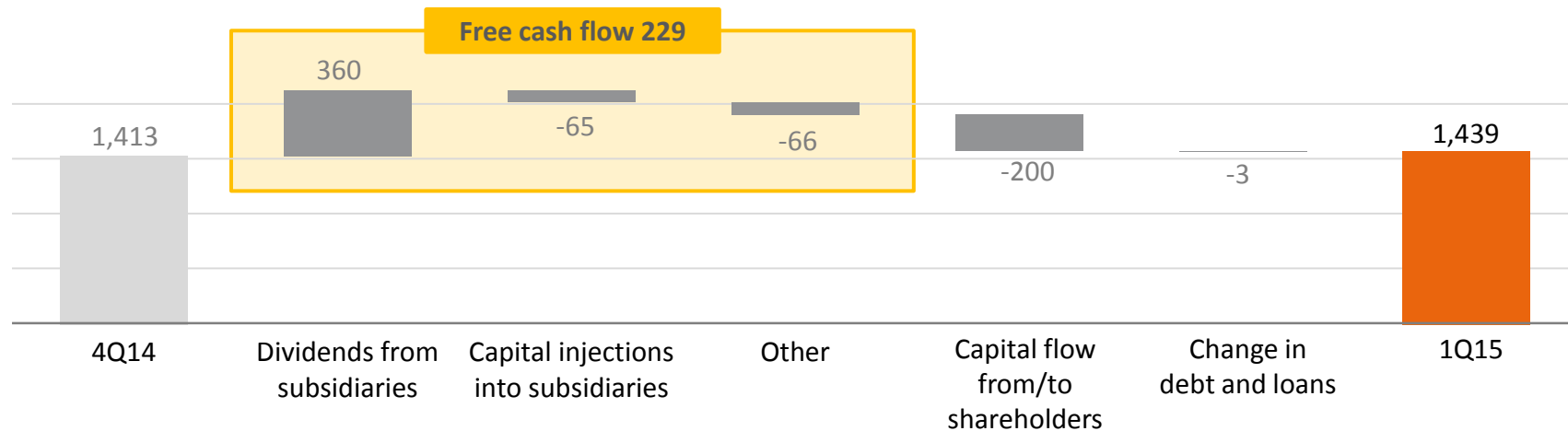
Account value, NAR and IFRS
reserves (end of period)

	1Q14	4Q14	1Q15
Account value (EUR bln)	14.2	13.2	13.6
NAR (EUR mln)	870	133	98
IFRS reserves (EUR mln)	1,267	556	517

- Result before tax improved to EUR 16 mln, as 1Q14 included a EUR 51 mln negative impact of modelling refinements
- Number of policies down 9.4% compared with 4Q14 as portfolio continues to run off
- Net Amount at Risk decreased to EUR 98 mln, primarily driven by equity markets appreciation

Free cash flow

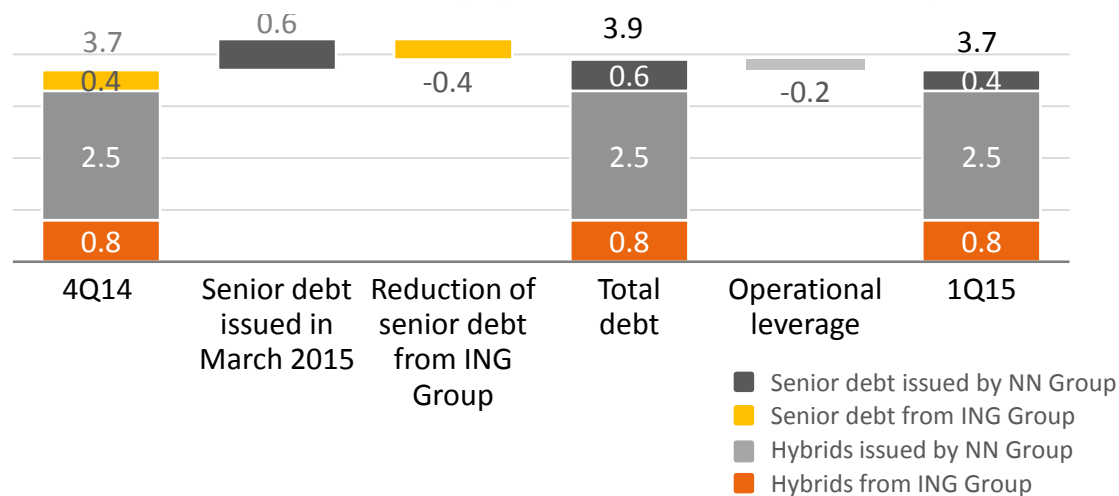
Movement in holding company cash capital in 1Q15 (in EUR mln, end of period)



- Free cash flow at the holding company is the change in cash capital position, excluding capital transactions with shareholders and debtholders
- Free cash flow at the holding company of EUR 229 mln in 1Q15 mainly due to EUR 350 mln dividend from NN Life
- Other includes EUR 34 mln (after tax) annual coupon on undated subordinated notes payable in July 2015
- Share buy-back of EUR 200 mln as part of ING sell-down in February 2015

Financial leverage

Movement in financial leverage position (in EUR bln, end of period)



Financial leverage ratio and fixed-cost coverage ratio (end of period)

	1Q14	4Q14	1Q15
Financial leverage ratio	26.9%	23.2%	22.1%
Fixed-cost coverage ratio	5.6x	9.9x	11.8x

- EUR 600 mln senior debt raised in March used to repay EUR 400 mln in senior debt from ING and to provide EUR 200 mln to NN Bank by way of operational leverage
- Financial leverage ratio improved to 22.1%
- Fixed-cost coverage ratio (on a last 12-months basis) further improved to 11.8x, mainly due to increased result before tax

Wrap-up

Lard Friese, CEO

Wrap-up

- NN Group reports strong operating result ongoing business of EUR 304 mln for 1Q15
- Cost reduction programme on track; administrative expenses down EUR 164 mln compared with 2013
- Strong capital position; IGD ratio 335%

Q&A

Lard Friese, CEO

Delfin Rueda, CFO

Doug Caldwell, CRO



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 2014 NN Group Consolidated annual accounts.

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 detailed in the Risk Factors section contained in recent public disclosures made by NN Group and/or related to NN Group.

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