delta lloyd groep

Press release Amsterdam, 3 March 2011

Strong result for 2010 underscores robust position of Delta Lloyd Group

Commercial success; Gross written premium up 8%

- **Gross written premiums rose organically by 8% to € 4.8 billion (2009: € 4.5 billion); including Germany, gross written premiums totalled € 5.2 billion**
- **Life written premiums in Belgium increased by 36%**
- **Asset Management: net new assets of € 762 million**
- **Growth in *banksparen* continued: savings balances more than doubled to € 715 million (2009: € 297 million)**

Simplification of organisation: costs down 5%

- **Operating expenses again lower and well below target at € 924 million (2009: € 976 million)**

Strong development of results (up 15%)

- **Operational result after tax and non-controlling interests: up 15% to € 422 million**
- **Result before tax and non-controlling interests: € 1,457 million (2009: € -124 million) before additional strengthening of longevity provision**
- **Additional strengthening of longevity provision: € 422 million net (€ 566 million before tax)**
- **Result after tax and non-controlling interests: € 621 million**

Final dividend[1] € 0.60 per ordinary share; total dividend for 2010: € 1.00 (2009: € 0.50)

Equity (up 19%) and solvency demonstrate financial strength

- **Shareholders' funds grew by 19% to € 4.6 billion**
- **91% tangible assets**
- **IGD Group solvency stable at 199% (2009: 201%)**

Executive Board Chairman **Niek Hoek**: "This performance reflects our solid market position. Our operational result and shareholders' funds showed robust growth, while our solvency remained stable and well above target. Our immediate full provision for the increased longevity risk creates a healthy basis for our results going forward. It is good for our customers and shareholders to see that we are genuinely committed to achieving cost reductions and quality improvements. With our advanced risk management and marked-to-market balance sheet, it is clear where we stand. We are a sustainable financial services provider committed to delivering security and achieving solid progress. Our performance in 2010 reaffirms this."

[1] Proposal subject to approval by the General Meeting of Shareholders.

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Delta Lloyd Group preliminary results for 2010

Key figures

(in millions of euros, unless otherwise stated)	*2010*	*2009*	*Change*
Operational result after tax and non-controlling interests	422	366	15%
Result (IFRS) before tax and additional strengthening of longevity provision	1,457	-124	n.a.
Result (IFRS) before tax	891	-124	n.a.
Result (IFRS) after tax and non-controlling interests	621	-124	n.a.
Gross written premiums (excluding Germany)	4,829	4,486	8%
Shareholders' funds (excluding non-controlling interests)	4,621	3,892	19%
Operating expenses	924	976	-5%
New Business Margin Life	1.0%	1.6%	-60pp
Life European Embedded Value	4,736	n.a.	n.a.
Group European Embedded Value	4,799	n.a.	n.a.
COR	98.0%	98.3%	-31pp

Key figures per Delta Lloyd ordinary share

(in euros)	*2010*
Closing price on 31 December 2010	15.09
Shareholders' funds	27.86
Result (IFRS) after tax and non-controlling interests	3.75
Operational result after tax and non-controlling interests	2.54
Group European embedded value	28.93
Proposed dividend (of which € 0.40 already paid as interim dividend)	1.00

Operational and financial objectives were formulated at the time of the initial public offering of Delta Lloyd Group. The table below shows the realisation of the set objectives in 2010.

Operational and financial objectives

	Result 2010	*Objective*
Life new business[2]		
Individual life insurance	-0.2%	> 2%
Group life Insurance	1.9%	> 1%
General insurance		
Combined ratio across the cycle	98.0%	≤ 98%
Efficiency		
Target operating expenses 2010 (in millions of euros)	924	< 950
Shareholder return		
Operational return on equity	10.8%	8-12%
Dividend pay-out ratio[3]	40%	40-45%
Capitalisation		
Delta Lloyd Group regulatory solvency	199%	> 160-175%

2 Excluding Germany.

3 This ratio is based on the percentage of dividend to be paid out in any one year, as set out in the dividend policy.

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DELTA LLOYD GROUP IN 2010

1. Commercial success

- **Gross written premiums rose organically by 8% to € 4.8 billion (2009: € 4.5 billion)**
- **Life written premiums in Belgium increased by 36%**
- **Asset Management: net new assets of € 762 million (2009: € 449 million)**
- **Growth in *banksparen* continued: savings balances more than doubled to € 715 million (2009: € 297 million)**

Delta Lloyd Group can look back on a commercially strong year. Gross written premiums (excluding Germany[4]) rose organically by 8% to € 4.8 billion in 2010 (2009: € 4.5 billion). Once again, strong growth in written premiums was achieved in Belgium in the personal and corporate markets, partly thanks to the acquisition of a large pension contract. Net new assets under management advanced 69% to € 762 million (2009: € 449 million). *Banksparen* remained extraordinarily popular, rising by a net amount of € 418 million to € 715 million in 2010 (2009: € 297 million). The fee income for investments also moved higher. The market share in mortgage origination increased slightly in the Netherlands, thanks to a commercially very successful fourth quarter.

[4] Gross written premiums in Germany: € 399 million (2009: € 579 million).

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The new business margin was 1.0% (2009: 1.6%). Group pension insurance and term life insurance made particularly positive contributions. The COR of the general insurance business improved slightly to 98.0% compared to the end of 2009 (98.3%), despite higher damages in the first and last quarter of 2010 due to major fires and the severe winter weather (slippery roads, flooding).

2. Strong development of results

- **Result before tax and non-controlling interests: € 1,457 million (2009: € -124 million) before additional strengthening of longevity provision**
- **Operational result: up 15% to € 422 million, partly due to high performance fees at Asset Management**
- **Healthy basis for future results**

The result developed positively. The operational result after tax and non-controlling interests increased to € 422 million (2009: € 366 million). The IFRS result before tax and non-controlling interests rose to € 891 million (2009: € -124 million). This includes an additional strengthening of the longevity provision (€ 422 million after tax) to make immediate and full provision for the expected higher longevity risk. This risk is due to the increased life expectancy of the Dutch population for the entire portfolio. The performance fees showed a strong rise due to Asset Management's good investment results. This was an important contributing factor to the higher operational result. Interest rate movements also had a positive impact.

Benefited from development of interest rates

Falling interest rates in the first half of 2010 led to a high revaluation of the fixed-income investments and of the derivatives held for hedging the interest rate risk on the insurance liabilities. This effect was partly mitigated in the second half of the year when Delta Lloyd Group benefited from the higher interest rates: it effectively anticipated this development through a tactical adjustment to the use of derivatives for hedging the interest rate risk.

The yield curve Delta Lloyd Group uses to measure the majority of its insurance liabilities is derived from AAA-rated collateralised eurozone bonds. As a consequence of rising interest rates in the second half of the year, Delta Lloyd Group adjusted its provisions downwards by about € 1 billion, while the depreciation of the fixed income portfolio in that same period was limited due to sound risk management.

The market is in a state of uncertainty about the AAA creditworthiness of some of the bonds included in the AAA collateralised bonds curve. If, for instance, the credit rating of certain Spanish bonds ('cedulas') is reduced below AAA, this could have a significant effect on the curve. In addition, in this case the spread between the ECB AAA curve and the AAA collateralised bonds curve is also expected to narrow. Any decrease in this spread would have a negative impact on the IFRS result before tax.

The value of the equity portfolio generally increased in 2010, which had a positive effect on the development of shareholders' funds. Only the realised revaluation is recognised in the income statement. The unrealised revaluation of the equity portfolio (€ 321 million) therefore only contributes to the increase in shareholders' funds and not to the increase in the IFRS result before tax.

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The above again underlines the volatility of IFRS results where interest rate and valuation effects play a major role. This is one reason why Delta Lloyd Group considers the operational result and shareholders' funds – in which all equity movements are taken into account – more relevant measures of its performance. The operational result after tax and non-controlling interests increased by 15% to € 422 million and shareholders' funds rose by € 730 million (+19%) to € 4.6 billion.

The main reasons behind the substantial difference with the pre-tax result for 2009 were the outperformance of the investment portfolio, the increase in the AAA collateralised bond curve in 2010 and the impairments that were taken in 2009 due to the impact of lower equity prices.

3. Dynamic risk management

- **Risks and investments dynamically managed**
- **Risks of low interest rates and falling equity markets adequately managed**
- **Upward potential left intact insofar as possible, with profits made on rising interest rates and prices**
- **Balance sheet largely marked-to-market**

Interest rate risk

It is Delta Lloyd Group's long-standing policy to hedge the risk of low interest rates. The derivatives used for this purpose (swaptions) contribute to the positive result. The value of these instruments rose during the first nine months of 2010 due to the falling interest rates and increased volatility. Delta Lloyd Group also managed to benefit from the rising yield curve in the closing months of 2010. This was thanks to a deliberate gradual adjustment to the protection (or overprotection) against low interest rates – as mentioned on 5 August 2010 – towards a position that anticipated a rising interest rate trend. Delta Lloyd Group has largely stated its balance sheet, both investments and liabilities, at fair value since 2005. Investments in government bonds are also stated at fair value. The change in the fair value of such investments is thus almost fully visible in the income statement of Delta Lloyd Group and is automatically recognised in the balance sheet.

Equity risk

Similarly, dynamic hedging has long been applied to cover the equity risk, with protection purchased for the equity portfolio as circumstances are favourable. This therefore protects the equity investments of Delta Lloyd Group against downside risks, while preserving the upside potential as far as possible. As a result, the equity portfolio could be maintained despite the financial crisis and subsequently benefited from the rally in the financial markets. A further beneficial factor is that a large part of the Delta Lloyd equity portfolio consists of '5% interests', which are primarily held in Dutch companies that Delta Lloyd knows well and that have transparent and strong balance sheets. The capital gains and dividends of this portfolio are tax exempt. In the past five years, these 5% interests outperformed the AEX (excluding the tax benefit). The dynamic management of risks and returns is aimed at achieving an optimal return with a controlled risk.

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4. Equity and solvency demonstrate financial strength

- **Shareholders' funds grew by 19%**
- **91% tangible assets**
- **IGD Group solvency stable at 199% (2009: 201%)**
- **IFRS Solvency 313% (2009: 256%)**

Shareholders' funds increased by 19% to € 4.6 billion (year-end 2009: € 3.9 billion), notably due to the unrealised appreciation in the value of equities and the high IFRS result. Over ninety per cent of the equity consists of 'hard' capital (equity excluding e.g. goodwill and acquired value of in-force).

The development of shareholders' funds was stable compared to the third quarter of 2010, but includes the additional strengthening of the longevity provision (€ 422 million). The regulatory solvency (IGD; measured under the existing solvency system) of Delta Lloyd Group remained stable and worked out at 199% of the required capital (2009: 201%). This includes the effects of the lower ECB AAA yield curve, the payment of dividend (€ 122 million), share buy-backs (€ 23 million) and the net impact of 5 percentage points from the increased longevity risk and future cost savings. The regulatory solvency at year-end 2010 for the supervised insurance activities was strong at an average of 227%.

The bank's BIS ratio declined due to a negative IFRS result, mainly owing to a reorganisation provision in Belgium and the negative result of hedge accounting, but held up well at 11.8% (year-end 2009: 12.3%).

Equity and solvency

(in millions of euros, unless otherwise stated)	*2010*	*2009*	*Change*
Total share capital and reserves	4,621	3,892	19%
of which 'hard' capital *(tangible assets)*	4,199	3,465	21%
Solvency (IGD)	199%	201%	-2pp
Solvency (IFRS)	313%	256%	57pp
BIS ratio	11.8%	12.3%	-0.5pp
Core Tier 1 ratio	9.4%	10.0%	-0.6pp

Funding: conversion of subordinated loan, successful launch of EMTN programme

In the run-up to Solvency II, Delta Lloyd Group converted the original € 500 million subordinated loan from Rabobank into a 30-year subordinated loan (10-year non-callable) in the fourth quarter of 2010. This conversion complied with the latest market standards.

In October 2010, Delta Lloyd Group launched its first Euro Medium Term Note (EMTN) programme. This programme gives the Group efficient and flexible access to working capital, in addition to the customary sources of capital. Under this programme, a total of € 575 million of senior unsecured debt with a seven-year maturity and an interest rate of 4.25% was raised in 2010. Furthermore, € 162 million of short-term finance was raised under the Commercial Paper programme, which was also launched last year. The maximum total financing available under these programmes is € 4 billion.

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Ratings: outlook to 'stable'

On 9 February 2011, Standard & Poor's announced that the 'outlook' of Delta Lloyd's ratings had been changed from 'negative' to 'stable'. The ratings themselves remained unchanged.

As at 9 February 2011: stable outlook	*S&P rating*
Delta Lloyd Levensverzekering NV	A+
Delta Lloyd Schadeverzekering NV	A+
Delta Lloyd NV	A-
Delta Lloyd Treasury BV	A-

5. Customer focus in simplified organisation

- **All brands are awarded Customer-Focused Insurance Quality Label**
- **Timely information about unit-linked insurance cost compensation for the third successive year**

In the current environment, customer focus is more important than ever to secure continuity. The tightening of the strategic focus in 2010 and the simplification of the organisation represent major milestones in this respect. Going forward, the necessity of better service, lower costs and clear products is reflected in the management and structure of the organisation. This enables the Group to respond more quickly and effectively to evolving needs and trends within society. Delta Lloyd Group sees the award of the Customer-Focused Insurance Quality Label for all Delta Lloyd Group brands as recognition that the foundation is solid, but also as a starting point for ongoing improvements in our customer service. The label makes the quality of service provided by insurers visible and verifiable for consumers. Delta Lloyd Group is continuously working on simpler and more transparent products that meet the needs of our customers.

In 2010, Delta Lloyd Group took an active part in the debate on a ban on commission payments for life insurance and mortgage products. The Group is in favour of customer agreed remuneration as this best serves the customer's interests.

Regarding the cost compensation scheme for unit-linked insurance customers, Delta Lloyd Group succeeded in maintaining its information at a high level. In the meantime, all customers with a unit-linked policy have been informed of the compensation scheme and 99% have received an indication of their compensation on maturity date. In the spring of 2011, these customers will receive an indication of their compensation for the third successive year. Delta Lloyd and OHRA do not charge any policy surrender costs for converting unit-linked insurance policies. In mid-2010, Delta Lloyd Group reached agreement with the consumer organisations on an additional scheme for special cases. The implementation of industry-wide cost-capping for defined contribution schemes is also on schedule. Delta Lloyd Group will repay the costs that exceed the maximum limit immediately instead of on maturity date.

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6. Simplification of organisation drives cost savings

- **Operating expenses again lower and well below target at € 924 million (2009: € 976 million)**

Delta Lloyd Group's ambitious cost-saving programme received a strong impulse from the organisational simplification plan. The foundations for further efficiencies and simplification of processes within the organisation have thus been laid. In addition, low expenses are helping to secure the organisation's continuity as it enables dealing with increased competition and price pressure. As in 2009, Delta Lloyd Group achieved the planned cost reductions in 2010 and is thus on schedule for lowering operating expenses by € 100 million in 2012 relative to the target for 2010.

Expenses

(in millions of euros)	*2012*	*2011*	*2010*	*2009*	*2008*
Operating expenses (target)	< 850	< 900	< 950	< 1,000	
Operating expenses (actual)			924	976	1,122

7. Tighter strategic focus

- **Overall organisational simplification now in place**
- **Further detailing by division**
- **Radical simplification of processes, systems and communications benefits customer**

In mid-2010, Delta Lloyd Group tightened its 'The Future Secured' strategy to put 'simplicity' at the heart of its business. Accordingly, Delta Lloyd Group is seeking to transform its organisation and customer services through a radical simplification of its processes, systems and communications. Simplicity must lead to lower costs, thereby enabling Delta Lloyd Group to strengthen its financial and commercial position, seize market opportunities and bolster its reputation.

The overall organisational simplification plan is now in place. This has resulted in the formation of a new commercial division that is responsible for the marketing and sales of the Dutch insurance and banking products of Delta Lloyd and OHRA. The commercial activities have been separated from the operational banking and general & life insurance activities. The number of risk bearers has been reduced from 12 to 5 and the number of directors from 52 to 32. ABN AMRO Insurance will work intensively with the commercial division and pursue further sharing of the back office activities with the Life Insurance and General Insurance divisions.

In 2011, the simplification drive will be continued at divisional level, where the sharing of knowledge and information, the reduction in the number of systems and a new collaborative approach will translate into a stronger customer focus, greater transparency and lower costs. The number of employees will also decrease further through natural attrition, notably at Commerce, Life and General.

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One other consequence of the simplification is that Delta Lloyd Group will concentrate on its three strong brands. The niche activities of iZio, Eve & co and Nationale are to be wound down and discontinued in 2011. Furthermore, Delta Lloyd Bank has transferred its non-controlling interest in the Hypodomus holding company to the management. These activities were not sufficiently profitable.

Onno Verstegen to join the Executive Board

As announced earlier, the Delta Lloyd Group Supervisory Board intends to appoint Onno Verstegen to the Executive Board. He will succeed Henk Raué, who will be stepping down on 1 April 2011, having reached the retirement age for Delta Lloyd Group Executive Board members. Onno Verstegen was chairman of Delta Lloyd Insurance until 31 December 2010. The Supervisory Board will notify the shareholders of the proposed appointment of Onno Verstegen at the next General Meeting on 20 May 2011. Onno Verstegen started his duties on 1 January 2011.

8. Reduction in average number of employees

The average number of employees (in FTE) decreased to 6,665 in 2010. The reduction was partly due to the redundancy of about 200 employees at Delta Lloyd Germany, which was done in agreement with the trade unions. The number of permanent employees also decreased at the other units of Delta Lloyd Group.

Average number of employees

(in FTE)	*2010*	*2009*
Total number of employees	**6,665**	**6,994**
Permanent	6,080	6,343
Temporary	585	650

Delta Lloyd Group and the trade unions reached an agreement on a new CAO running from 1 December 2010 to 1 January 2012. The most important arrangements concern a salary increase of 1.25%, harmonisation of the pension plan, attention to diversity and increased flexibility. It was previously already agreed that, starting from 2011, the pension indexations would be paid from the returns on the pension plan assets and no longer by the employer.

9. Dividend proposal

Based on the achieved operational result after tax and non-controlling interests, Delta Lloyd Group proposes to pay out a dividend for the fiscal year 2010 of € 1.00 per ordinary share or in total € 167.2 million, from the share premium account. The total interim dividend made payable for 2010 was € 0.40 per share or € 66.7 million. This means that the final dividend for 2010 amounts to € 0.60 per share or € 100.5 million. The shareholder can elect to have the dividend paid out either wholly in cash or wholly in shares. The stock dividend will have approximately the same value as the cash dividend and will be charged to the share premium account. If no choice is indicated, the dividend will be paid out in cash. The dividend made payable for full-year 2009 was € 0.50 per share or € 82.8 million.

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Dates for 2010 final dividend

24 May 2011	Ex-dividend date
26 May 2011	Record date
27 May 2011	Start of dividend election period
9 June 2011	End of dividend election period
17 June 2011	Dividend payment date

10. Sustainable success

- **Delta Lloyd Group Foundation promotes financial self-reliance**
- **Ambition: inclusion in Dow Jones Sustainability index in 2012**
- **Integrated financial and sustainability report online on 7 April**

Delta Lloyd Group: the Future Secured. This pledge entails a responsibility to safeguard the group's continuity through sound and prudent entrepreneurship. Delta Lloyd Group sees commercial success and sustainable entrepreneurship as inextricably linked. The essence is to do the right thing: what is good for our customers is good for us and for our stakeholders. To reflect the close relationship between sustainable and successful entrepreneurship, Delta Lloyd Group will publish an integrated annual report this year (on 7 April), reviewing both the financial results and the sustainability activities. In addition, Delta Lloyd Group has stated the ambition of being added to the Dow Jones Sustainability Index in 2012, while Delta Lloyd Bank was included in the fair banking guide in January 2011. These steps offer both transparency and reference points for our ambitions.

We also put our financial expertise at the disposal of society, notably via the Delta Lloyd Group Foundation. This foundation promotes financial self-reliance within Dutch society. The foundation's budget of over € 1 million was maintained in 2010, despite our ongoing cost savings. During the year, over 550 employees took part as volunteers in the Foundation's activities.

11. SEGMENTS

A. Life Insurance

- **Life written premiums up 9%**
- **Life operational result 18% higher**
- **Full provision for increased longevity risk**
- **Well-placed in the new Premium Pension Institution (PPI) market with BeFrank**

The life market is under pressure due to the difficult economic environment for entrepreneurs, the funding ratio problems of pension funds (which prevent them from transferring funds to insurers) and the growing preference for banking products over individual life products within the third pillar. Due to the low inflation, pension contracts were not indexed or indexed at a reduced rate, leading to a smaller increase in written premiums. Life generated total gross written premiums, excluding Germany, of € 3.4 billion, 9% higher than in 2009 (€ 3.1 billion).

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In 2010, Delta Lloyd Group acquired major pension contracts to the value of € 396 million (single premiums) in the Netherlands and Belgium. Immediate annuity sales were also buoyant. The amount of new single premiums rose by 8% to € 1.8 billion (2009: € 1.7 billion). However, new annual premiums declined by 3% to € 207 million (2009: € 213 million). New annual premium income (NAPI[5]) increased by 2% to € 390 million (2009: € 382 million).

The operational result rose 18%, partly due to the positive effect of the assumed higher basic interest rate used to calculate the long-term investment return (LTIR). The cost savings are also having the desired effect and are contributing to a higher operational result. Despite a significant strengthening of the longevity provision, Life achieved a high IFRS result after tax and non-controlling interests (€ 610 million; 2009: € -120 million), mainly due to interest rate movements and positive equity market developments.

Longevity provision

In its 2010 half-year report, Delta Lloyd Group indicated that the most recent market data on longevity risk could have a material negative impact on the IFRS result. After studying the various mortality tables published in 2010, Delta Lloyd Group decided to apply the CBS table published on 17 December 2010 for making the best estimate of future cash flows from insurance contracts. Recent demographic developments and adjustments to the forecasting model underlie the new CBS table. Alongside the observed mortality improvement, other relevant information is also taken on board (e.g. medical information) in determining this table (CBS 2010). Based on the CBS 2010 table, Delta Lloyd Group has strengthened the longevity provision as at year-end 2010. For the year 2010, this leads to a one-off negative impact of € 422 million on the IFRS result after tax. The longevity risk is thus provided for in full, while the positive LAT[6] margin (€ 694 million) is maintained. This is in line with Delta Lloyd Group's decision to largely mark the balance sheet to market and entails that in the future there will be no negative impact on the IFRS result and the operational result due to the transition to the CBS 2010 mortality table. The impact on regulatory solvency in combination with the future cost savings is 5 percentage points. This is in line with the expectations issued earlier in 2010.

Life Insurance

(in millions of euros)	***2010***	***2009***	***Change***
Total gross written premiums Life Insurance[7]	**3,350**	**3,063**	**9%**
- Netherlands	2,516	2,448	3%
- Belgium	834	615	36%
NAPI[7]	390	382	2%
Operational result after tax and non-controlling interests	286	242	18%
IFRS result after tax and non-controlling interests	610	-120	n.a.

[5] NAPI consists of 100% of the regular premiums and 10% of the single premiums

[6] Liability adequacy test margin; the difference between the IFRS provision on the balance sheet and the best estimate of the required provision

[7] Excluding Germany

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Delta Lloyd Group is actively working on renewal in the life market. July 2010 saw the launch of BeFrank, a joint venture between Delta Lloyd and BinckBank. BeFrank is a new player in the market for defined contribution group pension schemes whose philosophy and product offerings match the customer's changing needs. In December 2010, the Act on the Introduction of Premium Pension Institutions *(Wet introductie premiepensioeninstellingen)* was adopted by the Upper House of Dutch Parliament, so that the introduction of BeFrank can now get under way.

Delta Lloyd in Belgium

In Belgium, Delta Lloyd Life managed to further expand its market share in the corporate pensions market. This was achieved on the strength of new innovative products while taking advantage of the increased scale following the acquisition of Swiss Life at the end of 2008.

The result after tax in Belgium was € 213 million (2009: € 217 million). Delta Lloyd is seeking to expand in the Belgian market, either organically or through alliances or acquisitions, in line with the Group's strategic parameters.

Delta Lloyd Germany

In March 2010, Delta Lloyd Germany announced that it was stopping the sale of new insurance policies. New business in Germany was limited in 2010 and was not included in the new business of Delta Lloyd Group. Gross written premiums in Germany dropped by 31% to € 399 million (2009: € 579 million). The discontinuation of the sales activities is being carried out with great care and in close consultation with the works council. The process will take some time to complete, but is proceeding according to plan. Due to the reorganisation charge of € 48 million, Germany posted a negative result in 2010.

Embedded value

In keeping with its majority shareholder, Aviva, Delta Lloyd Group will start reporting on the basis of European Embedded Value (EEV) from 1 January 2011. Unlike Market Consistent Embedded Value (MCEV), EEV is based on cash flows to be expected in a real-world environment. This fits in better with the Delta Lloyd Group business model.

LIFE MCEV/EEV

(in millions of euros)	***2010***	***2009***
MCEV on 1 January	**4,224**	**3,445**
Value of new business	*34*	*31*
Value of in-force business	*129*	*486*
Operating earnings (LEOR)	163	517
Exceptional items	-107	0
Asset outperformance	63	163
Capital (re)allocation	86	99
Transition to EEV	306	-
EEV/MCEV on 31 December	**4,736 (EEV)**	**4,224 (MCEV)**

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The introduction of the CBS 2010 mortality tables has a negative impact on the embedded value (notably LEOR). This will be partly compensated by future cost savings.

Value of new business[8]

(in millions of euros, unless otherwise stated)	*2010*	*2009*	*Change*
Value of new business	34	59	-42%
Margin	1.0%	1.6%	-60bp
Total PVNBP[9]	**3,528**	**3,665**	**-4%**
Of which single premiums	**1,857**	**1,708**	**9%**
- Life insurance and savings	140	153	-9%
- Pensions and annuities	1,717	1,555	10%
Of which regular premiums	**1,672**	**1,957**	**-15%**
- Life insurance and savings	369	376	-2%
- Pensions and annuities	1,303	1,581	-18%

B. General Insurance

- **Combined ratio improved: 98.0% (2009: 98.3%)**
- **Gross written premiums up 4% in highly competitive market**

Several major fires and the severe winter weather (slippery roads, flooding) had a negative impact on the combined operating ratio (COR) in the fourth quarter of 2010. However, thanks to good results in the first three quarters, the COR was still lower at 98,0% than in 2009 (98.3%). Competition in the general insurance market remains fierce.
Gross written premiums rose by 4% to € 1.5 billion (2009: € 1.4 billion), largely due to the one-off impact of a change in the administrative processing of premiums relating to underwritten policies[10].

The result after tax and non-controlling interests of the General segment improved by 8%, mainly due to good investment results and successful cost reductions.

8 Based on MCEV and excluding Germany.

9 The Present Value of New Business Premiums (PVNBP) is equal to the single premiums received plus the discounted value of new regular premiums, based on the same principles as used to calculate the value of new business according to MCEV.

10 Through 2009, gross written premiums relating to underwritten policies were recognised with a three-month delay. From the first quarter of 2010, actual written premiums relating to underwritten policies in a particular quarter are recorded in that quarter. Premiums written on underwritten policies in the final quarter of 2009 (€ 43.5 million) have been included in the 2010 figures.

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General Insurance

(in millions of euros)	2010	2009	Change
Total gross written premiums	**1,479**	**1,423**	**4%**
- Netherlands	1,415	1,364	4%
- Belgium	64	59	10%
Operational result after tax and non-controlling interests	89	88	0%
IFRS result after tax and non-controlling interests	120	111	8%

C. Bank

- ***Banksparen*** **balances more than doubled**
- **Mortgage market share in the Netherlands increased marginally**
- **Organisational adjustment in Belgium due to new commercial focus**

The Dutch banking activities contribute to the strategy of Delta Lloyd Group due to the focus on mortgage and *banksparen* products. These products are distributed via the Group's sales channels. Delta Lloyd's leading position in the rapidly growing market for *banksparen* was expanded further in 2010. *Banksparen* balances more than doubled to € 715 million (year-end 2009: € 297 million). Meanwhile, the mortgage market share increased marginally to 2.6% (2009: 2.5%). In Belgium, all products were commercially successful, but the financial results still lagged behind. In light of the changed market conditions, simplification and specialisation were chosen as focus areas in Belgium in 2010.

The underlying result of the bank increased. However, due to reorganisation costs and the negative results on financial instruments (notably hedge accounting) as well as several one-off charges, the result after tax fell sharply to € -33 million (2009: € 10 million).

Hedge accounting

In banking, long-term loans (mortgages, business loans) are often financed with short-term funding (savings balances). This creates interest rate risk exposure. Delta Lloyd Bank manages this risk through interest rate swaps. Under IFRS, these swaps (derivatives) must be restated at fair value through income. Rising interest rates cause the value of the swaps to increase, while falling interest rates have the reverse effect. Accordingly, a significant movement in the long-term yield curve can have a major impact on the IFRS result. This potential volatility is mitigated through hedge accounting, where the value movements of both the swaps and the hedged loans are entered, thus offsetting the net impact of the swaps on the result. However, this was not the case as a result of interest rate movements in the fourth quarter of 2010.

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Bank

(in millions of euros)	2010	2009	Change
Total mortgage portfolio	**15,462**	**14,354**	**8%**
- Netherlands	11,562	10,564	9%
- Belgium	3,900	3,790	3%
Mortgage origination	**1,839**	**2,402**	**-23%**
- Netherlands	1,421	1,470	-3%
- Belgium	418	932	-55%
Savings	**5,939**	**5,671**	**5%**
- Netherlands	2,314	2,244	3%
- Belgium	3,625	3,427	6%
Growth in *banksparen*	418	233	79%
Operational result after tax and non-controlling interests	13	17	-23%
IFRS result after tax and non-controlling interests	-33	10	n.a.

Reorganisation of Delta Lloyd Bank in Belgium: new commercial focus

Delta Lloyd Bank in Belgium plans to reorganise and adjust its ambitions. The past years have shown that a bank of a relatively modest scale that offers a comprehensive product range along the same lines as its larger peers creates insufficient added value.

In addition, the bank has announced a change in its commercial focus in Belgium. The emphasis will be shifted from the volume strategy to the target group of customers who expect extra services and appreciate a personal relationship and individual asset management advice. In pursuing this new focus, Delta Lloyd Bank Belgium will adjust its product portfolio, its branch network and its cooperation with independent intermediaries, while keeping an eye on the interests of its existing customers. A reorganisation charge of € 22 million has been recognised for this adjustment of Delta Lloyd Bank Belgium. In addition, Delta Lloyd Bank will also cooperate more intensively with Delta Lloyd Life as a distribution and marketing partner. This will further raise Delta Lloyd's profile in the Belgian market.

Sale of private banking activities in the Netherlands and Germany

In Germany, Gries und Heissel Bankiers AG was sold in November 2010, yielding a negative result of € 4 million.

The Dutch private banking activities of Delta Lloyd were transferred to the Amsterdam-based Bank ten Cate & Cie on 9 July 2010. These activities were limited in scale and less compatible with the focus on (bank) savings and mortgages.

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D. Asset Management

- **Performance fees make strong contribution to higher operational result**
- **Excellent investment results**
- **Investment strategy of 5% interests and niche-boutique (Cyrte) generates outperformance**
- **Exposure in sovereign and sub-sovereign bonds stated at fair value**

Asset Management had a very successful 2010. Delta Lloyd Group's investment portfolio did well compared with the benchmark. The excellent results of some investment funds of Asset Management resulted in high performance fees (€ 73 million before tax and non-controlling interest). This made a strong contribution to the increased operational result, which almost tripled at Asset Management. One of the successes in 2010 was the Brazil Telecom Fund of Cyrte. Thanks to Asset Management's in-depth market knowledge, an outstanding result was realised on investments in the telecom industry. Net new assets were positive (€ 762 million) and higher than the previous year (€ 449 million).

Asset Management

(in millions of euros)	*2010*	*2009*	*Change*
Operational result after tax and non-controlling interests	87	26	227%
IFRS result after tax and non-controlling interests	88	22	304%

Interests in South Europe and Ireland

The total exposure to sovereign and sub-sovereign bonds in South Europe and Ireland decreased substantially in 2010 from € 3.8 billion to € 1.2 billion as at year-end 2010.

Sovereign and sub-sovereign fair value exposure as at 31 December

(in millions of euros)	*2010*	*2009*
Portugal	20	55
Italy	893	2,267
Ireland	35	62
Greece	119	1,251
Spain	88	197
Total	**1,155**	**3,833**

In view of the marked-to-market valuation of Delta Lloyd Group's IFRS balance sheet, both the realised and unrealised results on the overall investment portfolio – i.e. including the interests in South European countries and Ireland – were recognised in the shareholders' equity, which grew 19% in 2010 to € 4.6 billion.

Total assets under management as at 31 December

(in millions of euros)	*2010*	*2009*	*Change*
Total assets under management Delta Lloyd Group	72,042	67,801	6%

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E. Other

- **63,000 new health insurance customers at Delta Lloyd and OHRA**
- **Healthcare run-off makes positive contribution to the result**

The Other segment mainly consists of holding company (overhead) costs, interest expenses and positive results from the run-off healthcare businesses as well as the commercial result of the healthcare activities.
Thanks to the Delta Lloyd Group health campaign, the number of health insurance customers at Delta Lloyd and OHRA grew by 63,000, or 9%, to 791,000. On 1 January 2009, the health insurers of Delta Lloyd Group were transferred to CZ. Since that date, Delta Lloyd Group markets health insurance under the Delta Lloyd and OHRA brands; CZ is the insurer for these policies. Delta Lloyd Group carries no insurance risk and is not required to maintain any capital in this connection.

In 2010, the interest income of Amstelhuys increased thanks to better interest margins, combined with virtually unchanged commissions and costs. This led to a higher interest margin.

Amstelhuys is entirely stated at fair value. This means that the result is also influenced by revaluations on mortgages and outstanding issued bonds. These revaluations were negative on balance in 2010. Due to the higher funding costs of mortgage origination, the pull-to-par[11] on the outstanding bonds was not matched by a compensating increase in the valuation of the mortgages.

Other

(in millions of euros)	***2010***	***2009***	***Change***
Operational result after tax and non-controlling interests	-52	-9	n.a.
IFRS result after tax and non-controlling interests	-165	-147	-12%

12. Outlook for 2011

Delta Lloyd Group is well-placed to benefit from rising equity markets and higher interest rates. The economic recovery is expected to lead to more opportunities for concluding major pension contracts, notably in the group life market. The development of interest rates is uncertain but will be closely monitored by Delta Lloyd Group. The future operational result will be supported by the additional strengthening of the longevity provision and the cost savings programme.

[11] *Pull to par* represents the convergence of a debt instrument to the nominal value over time.

13. Financial calendar 2011

• 7 April 2011	Publication of integrated financial and sustainability annual report
• 17 May 2011	Q1 interim update
• 20 May 2011	General Meeting of Shareholders, Okura hotel Amsterdam
• 24 May 2011	Ex-dividend date
• 4 August 2011	Publication of 2011 half-yearly figures
• 8 August 2011	Ex-interim dividend date
• 3 November 2011	Q3 interim update
• 23 November 2011	Investor Day

All the above dates are provisional. The most up-to-date calendar can be found at www.deltalloydgroup.com.

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Presentations of 2010 results

Press conference:	3 March 2011, 9.30 a.m.
Analysts presentation:	3 March 2011, 11.30 a.m.
Location:	Delta Lloyd Group, Amstelplein 6, 1096 BC Amsterdam

Both presentations can be viewed via webcast at www.deltalloydgroup.com.

More information

- This press release contains the preliminary 2010 annual figures of Delta Lloyd Life, Delta Lloyd General, ABN AMRO Insurance, Delta Lloyd Life Belgium, Delta Lloyd Bank and Delta Lloyd Germany.
- The figures included in this press release are based on the same accounting principles as used in the 2010 financial statements. Comparative figures 2009 have been adjusted due to a change in accounting policy.
- The results and income of the ABN AMRO Insurance joint venture are fully consolidated in the figures. Adjustment for the 49% interest of ABN AMRO Bank Netherlands is included in 'non-controlling interests' in the consolidated income statement.
- The figures in this press release have not been audited.
- The financial summary for 2010 in the appendix contains the most important financial data from the preliminary consolidated financial statements for 2010. This financial summary was approved by the Supervisory Board on 2 March 2011. These figures have not been audited nor reviewed by an external auditor. The 2010 financial statements will be adopted at the General Meeting of Shareholders on 20 May 2011.
- The 2010 annual report of Delta Lloyd Group – including the consolidated financial statements – is available online from 7 April 2011 via www.deltalloydgroep.com and copies can be obtained by contacting the Investor Relations Department at IR@deltalloyd.nl or on 020 594 96 93. This is an integrated report comprising both the financial and sustainability reports.

About Delta Lloyd Group

Delta Lloyd Group is a financial services provider offering life insurance, general insurance, asset management and banking products and services. Delta Lloyd Group's target markets are the Netherlands and Belgium. The Group operates primarily under the brand names of Delta Lloyd, OHRA and ABN AMRO Insurance in the Netherlands, and under the Delta Lloyd brand name in Belgium. Delta Lloyd Group employs 6,080 permanent staff (FTE) and is listed on NYSE Euronext Amsterdam.

Important information

- Certain statements contained in this press release that are not historical facts are "forward-looking statements". These forward-looking statements are based on management's beliefs and projections and on information currently available to them. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Delta Lloyd Group's control and all of which are based on management's current beliefs and expectations about future events.

- Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. Delta Lloyd Group undertakes no duty to and will not update any of the forward-looking statements in light of new information or future events, except to the extent required by applicable law. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing Delta Lloyd Group and its subsidiaries. Such risks, uncertainties and other important factors include, among others: (i) changes in the financial markets and general economic conditions, (ii) changes in competition from local, national and international companies, new entrants in the market and self-insurance and changes to the competitive landscape in which Delta Lloyd Group operates, (iii) the adoption of new, or changes to existing, laws and regulations, (iv) catastrophes and terrorist-related events, (v) default by third parties owing money, securities or other assets on their financial obligations, (vi) equity market losses, (vii) long- and/or short-term interest rate volatility, (viii) illiquidity of certain investment assets, (ix) flaws in underwriting assumptions, pricing and/or claims reserves, (x) the termination of or changes to relationships with principal intermediaries or partnerships, (xi) the unavailability and unaffordability of reinsurance, (xii) flaws in Delta Lloyd Group's underwriting, operating controls or IT systems, or a failure to prevent fraud, (xiii) a downgrade (or potential downgrade) of Delta Lloyd Group's credit ratings, (xiv) the outcome of pending, threatened or future litigation or investigations, and (xv) a conflict between Aviva and minority shareholders in Delta Lloyd Group.

- Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, Delta Lloyd Group 's actual financial condition or results of operations could differ materially from those described herein as anticipated, believed, estimated or expected.

- Please see the Annual Report for the year ended 31 December 2009 for a description of certain important factors, risks and uncertainties that may affect Delta Lloyd Group's businesses.

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Appendix: Financial summary for 2010

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