



First quarter 2017 results

18 May 2017



Highlights

Lard Friese, CEO



Highlights

Operating result

EUR 406m

(1Q16: EUR 305m)

Net result

EUR 435m

(1Q16: EUR 270m)

Net Operating ROE

9.9%

(1Q16: 8.6%)

Holdco cash capital

EUR 3.0bn

(4Q16: EUR 2.5bn)

Solvency II ratio

238%

(4Q16: 241%)

Pro-forma 'combined'
Solvency II ratio

~180%¹

- Operating result up 33%, driven by higher results in all segments
- Further cost savings of EUR 14m in the Netherlands bringing expense base down to EUR 748m
- Strong commercial momentum: APE up 28% from 1Q16 on a constant currency basis; net third party inflows of EUR 2.1bn at Asset Management; EUR 1.1bn of mortgage production at NN Bank
- Strong capital position: NN Group Solvency II ratio at 238%; holding company cash capital at EUR 3.0bn

Continued focus on delivering an excellent customer experience



Transparent products and services

- NN Life's premium pension institution (PPI) reached EUR 1bn of AuM
- NN Bank launched Brickler, an innovative App allowing house buyers to simultaneously search for properties, calculate their budget and compare mortgage proposals



Other events

- NN has invested in OptioPay, a fintech company which has developed an innovative business model that allows consumers to convert incoming payments into higher value products, services or vouchers



Multi-access distribution

- NN Poland launched new innovative IT platform for banks, reducing the time-to-market for new products
- NN Spain launched a Payment Protection insurance product in cooperation with ING Direct



Innovation

- First international innovation labs opened in Hungary and Turkey
- Pilot of 'Gappie', a unique App offering on-demand car insurance based on use of a car, instead of ownership

The combination with Delta Lloyd is strategically and financially compelling

An improved **customer proposition** within the **Dutch pension market** and increased **scale**

Doubling the presence in **Belgium**

Better placed to capture opportunities that **technological innovation** brings

Doubling the size of the **Non-life insurance** business

Increased **size and scale** of the **banking business**

Increased possibilities for **knowledge sharing, strengthening capabilities, and talent management**

Acceleration of the **asset management** strategy

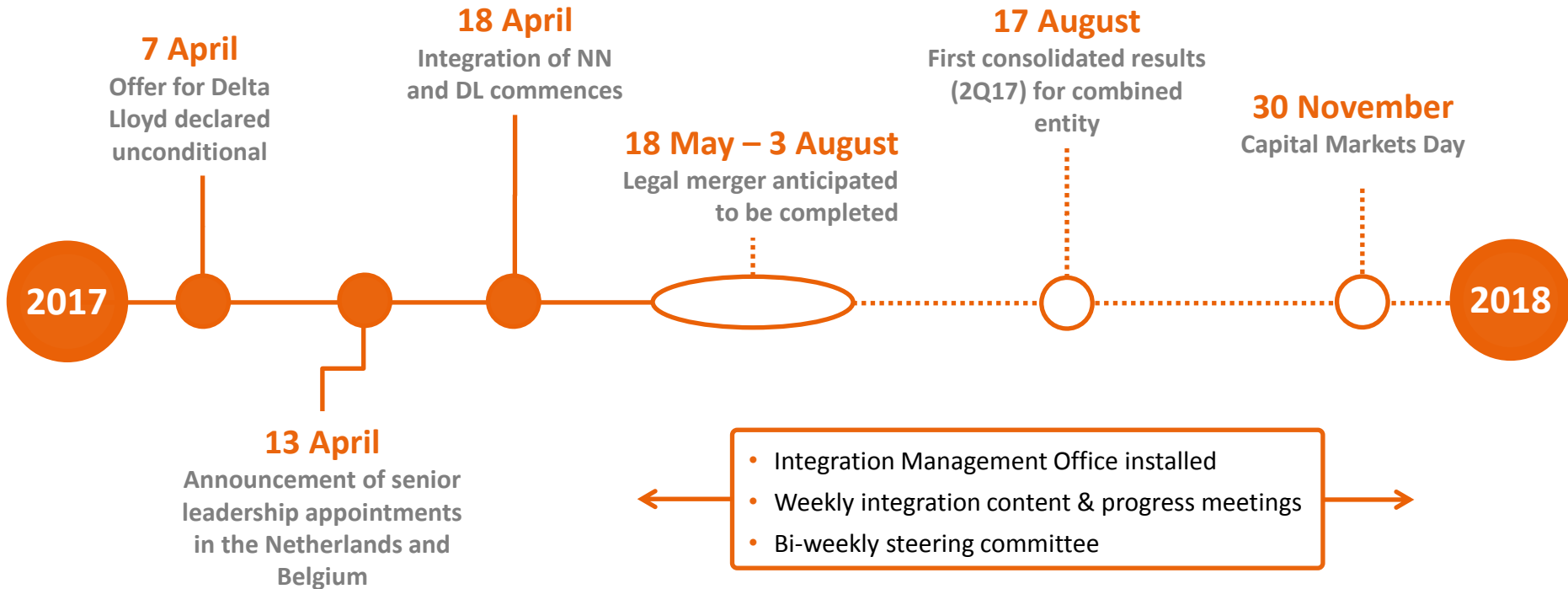
Strengthening **distribution** capabilities



Prospects for **growth**, and **opportunities** for the employees of both companies

- Expected pre-tax cost synergies of EUR 150m by 2020 across the businesses
- Expected increase of free cash flow available to shareholders of EUR 100–150m initially, rising to EUR 250–300m per annum by 2020
- Double digit increase in dividend per share anticipated for 2018

Integration process launched



We continue to prioritise a strong balance sheet

- Pro forma balance sheet of the combined entity remains strong
 - Pro-forma 1Q17 Solvency II ratio estimated at approximately 180%¹
 - Pro-forma 1Q17 cash capital estimated at EUR 1.9bn²
- Financial leverage actively managed
 - Fonds NutsOhra transaction has led to EUR 405m reduction of notional debt
 - Strong free cash flow generation provides optionality
- Government bond spread sensitivity reduced in 1Q17 through management actions



1. Pro-forma 1Q17 Solvency II ratio of NN Group including Delta Lloyd, includes among other items the cost of acquiring Delta Lloyd, estimates for actuarial assumptions alignment, initial capital synergies, restructuring costs, and the Fonds NutsOHRA transaction

2. Pro-forma 1Q17 holding company cash capital of NN Group including Delta Lloyd, taking into account the cash settlement for the Delta Lloyd ordinary shares in April 2017, debt financing, repayment of operating leverage by NN Bank to the holding company, and the repayment of the subordinated notes in May 2017

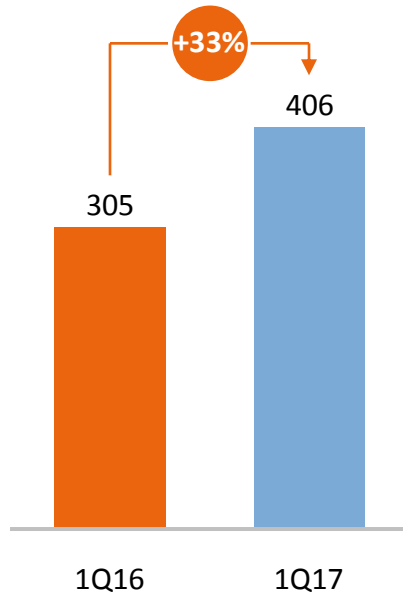
1Q17 results

Delfin Rueda, CFO

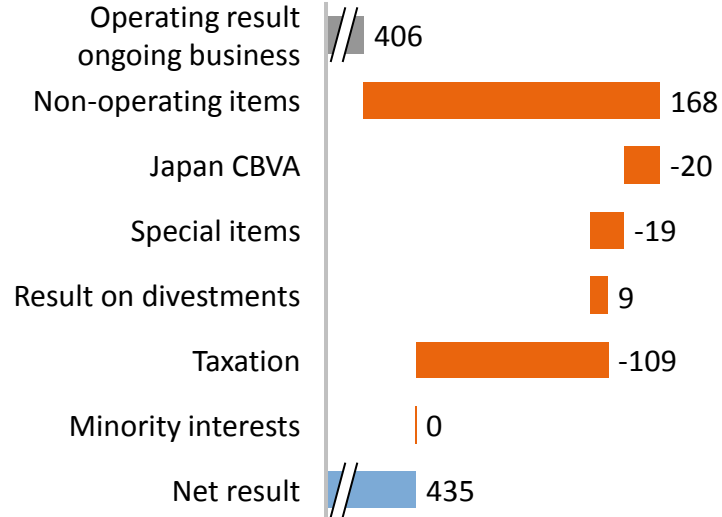


1Q17 Operating result and Net result

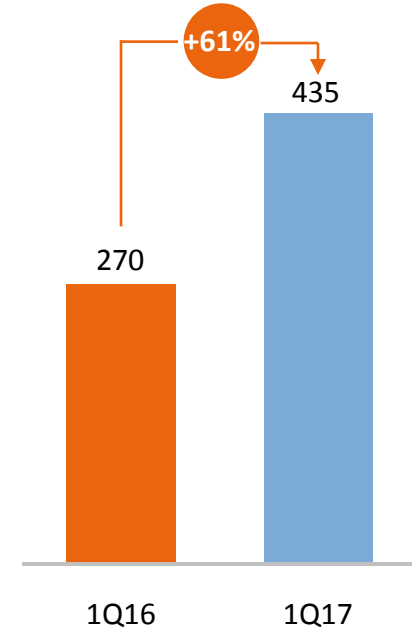
Operating result ongoing business (in EURm)



Operating result to Net result (in EURm)

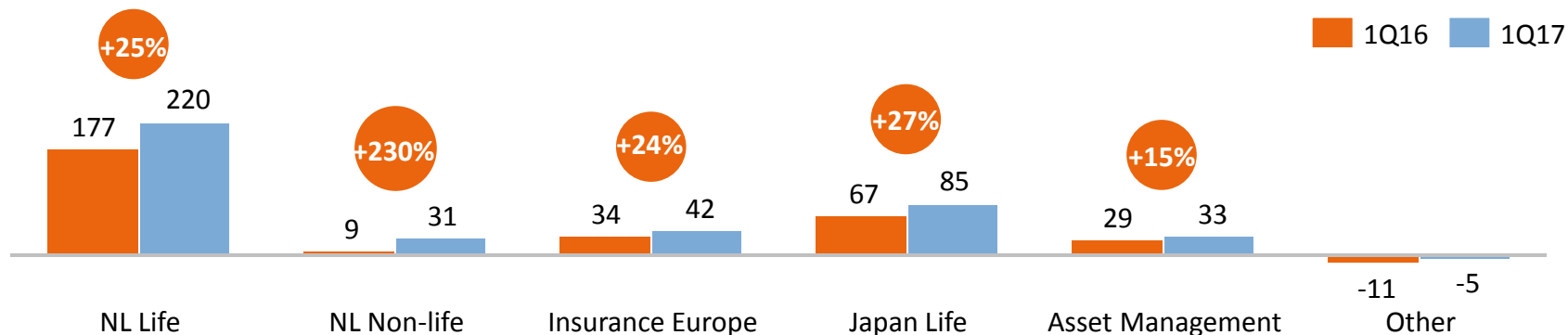


Net result (in EURm)



All segments show operating result growth

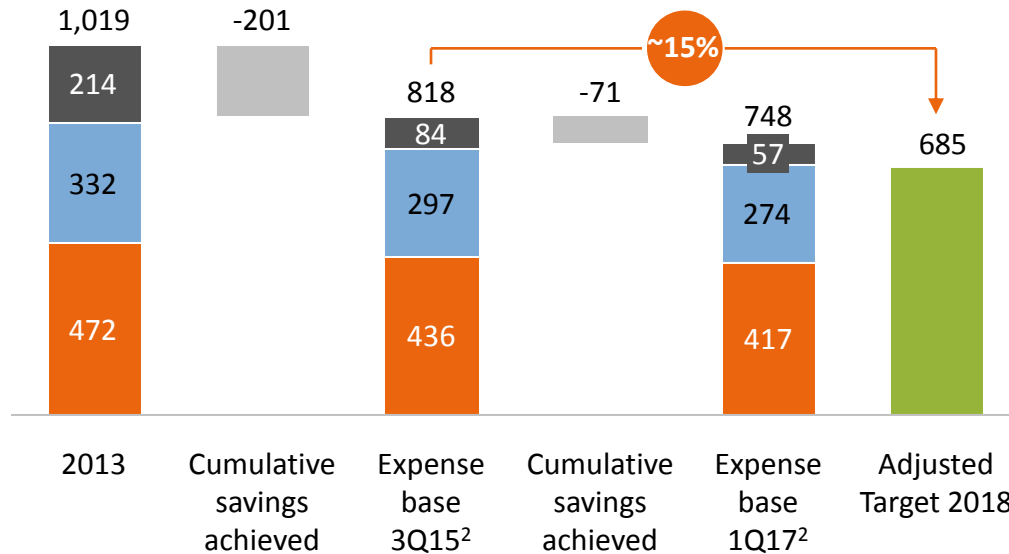
Operating result by segment (in EURm)



- **Netherlands Life:** Operating result up on higher technical margin and lower expenses; investment spread¹ decreased to 116bps
- **Netherlands Non-life:** Operating result up driven by favourable results in D&A; combined ratio 99.7%
- **Insurance Europe:** Operating result up reflecting higher fees and premium-based revenues; APE up 29%²
- **Japan Life:** Operating result up reflecting higher fees and premium-based revenues and technical margin, partially offset by higher expenses; APE up 31%²
- **Asset Management:** Operating result up reflecting higher fees partly offset by higher expenses; AuM EUR 194bn; third-party asset inflows of EUR 2.1bn
- **Other** Operating result improved to EUR -5m, supported by a higher NN Bank result of EUR 24m, offset by a lower holding result

Focus on efficiency to reduce the expense base

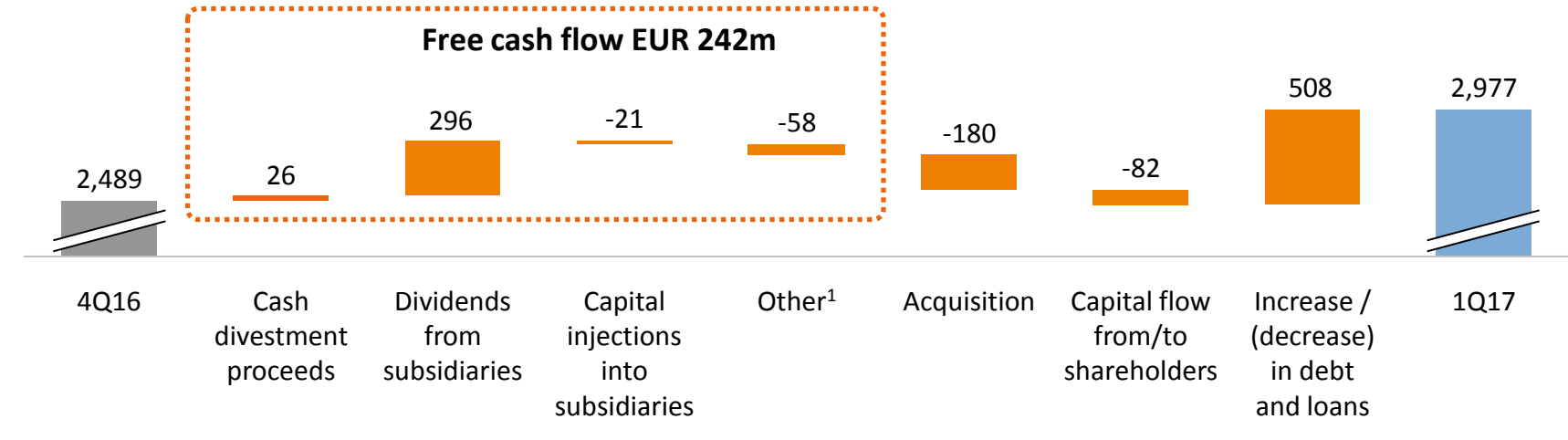
Target administrative expense base in the Netherlands¹ of EUR 685m by 2018 (in EURm)



	Cost savings		
	3Q15-4Q16	1Q17	Total
■ Holding	30	-3	27
■ NL Non-life	17	7	24
■ NL Life	10	9	19
	57	14	71

Free cash flow 1Q17

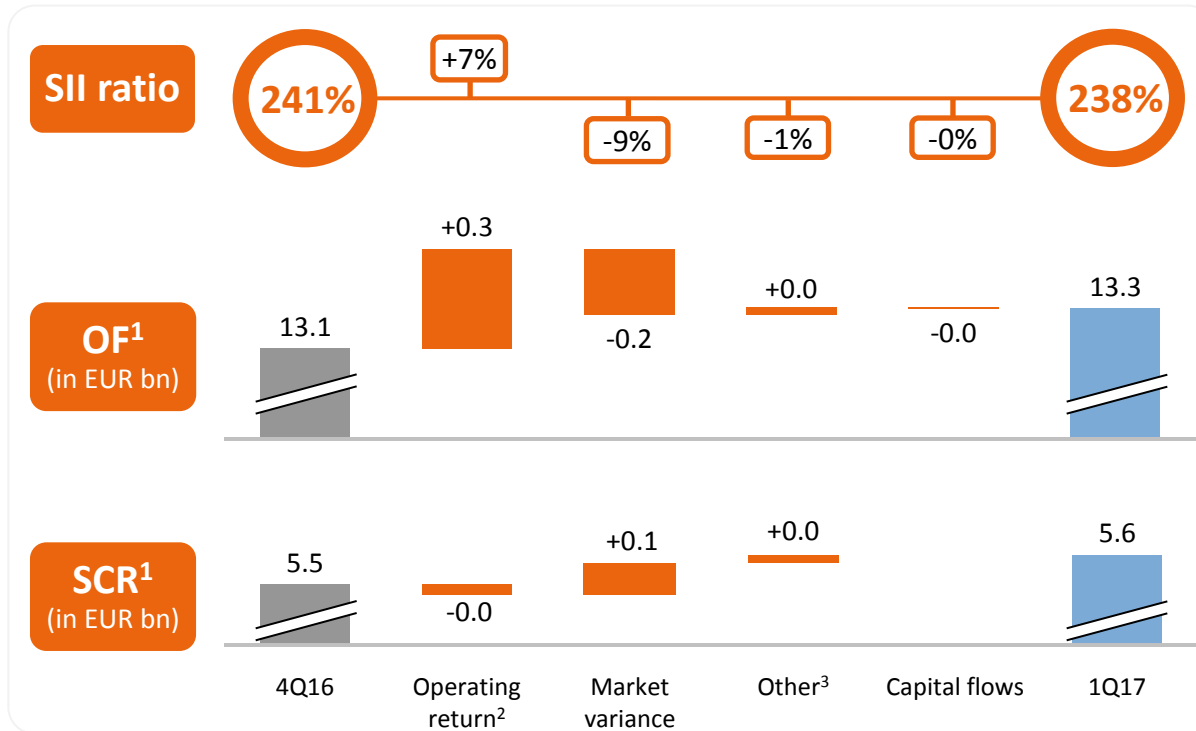
Movement in holding company cash capital (EURm)



- Cash capital position increased to EUR 3.0bn in 1Q17, driven by free cash flow, the issuance of EUR 500m senior notes, partly offset by EUR 180m for the acquisition of Delta Lloyd shares in February and EUR 82m for the amount of NN shares repurchased in 1Q17
- Free cash flow of EUR 242m includes EUR 296m of dividends received, mainly from the Dutch insurance units

1. Includes holding company expenses and other cash flows

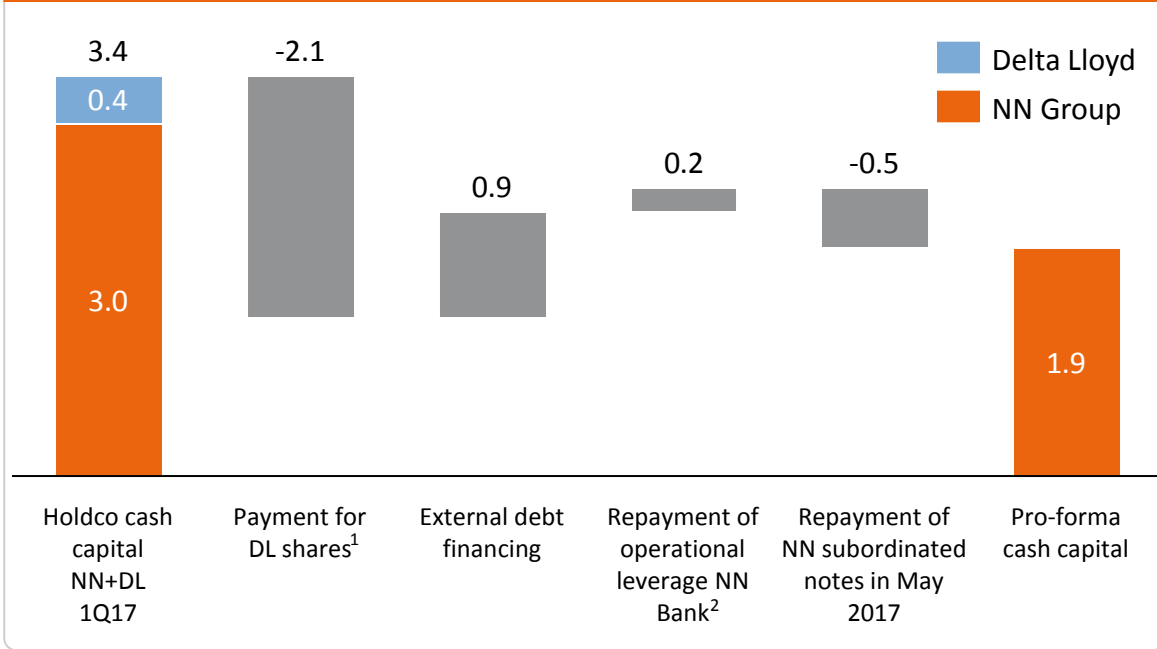
Solvency II movement 1Q17



- Solvency II ratio slightly decreased reflecting market variance, partly offset by operating return
- Market variance mainly due to higher credit spreads on French government bonds and an increase in the SCR reflecting higher equity risk, partly offset by positive equity revaluations
- Operating return includes the impact in Own Funds of the shift from SA to GA (EUR 55m)
- Government bond spread sensitivity (+50 bps) reduced to ~-25%-points in 1Q17 due to management actions

Pro-forma capital for the combined entity

Pro-forma combined holding company cash capital at 1Q17 (in EUR bn)



Pro-forma capital for the combined entity at 1Q17

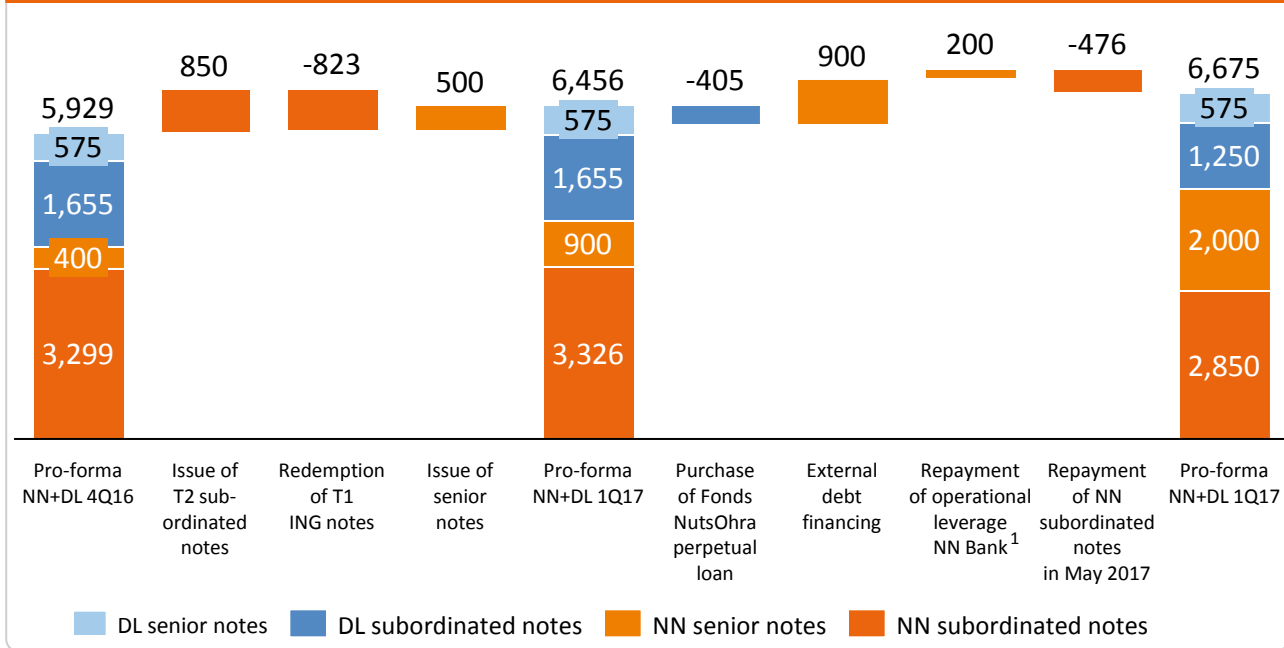
- Pro-forma Solvency II ratio estimated at ~180% includes, among other items, the cost of acquiring Delta Lloyd, estimates for actuarial assumptions alignment, initial capital synergies, restructuring costs, and Fonds NutsOHRA transaction
- Pro-forma cash capital position of EUR 1.9bn above our EUR 0.5-1.5bn target range; before deduction of 2016 final dividend, restructuring costs, potential capital injections into subsidiaries, as well as dividends to be received from subsidiaries



1. Consists of EUR 2.1bn cash settlement for the Delta Lloyd shares in April 2017
 2. Repayment of EUR 0.2bn operating leverage by NN Bank to the holding company in April 2017

Pro-forma combined financial leverage

Pro-forma combined financial leverage at 1Q17 (notional, in EURm)



Pro-forma financial leverage at EUR 6,675m

- Pro-forma notional leverage increases due to deal financing, partly offset by Fonds NutsOhra loan restructuring
- Strong free cash flow generation provides optionality for further reducing leverage, such as EUR 575m DL senior maturing in November 2017

1. Repayment of EUR 200m operating leverage by NN Bank to the holding company in April 2017

Wrap up

Lard Friese, CEO

Key takeaways

- 1 Strong operating performance, with all segments contributing to 33% increase in operating result ongoing business
- 2 Further cost savings in the Netherlands of EUR 14m in 1Q17, bringing annual expense base down to EUR 748m
- 3 Strong capital position: Solvency II ratio at 238%; holding company cash capital at EUR 3.0bn; free cash flow to holding company of EUR 242m
- 4 Delta Lloyd acquisition successfully completed; integration of the two companies underway
- 5 We continue to take actions to maintain a strong balance sheet

Q&A

Lard Friese, Delfin Rueda, Jan-Hendrik Erasmus

Appendix

Dividends upstreamed

Dividends upstreamed by segments/subsidiaries (EURm)

	1Q17	2016	2015
Netherlands Life ¹	160	642	807
Netherlands Non-life	-	154	93
Insurance Europe ²	13	251	227
NN Japan Life	-	80	74
Asset Management	-	93	90
NN Re Netherlands	50	250	185
Other ¹	73	140	73
Total	296	1,611	1,548



1. Includes interest on subordinated loans provided to subsidiaries by the holding company

2. Refers to Insurance Europe entities' consolidated totals excluding Czech Life insurance business (branch of NN Life)

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 2016 NN Group Consolidated Annual Accounts, except as indicated in Note 1 of the 31 March 2017 Condensed consolidated interim accounts.

All figures in this document are unaudited. Small differences are possible in the tables due to rounding. Certain of the statements in this document 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 eurozone, (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 and/or related to NN Group.

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