delta lloyd

Press release Amsterdam, 24 February 2015

Delta Lloyd: solid performance in challenging markets

- **Focus on profitable new business and annual premiums in Life (NAPI[1]: € 418 million, IRR: 10%) and strong performance in General insurance (COR: 94.5%)**
- **Operational result € 377 million (2013: € 426 million), reflecting stable technical results and lower LTIR, due to lower yield curve**
- **IGD group solvency at 183%[2], due to impact mortgage valuation and yield curve**
- **Shareholders' funds declined to € 2.5 billion (2013: € 2.6 billion), IFRS net profit was € 361 million (2013: € 183 million[3])**
- **Proposed total dividend € 1.03, premium on stock reduced to 2%**
- **Annemarie Mijer-Nienhuis nominated as chief risk officer**

Hans van der Noordaa, chairman of the Executive Board: "Delta Lloyd remains focused on serving our customers in the best possible way and on improving our core businesses. Delta Lloyd has delivered a solid performance in 2014, making good progress in further adapting our business model to a new reality of changing customer preferences, sustained low interest rates and a rapidly changing regulatory framework. In our Life business, we have successfully accelerated the shift to less capital intensive pension schemes, with a clear focus on inflow of annual premiums. Following the restructuring of the portfolio, our General insurance business has performed well, due to strict underwriting, lower costs and improved profitability. The sale of non-core activities in Belgium and Germany will enable management to focus even more on our core business. For 2015, customer centricity, prudent capital management and improving efficiency will be our key priorities."

Key figures

(in millions of euros, unless otherwise stated)	**2014**	**2013**	**Change**
Gross written premiums (GWP)[4]	3,946	4,709	-16%
NAPI	418	431	-3%
Operational expenses[3] (2014 objective: € 750 million)	714	776	-8%
Operational result after tax and non-controlling interests[3,5]	377	426	-12%
Result (IFRS) after tax and non-controlling interests[5]	361	183	97%
COR[6] (2014 objective: ≤98%)	94.5%	97.7%	-3.2pp
Internal rate of return of new life sales (2014 objective: ≥ 9%)	10%	10%	-
Shareholders' funds after non-controlling interests	2,468	2,621	-6%
Regulatory (IGD) solvency insurance entities	213%	213%	-
Regulatory (IGD) group solvency[2]	183%	184%	-1pp
Group European Embedded Value	4,346	4,447	-2%

[1] New annualised premium income, consisting of 100% of new annual premiums and 10% of new single premiums.
[2] The positive effect (10pp) of the sale of Delta Lloyd Bank Belgium is included in this percentage, without this effect IGD group solvency would have been 173%.
[3] FY 2013 restated due to the application of the new IFRS 10 standard (see financial supplement).
[4] Excluding terminated and run-off activities.
[5] FY 2013 restated due to the application of the new IFRS 10 standard and change in discount rate used for part of the General insurance income portfolio from fixed to market interest rate (see financial supplement).
[6] Excluding terminated and run-off activities and market interest movements.

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Key developments in 2014

Focus on profitable new business and annual premiums in Life, strong performance in General insurance

2014 was a challenging year for Delta Lloyd, characterised by a sharp decrease in interest rates that has had a profound impact on our capital position and on the provisions for our policyholders and which continue to pose a challenge. We have adapted to these circumstances by focusing on margins and improving our business mix with an increased share of defined contribution and fewer single premium pension buy-outs. We have maintained our prominent position in group Life, which is supported by successful new products such as the hybrid pension and a 23% increase in new business in annual premiums.

While slightly behind our record year in 2013, NAPI remained at a high level (€ 418 million). In General insurance, our efforts to improve the quality of our portfolio paid off. Efficiency increased, margins are up and, in spite of strict underwriting, new business was stable at € 148 million (2013: € 146 million). Consequently, General insurance GWP was down 4% to € 1.3 billion (2013: € 1.4 billion). We also enjoyed good results from the Healthcare campaign, gaining over 30,000 new customers for OHRA and Delta Lloyd. The production of new mortgages remained at a comfortable level (€ 1.2 billion), and was supported by our loan-to-value pricing for the Dutch market.

Customer centric

Delta Lloyd achieved good results from its Customer Centric programme in 2014. We outperformed the benchmark in the Dutch Financial Markets Authority (AFM) Customer Centric Dashboard, as we have done since 2011. All our labels (Delta Lloyd, OHRA, ABN AMRO Insurance and Erasmus Life) retained the KKV quality hallmark awarded by Stichting Toetsing Verzekeraars. We are once again the number one pension insurer among independent financial advisors, which is our primary channel in terms of premium income. A large part of the three million customers, and most of the 146,000 companies we serve, do business with us via independent financial advisors.
However, the customer satisfaction scores for our individual lines (Life and Bank) have gone down. This will require more attention, as we have the ambition to meet high levels there, too. We will take additional action and implement changes in our organisation to enable this.

Capital management

Capital			
(in millions of euros, unless otherwise stated)	**2014**	**2013**	**Change**
Equity			
Shareholders' funds after non-controlling interests	2,468	2,621	-6%
- of which 'hard' capital (tangible assets)	2,109	2,276	-7%
Solvency			
Regulatory (IGD) group solvency[7]	183%	184%	-1pp
Regulatory (IGD) solvency insurance entities	213%	213%	-
Common Equity Tier 1 Bank Netherlands[8]	13.6%	n.a.	
Common Equity Tier 1 Bank Belgium[8]	11.2%	n.a.	

[7] The positive effect (10pp) of the sale of Delta Lloyd Bank Belgium is included in this percentage, without this effect IGD group solvency would have been 173%.
[8] The ratios are based on Basel III phase-in including full year 2014 results

Delta Lloyd aims for an optimal capital structure and is continuously investigating ways to improve the capital structure and strengthen the balance sheet. During 2014, Delta Lloyd has taken several measures to do so. In June 2014, Delta Lloyd placed a € 750 million fixed-to-floating-rate subordinated note at a coupon of 4.375% with a wide range of international institutional investors. The perpetual notes can be redeemed at Delta Lloyd's option from 2024.

In August 2014, Delta Lloyd completed a transaction with Reinsurance Group of America (RGA) to partially mitigate the longevity risk related to its Dutch life insurance portfolio. This contract (entry date 1 January 2014) will reduce the financial effects of policyholders living longer than currently expected, which results in longer durations of annuities and pension payments. Delta Lloyd applied the latest (AG2014) mortality tables on its longevity provisions, which had negligible impact.

Furthermore, Delta Lloyd adjusted the pricing of its products and shifted the business mix from defined benefit to defined contribution, as a result of the low interest rate environment and the change in customer demand. In anticipation of the new capital rules in Europe (Solvency II), the asset mix was slightly changed from equity securities to mortgages. The impact of the new capital demands on long term guarantee business and the resulting price effects further affected the demand from policy holders for long term savings products.

On 29 January 2015, Standard & Poor’s affirmed all ratings on Delta Lloyd with stable outlook. S&P assessed Delta Lloyd’s Enterprise Risk Management at ‘adequate with strong risk controls’ from ‘adequate’.

S&P ratings at 29 January 2015: stable outlook

group company	**Rating**
Delta Lloyd Levensverzekering NV	A
Delta Lloyd Schadeverzekering NV	A
Delta Lloyd NV	BBB+
Delta Lloyd Treasury BV	A-

Mortgage valuation

As an outcome of prudent capital management and regulatory guidance on the market valuation of mortgages, we have altered the discount rate used to calculate the market value of the mortgage portfolio. The discount rate was changed to include a solvency spread for future parameter uncertainty and an extra spread to incorporate additional market observable data (i.e. primary consumer pricing). This point-in-time valuation change only impacts the moment of profit recognition, and, as such the immediate capital impact is expected to be recovered over the lifetime of the mortgages. The adjusted market valuation had a negative impact of € 144 million on shareholders' funds and 13pp on IGD group solvency. We remain committed to the quality of our mortgage portfolio and reiterate our positive investment outlook for this asset class.

IGD solvency

At year-end 2014, IGD group solvency was 183%[9] (2013: 184%). The development of IGD group solvency was impacted by an increase in required capital, as a result of our marked-to-market valuation of insurance liabilities. The provisions for our policyholders were strengthened with € 6.4 billion. The development of IGD group solvency was supported by an increase in available capital due to the issue of a perpetual subordinated loan, operational capital generation and the positive effect of

[9] The positive effect (10pp) of the sale of Delta Lloyd Bank Belgium is included in this percentage, without this effect IGD group solvency would have been 173%.

the sale of Delta Lloyd Bank Belgium. This was offset by the adjustment of market valuation of mortgages, adverse curve movements and cash dividend payments.

Shareholders' funds
In 2014, the provisions for our policyholders (insurance liabilities and investment contracts) were strengthened with € 6.4 billion due to low interest yields. Shareholders' funds on a marked-to-market basis decreased by 6% to € 2.5 billion (2013: € 2.6 billion), due to a provision for the sale of Bank Belgium of € 134 million, the net impact of the mortgage valuation adjustment of € 144 million and the fair value movement of assets and liabilities. The IFRS profit after tax was € 361 million (2013: € 183 million).

Bank ratios
The Total Capital Ratio of Bank Netherlands was 15.5% and for Bank Belgium 13.4% at year-end. The Common Equity Tier 1 ratio of Bank Netherlands and Bank Belgium was 13.6% and 11.2% respectively.

Risk management
Delta Lloyd uses the Collateralised AAA curve with an ultimate forward rate (UFR) of 4.2% to measure the value of the majority of our insurance liabilities and investment contracts under IFRS. The Collateralised AAA curve was comprised of 381 bonds on 31 December 2014, compared to 338 bonds on 31 December 2013. Because of bond-buying programs by central banks worldwide, interest rates declined considerably over the second half of 2014. The 10-year point of the Collateralised AAA curve at 31 December 2014 was 0.88%, a sharp decline of 156 basis points compared to year-end 2013. As a result, the value of the insurance liabilities and investment contracts increased by € 6.4 billion. This movement exceeded the decreases of the comparable swap rate.

For regulatory purposes, Delta Lloyd uses the current local regulatory framework (Solvency I). Delta Lloyd decided to replace the ECB AAA curve by the swap curve, for the adequacy of determining the valuation of the insurance liabilities of our main Dutch subsidiary, Delta Lloyd Levensverzekering. This positively affected IGD group solvency by approximately 3pp. The other Dutch subsidiaries are also using the swap curve for regulatory purposes.

Interest rate risk is mainly managed by matching the duration and cash flows of assets and liabilities. Changes in the spread between the curve used to value the insurance liabilities and the curve underlying the value of the assets may impact the balance sheet and are therefore monitored closely. Due to changes in particular parts of the valuation curves, the accounting effects can differ from the effects recognised for cash flow matching purposes.

Solvency II: Economic capital ratio within appetite level
Solvency II will be the new regulatory framework for insurance companies operating in the European Union. It is due to be implemented on 1 January 2016. However, Delta Lloyd already includes several risk-based elements in its daily operations. As of 1 January 2015, the regulated Dutch subsidiaries have to comply with minimum capital requirements from this capital framework for their dividend policy. Delta Lloyd opted to report its required solvency using an 'internal model'. In 2014, progress was made to meet the requirements for using the internal model. All sub-parts of the internal model have been officially submitted to DNB for review. Delta Lloyd is committed to achieve approval by the end of 2015.

At the end of 2014, the economic capital ratio based on our internal model was within appetite level (140-180%) and the capital ratio based on the standard formula exceeded EIOPA requirements. Over the last months, EIOPA continued to make several changes to the framework and there are still some major areas of uncertainty within the methodology. Especially the transparency and predictability of the volatility adjuster and the credit risk adjustment are key elements of the framework which need to be further enhanced, as well as tax recognition and treatment.

Lower operational result reflecting stable technical results, offset by lower yield curve

The operational result after tax and non-controlling interests was € 377 million (2013: € 426 million), with stable underlying technical results and lower operational expenses. The operational technical result was in line with last year, whereas the long term investment return (LTIR) had a negative impact on the operational result. LTIR was down € 74 million before tax, due to the sharp decline (-156 bps) in the Collateralised AAA curve in 2014.

As from 2015, Delta Lloyd will start using a new operational result definition, which takes into account the investment spread instead of the (assumed) long term investment return (LTIR). This new definition makes the operational result a more realistic and accurate measure of our operational performance.

Good track record in cost savings

Total operational expenses in 2014 amounted to € 714 million, € 62 million lower than last year (2013: € 776 million). The 2014 target was € 750 million. Much of these savings are due to the efforts in digitalisation, legacy reduction, digital services and straight through processing leading to increasingly efficient processes. The decrease was aided by lower pension service costs, due to a change in the pension scheme in the Netherlands (the accrual rate was changed to 1.875% from 2.15%). In 2014, a past service cost of € -29 million is recognised. We have updated the target for operational expenses in 2015 to € 620 million, inclusive of BeFrank and the effects of the sale of Delta Lloyd Bank in Belgium and Delta Lloyd Deutschland.

Strategic developments

- Sale of non-core activities Delta Lloyd Bank Belgium and Delta Lloyd Deutschland
- Hans van der Noordaa chairman of the Executive Board
- Annemarie Mijer-Nienhuis nominated as CRO
- Legal proceedings with DNB

In December 2014 and January 2015, we reached an agreement to sell Delta Lloyd Bank Belgium and Delta Lloyd Deutschland respectively. Both transactions are subject to regulatory approvals and are expected to close in 2015. The divestments of these non-core activities will free up IGD capital and enhance our focus on Life insurance in the Netherlands and Belgium and General insurance in the Netherlands.
Two smaller transactions also supported the focus on our core businesses. On 30 June 2014, we closed the transaction to fully reinsure the run-off portfolio of International Marine Business liabilities. And on 18 July 2014, Delta Lloyd acquired all BeFrank shares (50%) held by BinckBank, thereby raising our interest to 100%.

Executive Board and Supervisory Board members
On 1 January 2015, Hans van der Noordaa became chairman of the Executive Board. He has been appointed for a four-year term ending on the date of the Annual General Meeting in 2019.
In line with best practice in the industry, the Supervisory Board has decided to appoint a chief risk officer (CRO) to the Executive Board. Annemarie Mijer-Nienhuis (44) will be nominated as CRO, she is currently chief risk officer in the Life Business management team at Nationale Nederlanden. The Annual General Meeting will be informed of this nomination on 21 May 2015.

Legal proceedings with Dutch central bank (DNB)
As disclosed in our press releases of 22 and 23 December 2014, Delta Lloyd asked an independent legal decision on measures taken by the Dutch regulator DNB. Given the ongoing legal proceedings, Delta Lloyd will not make any further comments on the case. We maintain a good relationship with our regulators and continue to work with them closely and in a constructive and professional way.

AEX
On 24 March 2014, Delta Lloyd NV shares were included in the AEX Index of NYSE Euronext, made up of the 25 largest companies listed on NYSE Euronext Amsterdam.

Staff

Number of employees

(in FTE, at year-end)	**2014**	**2013**
Permanent	5,030	5,182
Temporary	655	606
Total number of employees	**5,684**	**5,788**

Delta Lloyd employs 5,684 staff (FTE), down from 5,788 at year-end 2013. This includes 655 temporary employees. Of the total permanent staff (5,030 FTE), 3,802 are employed in the Netherlands, 535 at Delta Lloyd Life in Belgium, 510 at Delta Lloyd Bank in Belgium and 183 in Germany.

Delta Lloyd and the unions have finalised a new three-year collective labour agreement and social plan in the Netherlands. The members of the trade unions have approved the new arrangements. The contract is valid from 1 January 2014 to 1 January 2017.

Delta Lloyd's employee pension fund was named the best pension scheme by pensions trade magazine IPN and Het Financieele Dagblad in its annual awards, based on its excellence (investment policy with return of 28% at low costs) and thought leadership. In addition, with its coverage ratio of 132% (year-end 2014), the pension fund is an excellent performer in the Dutch market.

Sustainability
In September 2014, Delta Lloyd was included in the Dow Jones Sustainability Index (DJSI) World and DJSI Europe. Last year, we started up the Sustainable Impact programme, aimed at promoting the integration of sustainability into our business operations. This should lead to a sharper focus and develop a clearer Delta Lloyd identity in this respect.

Sustainable investments
In 2014, we have tightened up and expanded our Environmental Social Governance (ESG) investment policy. Now, for each type of investment, we consistently determine the relevant ESG factors.

Ultimately, our objective is to provide good quantitative reports for each asset class and to achieve maximum transparency. This will enable us to demonstrate our actual impact.
In 2014, between 35 and 40 private companies were consistently excluded from investments because of their involvement with controversial weapons and between 60 and 70 companies were on our watch list due to incidents contravening the UN Global Compact. We implemented a country policy in 2014 for our bond investments. This sets out how we address countries' approach to human rights, political and general stability, corruption and environmental problems when we make investment decisions. In total, 63% (2013: 62%) of our total assets under management are classified as sustainably and responsibly managed assets. More on this can be found in our sustainability report which is due on 23 March 2015.

Delta Lloyd Foundation
In the Netherlands, there were 707 Delta Lloyd volunteers for Delta Lloyd Foundation in 2014 (2013: 463). In 2015-2020, Delta Lloyd Foundation aspires to play a role in reducing poverty in several Dutch cities.

Segments

Life insurance

- Business mix: more sustained inflow of annual premiums and smaller share of single premiums
- NAPI € 418 million, only slightly below record year 2013 (€ 431 million)
- Profitable new business: Internal rate of return 10%, new business margin: 3.0%

Life insurance			
(in millions of euros)	**2014**	**2013**	**Change**
Gross written premiums (excluding Germany)			
- Netherlands	1,863	2,541	-27%
- Belgium	763	789	-3%
Total gross written premiums (excluding Germany)	**2,627**	**3,330**	**-21%**
NAPI	418	431	-3%
Operational result after tax and non-controlling interests[10]	251	318	-21%
IFRS result after tax and non-controlling interests[10]	482	164	194%

We maintained our strong position in group life and pensions. The volume of new annual premiums increased by 23% to € 316 million due to new group contracts, providing a more sustained inflow of annual premiums, compared to a smaller share of more incidental single premium and pension buy-outs of € 1 billion (€ 1.7 billion in 2013). The low interest rate environment accelerated the shift from defined benefit to defined contribution pension schemes. We are swiftly adapting to this trend, with an innovative hybrid pension solution and our premium pension institution (PPI) BeFrank. BeFrank is leader in the PPI market, with assets under management of approximately € 400 million at year-end 2014.

New annualised premium income (NAPI) continued at a high level: € 418 million (2013: € 431 million), although the increase in annual premiums was offset by the lower volume of single premiums due to our focus on profitable business. Consequently, Life GWP decreased by 21% to € 2.6 billion (2013: € 3.3 billion).

GWP in Belgium decreased to € 763 million compared to € 789 million in 2013. NAPI showed a slight increase. The ZA acquisition contributed to the commercial growth in ‘protection’ (death and disability benefits) in particular in the business to business market. Delta Lloyd Life will continue its strategic focus on pension and protection in a multi-channel approach with personal contact supported by online tools for excellent service.

The operational result after tax and non-controlling interests in the Life segment was satisfactory, in spite of a decrease to € 251 million (2013: € 318 million). The operational result for Life was affected by a lower LTIR due to decrease in interest rates and the 2013 result had higher one-off technical profit sharing results.

[10] FY 2013 restated due to the application of the new IFRS 10 standard (see financial supplement).

Value of new business			
(in millions of euros, unless otherwise stated)	**2014**	**2013**	**Change**
New business value[11]	117	77	52%
Internal rate of return	10%	10%	-
New business margin[12]	3.0%	2.1%	0.9pp
Single premiums			
- Life insurance and savings	122	105	16%
- Pensions and annuities	897	1,637	-45%
Total single premiums	**1,019**	**1,742**	**-41%**
Regular premiums			
- Life insurance and savings	30	23	29%
- Pensions and annuities	287	234	22%
Total regular premiums	**316**	**257**	**23%**

The profitability of both new individual life and group life business improved, the internal rate of return (IRR) was stable at 10% (IRR improved in Belgium) and the new business margin improved to 3.0% (2013: 2.1%). In the Netherlands margins improved benefitting from strict price discipline and continued improvements in operational effectiveness. In Belgium, guaranteed rates were lowered, operational effectiveness increased and more protection cover led to an improvement in margin.

General insurance

- GWP down 4%, mainly due to strict underwriting discipline
- Profitability increased, COR well ahead of target at 94.5%
- Operational result up 16% reflecting a better underwriting result

General insurance			
(in millions of euros unless otherwise stated)	**2014**	**2013**	**Change**
Total gross written premiums[13]	1,319	1,380	-4%
COR[14]	94.5%	97.7%	-3.2pp
Operational result after tax and non-controlling interests[15]	77	67	16%
IFRS result after tax and non-controlling interests[15]	56	40	41%

In General insurance, GWP was 4% lower than last year, due to our gradual exit from the WGA ER market and to strict underwriting discipline, with a focus on margins rather than volume. New business was stable at € 148 million versus € 146 million in 2013. The combined ratio (COR) was 94.5%, which is well ahead the target of 98%, reflecting our measures in product rationalisation and improvement of long-term profitability. Furthermore, we continued our programme of claims management, strict underwriting and pricing, and cost savings. At the end of 2014, in General insurance we initiated a fully online insurance prolongation process. This reduced the number of telephone calls on insurance renewals with 20%. The number of customers who logged on to their new personalised webpage more than doubled.

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[11] Inclusive of BeFrank.
[12] New business margin determined on market consistent basis, expressing NBV as a percentage of the Present Value of New Business Premiums
[13] Excluding terminated and run-off activities.
[14] Excluding terminated and run-off activities and market interest movements.
[15] FY 2013 restated due to the application of the new IFRS 10 standard and change in discount rate used for part of the General insurance income portfolio from fixed to market interest rate (see financial supplement).

The operational result after tax and non-controlling interests was up 16% to € 77 million (2013: € 67 million), in spite of the decline in the yield curve which impacted the LTIR. The technical result improved strongly, reflecting the successful claims management and efficiency measures.

Bank

- Comfortable level of new mortgages
- Operational result up 13% due to interest margin and lower expenses
- Bank Belgium classified as 'held for sale'

Bank			
(in millions of euros)	**2014**	**2013**	**Change**
Total savings (excluding banksparen)			
- Netherlands	1,320	1,317	0%
- Belgium	3,895	3,840	1%
Savings (excluding banksparen)	**5,216**	**5,157**	**1%**
Banksparen balances	**2,127**	**1,978**	**8%**
Total Mortgage portfolio			
- Netherlands	13,136	13,008	1%
- Belgium	3,368	3,415	-1%
Mortgage portfolio	**16,504**	**16,423**	**0%**
Total mortgage origination			
- Netherlands	825	952	-13%
- Belgium	328	343	-4%
Mortgage origination	**1,153**	**1,295**	**-11%**
Operational result after tax and non-controlling interests	27	24	13%
IFRS result after tax and non-controlling interests	43	-14	n.m.

Total savings in Belgium and the Netherlands were stable, whereas banksparen balances went up 8% to € 2.1 billion (2013: 2.0 billion). Mortgage origination in the Netherlands showed a decline in new mortgages of 13% compared to 2013, however the volume of new mortgages was at a comfortable level. Our loan-to-value pricing had a positive effect. In Belgium new mortgages were 4% lower than last year, due to the competitive banking market and the focus on margins.

In 2014, Delta Lloyd Bank Netherlands successfully placed two Arena securitisations of Dutch residential mortgages. These transactions lowered the funding costs for new mortgages and contributed to net interest income. The operational result after tax and non-controlling interests in the bank segment was up 13% to € 27 million (2013: € 24 million), driven by higher interest margins and lower operational expenses.
Due to the sale (subject to regulatory approval) of Delta Lloyd Bank in Belgium to Anbang Insurance Group, the bank is classified as 'held for sale' in our accounting.

Asset Management

- Net outflow of € 200 million (inflow in 2013: € 757 million) in retail funds and institutional mandates
- Lower operational result after tax and non-controlling interests
- Nominations for two Morningstar Awards in fixed income

Asset management			
(in millions of euros)	**2014**	**2013**	**Change**
Operational result after tax and non-controlling interests	26	45	-42%
IFRS result after tax and non-controlling interests	23	40	-43%
Total assets under management	85,254	77,817	10%

The yield on our own risk asset portfolio was 17.3%, mainly due to the performance of the fixed income portfolio. Delta Lloyd received nominations for two Morningstar Awards in the categories 'Best small Fixed Income House' and 'Global Fixed Income'.

In Asset management, there was an outflow of € 200 million (inflow in 2013: € 757 million) in retail funds and institutional mandates, due to growing demand in the market for equity funds rather than fixed income funds and the termination of a large institutional mandate.

Operational result after tax and non-controlling interests of € 26 million (2013: € 45 million) was lower due to lower performance fees and lower treasury result.

Other

Other			
(in millions of euros)	**2014**	**2013**	**Change**
Operational result after tax and non-controlling interests	-3	-27	n.m.
IFRS result after tax and non-controlling interests	-243	-47	n.m.

The 'Other' segment consists mainly of holding company overheads, interest expenses, the results of Amstelhuys and the commercial result of the healthcare label activities. The operational result of 'Other' improved, mainly due to lower operational expenses. IFRS result after tax and non-controlling interest of € -243 million, which is primarily impacted by the provision for the sale of Bank Belgium (€- 134 million) and the negative valuation change of mortgages at Amstelhuys (€ -57 million).

Embedded value

Development of embedded value		
(in millions of euros)	**2014**	**2013**
Life EEV at beginning of period	**4,403**	**4,210**
Operating earnings (LEOR)		
New business value	117	77
In-force business	403	203
Total operating earnings (LEOR)	**520**	**280**
Economic variance	-601	70
Capital (re)allocation	231	-158
Life EEV at end of period	**4,554**	**4,403**
Total non-covered business	154	451
Group EEV at end of period (gross of minorities)	4,707	4,853
Minorities	-362	-407
Group EEV at end of period (net of minorities)	**4,346**	**4,447**

Life embedded value increased in 2014, mainly due to positive operating assumption changes and a capital issuance, partly offset by negative economic variance (lower investment yield environment during 2014). Furthermore, there was a substantial increase in new business value to € 117 million (2013: € 77 million). There was an increase in covered business in 2014, while non-covered business decreased. Group embedded value decreased mainly due to capital injections, partly offset by dividend upstream.

Proposed total dividend unchanged at € 1.03, premium on stock reduced to 2%

Delta Lloyd proposes to declare a dividend of € 1.03 per ordinary share for 2014, unchanged from 2013. The total interim dividend paid for 2014 was € 0.42 per ordinary share. This means the final dividend for 2014 is € 0.61 per ordinary share.

Shareholders can choose to receive the dividend payment entirely in cash or entirely in shares. The value of the stock dividend has a premium of approximately 2% above the value of the cash dividend and will be paid out of the share premium reserve. The final dividend for 2014 on ordinary shares will be paid after the approval of the annual general meeting on 21 May 2015.

To calculate the value of the dividend, we use a share fraction based on the weighted average share price over a period of five trading days (to take the prevalent market price into account), prior to the definitive determination. Shareholders have from 27 May 2015 until 9 June 2015 to choose whether they want to receive the dividend in cash or in ordinary shares. If no preference is made clear, the dividend will be paid in ordinary shares.

The number of dividend coupons entitling the holder to one new ordinary share (with a nominal value of € 0.20) will be determined on 9 June 2015 after 5.30 p.m. These will be based on the weighted average closing price on NYSE Euronext Amsterdam for the five consecutive trading days from 3 to 9 June 2015.

Key figures per Delta Lloyd ordinary share[16]

(in euros)	*2014*
Closing price on 31 December 2014	18.18
Shareholders' funds	12.46
Result (IFRS) after tax and non-controlling interests	1.82
Operational result after tax and non-controlling interests	1.90
Group European embedded value	21.94

[16] Based on 198,116,582 outstanding shares.

Financial calendar 2015	
Date	
23 March 2015	Publication annual report 2014
19 May 2015	Publication first quarter 2015 interim management statement
21 May 2015	Annual General meeting
25 May 2015	Ex dividend final dividend 2014
11 August 2015	Publication half-year results 2015
13 August 2015	Ex dividend interim dividend 2015
10 November 2015	Publication third quarter 2015 interim management statement
27 November 2015	Investor Day

Presentation of the 2014 results on 24 February 2015

On Tuesday 24 February 2015 at 11.30 am (CET) Hans van der Noordaa (Executive Board chairman) and Emiel Roozen (CFO) will host a presentation for analysts; the presentation can also be viewed via webcast on our website.

Analyst presentation: 24 February 2015, 11.30 am (CET)
Conference call: +31 20 531 58 71 (English language)
Location: Delta Lloyd Auditorium, Spaklerweg 4, 1096 BA Amsterdam

This press release and the financial supplement 2014 are available at www.deltalloyd.com. The analyst presentation is also available at www.deltalloyd.com.

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Important information

- This press release contains the figures of the full year 2014 for Delta Lloyd NV ('Delta Lloyd'), inclusive of Delta Lloyd Levensverzekering, Delta Lloyd Schadeverzekering, ABN AMRO Verzekeringen, Delta Lloyd Life Belgium, Delta Lloyd Asset Management, Delta Lloyd Bank Netherlands, Delta Lloyd Bank Belgium and Delta Lloyd Deutschland.
- As the German business is in run-off and no commercial activities are undertaken by the German business, Delta Lloyd Deutschland is excluded from the volume based KPI's (Gross Written Premiums and New Business) in this press release. In all other KPI's Delta Lloyd Deutschland is included, as the run-off results of the German operations will be recorded in the books of Delta Lloyd.
- The results and income of the ABN AMRO Verzekeringen 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. They are partly based on the enclosed financial supplement 2014 and partly on internal management information reports.
- The financial supplement 2014 in the appendix contains the most important financial data from the preliminary consolidated financial statements for 2014. This financial supplement was approved by the Supervisory Board on 23 February 2015. These figures have not been audited nor reviewed by an external auditor. The 2014 financial statements will be adopted at the General Meeting of Shareholders on 21 May 2015.
- Delta Lloyd's 2014 annual report – including the consolidated financial statements – is available online from 23 March 2015 via www.deltalloyd.com. This is an integrated report, comprising both the financial and sustainability report and published in English. A Dutch summary will be available on our website in PDF from 7 April 2015.
- The 2014 Embedded Value report of Delta Lloyd will be available on our website in PDF from 23 March 2015.
- The application of the new IFRS10 standard affected the financial figures of Delta Lloyd (see the financial supplement 2014). Several investment funds now have to be consolidated; this leads to a balance sheet extension for the third party interests amounting to € 3,790.0 million at year-end 2013.
- Certain statements contained in this press release that are not historical facts are "forward-looking statements". Forward-looking statements usually use terminology such as "targets", "believes", "expects", "aims", "assumes", "intends", "plans", "seeks", "will", "may", "anticipates", "would", "could", "continues", "estimate", "milestone" or other words of similar meaning and similar expressions or the negatives thereof. The forward-looking statements in this press release 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'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 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 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 operates, (iii) the adoption of new, or changes to existing, laws and regulations such as Solvency II, (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's credit ratings, and (xiv) the outcome of pending, threatened or future litigation or investigations.

- Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, Delta Lloyd's actual financial condition or results of operations could differ materially from those described herein as anticipated, believed, estimated or expected or other words of similar meaning and similar expressions or the negatives thereof.
- Please see the Annual Report for the year-ended 31 December 2013 for a description of certain important factors, risks and uncertainties that may affect Delta Lloyd's businesses.

About Delta Lloyd NV

Delta Lloyd has been a trusted partner for insurance, pensions, investing and banking since 1807. It is our goal to offer financial security, now and in the future. We deliver clear, reliable and contemporary products and services that meet our customers' needs and create value for them, our shareholders and our employees. Our primary markets are the Netherlands and Belgium. In the Netherlands, we operate under the Delta Lloyd, OHRA and ABN AMRO Verzekeringen brands, while in Belgium we use the Delta Lloyd brand. We employ 5,030 (FTE) permanent staff, of which 3,802 in the Netherlands, 1,045 in Belgium and 183 in Germany. In 2014, we achieved a premium income of € 3.9 billion and a net operational result of € 377 million. Our shareholders' funds amount to € 2.5 billion and we manage investments worth € 85 billion. Delta Lloyd is listed on Euronext Amsterdam and Brussels, and included in the DJSI World, DJSI Europe, AEX- and Bel-20 indices.