NN Group

Lard Friese, CEO
Bank of America Merrill Lynch conference
27 September 2016
Leading Dutch insurer with strong businesses in European insurance, asset management and Japan

Some facts and figures

• History dating back to 1845
• Strong business positions
• Market positions were built organically
• Unified international culture with shared best practices
• 15 million customers
• Around 11,500 employees
• Successful IPO on 2 July 2014
• ING’s divestment of NN Group completed on 14 April 2016
• Shareholders’ equity of EUR 25.3bn at 30 June 2016
• Businesses rebranded to “NN” in 2015
• Credit ratings: A-, stable (S&P) / A, stable (Fitch)

Our brand promise ‘You matter’

Care - Clear - Commit
Diversified businesses in Europe and Japan

- **Netherlands Life**: Ongoing shift to higher-yielding assets; continued focus on cost reductions and capital generation
- **Netherlands Non-life**: Management actions successful in improving D&A performance; more work needed in P&C
- **Insurance Europe**: Continuing shift in the business mix towards capital light products with focus on value
- **Japan Life**: Further product innovation and expansion of distribution network, growth in bancassurance
- **Asset Management**: Focus on attracting third party assets in a challenging environment; launched strategy enhancement programme
- **NN Bank**: Further growth in mortgage portfolio and customer savings; top 5 mortgage originator in the Netherlands
Our values – care, clear, commit – underpin our strategy and how we serve our customers

- Rebranding complete
- Brand awareness increased
- Active corporate sponsorship aligning brand, strategy and values
Continue to deliver excellent customer experience supported by an increased focus on innovation

- **Relevant customer contact**
- **Data and analytics**
- **Digital and omnichannel**
- **Optimising distribution**

 NN portal enriched with new functionality, including personal and relevant messages

Investing in innovation to improve customer satisfaction, intuitive interaction and efficiency
Our investment proposition

Strong business positions and balance sheet

• Committed management team focused on shareholder value
• Strong business positions
• Robust balance sheet and cash flow

Transformation in the Netherlands

• Large closed book of individual life insurance
• Scale player with growth in pensions
• Continued focus on cost reductions
• Actions to restore non-life profitability

Profitable growth and operating leverage in other segments

• Primarily fee and premium-based businesses
• Growth in Insurance Europe, Asset Management and Japan Life
• Drive operating leverage across segments

Focus on generating capital and improving earnings

• Significant cumulative cash generation
• Ordinary dividend of 40-50% of net operating result ongoing business
• Base case of returning capital in excess of capital ambition to shareholders
• M&A where NN will be the right owner and creates value

1. To be returned in the most efficient form. Capital generated in excess of the NN Group’s capital ambition (which may change over time), is expected to be returned to Shareholders unless it can be used for any other appropriate corporate purpose, including investments in value creating corporate opportunities
Delivering on the financial targets

Annual earnings\(^1\) growth of 5-7% on average in the medium term (EURm)

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY15</th>
<th>6M15</th>
<th>6M16</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAGR</td>
<td>905</td>
<td>1,435</td>
<td>792</td>
<td>626</td>
</tr>
<tr>
<td></td>
<td>+26%</td>
<td>-21%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Target administrative expense base in the Netherlands\(^2\) of EUR 685m by 2018 (EURm)

<table>
<thead>
<tr>
<th></th>
<th>2Q16</th>
<th>3Q15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result</td>
<td>786</td>
<td>818</td>
</tr>
<tr>
<td>FY13(^5)</td>
<td>7.1</td>
<td>8.6</td>
</tr>
<tr>
<td>FY14</td>
<td>10.8</td>
<td>8.6</td>
</tr>
<tr>
<td>FY15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6M16</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Increase in ROE\(^3\) in medium term (%)

<table>
<thead>
<tr>
<th></th>
<th>6M15 Result</th>
<th>6M15 FCF</th>
<th>6M16 Result</th>
<th>6M16 FCF</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13(^5)</td>
<td>630</td>
<td>688</td>
<td>488</td>
<td>897</td>
</tr>
<tr>
<td>FY14</td>
<td>786</td>
<td>818</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY15</td>
<td></td>
<td>10.8</td>
<td>8.6</td>
<td></td>
</tr>
<tr>
<td>6M16</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Generate free cash available to shareholders in a range around the net operating result of the ongoing business\(^4\) (EURm)

1. Operating result before tax ongoing business
2. Administrative expenses of Netherlands Life, Netherlands Non-life and corporate/Holding; Expense base calculated on a last 12-months basis
3. Net operating ROE ongoing business
4. Assuming normal markets and no material special items
5. Pro-forma
Disciplined capital management and commitment to return excess capital to shareholders

Base case of returning capital to shareholders unless it can be used for value-creating corporate opportunities

- Open market share buyback programme for up to EUR 500m and in addition EUR 156m to neutralise the dilutive effect of stock dividend by 31 May 2017

- Since IPO, EUR 2,135m of capital returned to shareholders, including share buyback programme and 2016 interim dividend

<table>
<thead>
<tr>
<th>Solvency II ratio¹</th>
<th>Cash capital at holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>241% 252%</td>
<td>2,107 2,337</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fixed-cost coverage ratio²</th>
<th>Financial leverage ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.9x 12.1x</td>
<td>21.8% 21.7%</td>
</tr>
</tbody>
</table>

All numbers at end of period
1. 2Q16 reflects the share buyback programme of up to EUR 500m and the 2016 interim dividend; 1Q16 reflects the EUR 250m share buyback in January 2016 and NN Group’s designation as Financial Conglomerate effective from 1 January 2016
2. Calculated on a last 12-months basis
## Strategic priorities

### CONTINUE TO DRIVE BUSINESS PERFORMANCE
- Execute on announced cost savings to achieve target expense base in the Netherlands of EUR 685m by the end of 2018
- Improve combined ratio of Netherlands Non-life
- Invest in Netherlands retail strategy – ‘Digital, Personal and Relevant’
- Invest in product innovation and expand distribution at international units
- Strategy enhancement at asset manager to drive new inflows by rationalising and creating scale in product range and building on areas of expertise

### CONTINUE TO DEPLOY CAPITAL IN VALUE CREATING OPPORTUNITIES
- Manage the business for value with focus on VNB
- Continue to allocate and reallocate capital to higher RoE businesses
- Continue to look for opportunities to deploy capital in value creating ways

### MAINTAIN CAPITAL DISCIPLINE
- Strong balance sheet
- Committed to dividend policy
- Cash capital at holding target range of EUR 0.5 – 1.5bn
Continuing focus on efficiency

Target administrative expense base in the Netherlands\(^1\) of EUR 685m by 2018 (EURm)

<table>
<thead>
<tr>
<th></th>
<th>Expense base 3Q15(^2)</th>
<th>Savings achieved</th>
<th>Expense base 2Q16(^2)</th>
<th>Orginal Target 2018</th>
<th>Mandema</th>
<th>Adjusted Target 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate / Holding</td>
<td>818</td>
<td>-32</td>
<td>786</td>
<td>700</td>
<td>-15</td>
<td>685</td>
</tr>
<tr>
<td>Netherlands Non-life</td>
<td>297</td>
<td></td>
<td>283</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Netherlands Life</td>
<td>436</td>
<td></td>
<td>432</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Netherlands Life, Netherlands Non-life and Corporate/Holding entities
2. Expense base calculated on a last 12-months basis
Strong solvency and disciplined capital framework

Operating units
- Manage operating units to commercial capital levels
- Surplus capital above commercial levels to be returned to holding subject to regulatory restrictions

NN Life Solvency II ratio of 239%

Cash capital at holding
- Hold cash capital in holding to cover stress events and to fund holding costs
- Over time aim for cash capital position within target range of EUR 0.5-1.5bn

Cash capital at holding of EUR 2.3bn

Financial leverage
- Maintain financial leverage and fixed-cost cover ratios consistent with single ‘A’ financial strength rating
- LTM fixed charge coverage ratio 12.1x
- Leverage ratio 21.7%
- Gross financial leverage EUR 3.7bn

Solvency II ratio of 252%

All figures at 2Q16 end of period
Drivers of free cash flow

**Own Funds generation**
- Solvency II entities
- Excess investment return over SII discount rate
- UFR unwind net of risk margin release
- New business contribution
- Inforce variances
- Earnings of Japan Life, Asset Management, pension funds
- Holding expenses and debt servicing costs

**SCR development**
- Decrease driven by
  - Run-off of closed blocks in the Netherlands and Japan VA
  - Shift to capital light products
- Increase due to
  - Shift to higher yielding assets
  - New business growth

**Reduction of surplus capital**
- Surplus capital impacted by market and regulatory developments
  - Lower credit spreads on highly rated government bonds increases surplus capital, reduces Own Funds generation
  - Lower UFR reduces surplus capital, increases Own Funds generation due to lower UFR unwind

Over time and assuming normal markets and no material special items, NN Group expects to generate free cash available to shareholders in a range around the Group’s net operating result of the ongoing business

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1. Available and required regulatory capital for Japan Life, Asset Management and pension funds
Generating value through deployment of capital

Sustainable and predictable dividends in line with dividend policy (EURm)

<table>
<thead>
<tr>
<th>Year</th>
<th>Interim dividend</th>
<th>Final dividend</th>
<th>Dividend per share in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>0.57</td>
<td>0.46</td>
<td>193</td>
</tr>
<tr>
<td>2015</td>
<td>1.05</td>
<td>0.46</td>
<td>197</td>
</tr>
<tr>
<td>2016</td>
<td>0.60</td>
<td>0.46</td>
<td>195</td>
</tr>
</tbody>
</table>

Excess capital returned to shareholders, unless it can be used for value creating corporate opportunities

- Open market share buyback programme for up to EUR 500m and in addition EUR 156m to neutralise the dilutive effect of stock dividend by 31 May 2017
- Since IPO, EUR 2,135m of capital returned to shareholders, including share buyback programme and 2016 interim dividend
- Ongoing consideration of deployment of capital in organic or inorganic value-creating opportunities
We continue to assess our portfolio

- **Netherlands**: market leader with capacity to play a role in potential industry consolidation
- **Europe**: strongly positioned in most markets
- **Japan**: strong niche position, performing well
- **Asset Management**: looking to build additional scale
- **New markets**: no tangible plans as of today

**Capital deployment** always compared to alternative of returning cash to shareholders
Over the medium term, NN Group expects to ...

1. Improve efficiency and profitability of all segments

2. Increase exposure to growth markets and fee business

3. Maintain a strong balance sheet and solvency position

4. Return excess capital to shareholders unless it can be used for other value creating opportunities
Appendices
# Dividends upstreamed

## Dividends upstreamed by segments/subsidiaries (EURm)

<table>
<thead>
<tr>
<th></th>
<th>2Q16</th>
<th>1Q16</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands Life¹</td>
<td>160</td>
<td>160</td>
<td>807</td>
<td>60</td>
</tr>
<tr>
<td>Netherlands Non-life</td>
<td>-</td>
<td>107</td>
<td>93</td>
<td>208</td>
</tr>
<tr>
<td>Insurance Europe²</td>
<td>199</td>
<td>6</td>
<td>227</td>
<td>145</td>
</tr>
<tr>
<td>NN Japan Life</td>
<td>80</td>
<td>-</td>
<td>74</td>
<td>90</td>
</tr>
<tr>
<td>Asset Management</td>
<td>20</td>
<td>-</td>
<td>90</td>
<td>61</td>
</tr>
<tr>
<td>NN Re Netherlands</td>
<td>50</td>
<td>75</td>
<td>185</td>
<td>100</td>
</tr>
<tr>
<td>Other¹</td>
<td>23</td>
<td>41</td>
<td>73</td>
<td>46</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>532</td>
<td>390</td>
<td>1,548</td>
<td>710</td>
</tr>
</tbody>
</table>

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)
Solvency II movement

- Solvency II ratio increased mainly driven by market variance, partly offset by capital flows
- Market variance mainly due to lower credit spreads on highly rated government bonds
- Capital flows to shareholders reflects the EUR 500m share buyback and 2016 interim dividend of EUR 195m
- Operating return includes FY15 net result of Asset Management of EUR ~80m and non-recurring benefits in Japan Life of EUR ~50m

1. Eligible Own Funds
2. Operating return includes Solvency II entities, Japan Life, Asset Management and pension funds, as well as holding expenses
3. Mainly includes model and assumption changes, the accruals of the qualifying debt, the impact of transitionals, and the change of non-available Own Funds of Solvency II entities and non-eligible Own Funds
Free cash flow driven by Own Funds generation, SCR development and surplus capital

<table>
<thead>
<tr>
<th>Segment</th>
<th>Own Funds expected return</th>
<th>SCR development¹</th>
<th>Reduction of surplus capital</th>
<th>Remittances vs Net operating result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands Life</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Netherlands Non-life</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance Europe</td>
<td>✓</td>
<td>✗</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Asset Management</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan Life</td>
<td>✓</td>
<td>✗</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan Closed Block VA</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Other (</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

(-) Holding interest expenses, (-) holding expenses, (+/-) FX movements, (+/-) other holding flows
(-) NN Bank (investment in growth of NN Bank)

Over time and assuming normal markets and no material special items, NN Group expects to generate free cash available to shareholders in a range around the Group’s net operating result of the ongoing business.

¹. Available and required regulatory capital for Asset Management and Japan Life
## Sensitivities of the NN Group Solvency II ratio to specified shocks

<table>
<thead>
<tr>
<th>Sensitivities to shocks¹ at 2Q16</th>
<th>( \Delta \text{OF} ) (in EURbn)</th>
<th>( \Delta \text{SCR (PIM)} ) (in EURbn)</th>
<th>( \Delta \text{Solvency II ratio}² ) (in %-points)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest rate:</strong> Parallel shock +50bps</td>
<td>-0.3</td>
<td>-0.4</td>
<td>+12%</td>
</tr>
<tr>
<td><strong>Interest rate:</strong> Parallel shock -50bps</td>
<td>+0.4</td>
<td>+0.5</td>
<td>-15%</td>
</tr>
<tr>
<td><strong>Interest rate:</strong> 25bps steepening between 20y-30y</td>
<td>-0.8</td>
<td>-0.1</td>
<td>-11%</td>
</tr>
<tr>
<td><strong>Credit spread:</strong> Parallel shock for all bonds +50bps</td>
<td>-0.8</td>
<td>-0.2</td>
<td>-6%</td>
</tr>
<tr>
<td><strong>Credit spread:</strong> Parallel shock for government bonds +50bps</td>
<td>-1.7</td>
<td>-0.1</td>
<td>-26%</td>
</tr>
<tr>
<td><strong>Credit spread:</strong> Parallel shock corporate bonds +50bps</td>
<td>+0.9</td>
<td>-0.1</td>
<td>+18%</td>
</tr>
<tr>
<td><strong>Equity:</strong> Downward shock -25%</td>
<td>-1.0</td>
<td>-0.2</td>
<td>-11%</td>
</tr>
<tr>
<td><strong>Real estate:</strong> Downward shock -15%</td>
<td>-0.5</td>
<td>-0.0</td>
<td>-9%</td>
</tr>
<tr>
<td><strong>UFR:</strong> Downward adjustment to 3.2%</td>
<td>-1.1</td>
<td>+0.1</td>
<td>-25%</td>
</tr>
</tbody>
</table>

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1. Sensitivities are performed for Solvency II entities; shocks are assumed to take place over a quarter period.
2. Impact on Solvency II ratio based on Partial Internal Model in percentage points.
Interest rate risk management focuses on closely matching liability cash flows

NN Life asset and liability cash flows¹

Managing versus expected liability cash flows

- NN Group manages interest rate risk by matching assets and best estimate liability cash flows
- We do not specifically hedge the UFR nor the risk margin
- Therefore if interest rates rise, our Solvency II Own Funds will decrease but our economic position will be largely unchanged
- However, the impact of interest rate changes on our Solvency ratio from the UFR is more than offset by the change in the SCR and risk margin
- A +50 basis point parallel move of the swap curve would increase the NN Group Solvency II ratio by 12%-points³

¹ Source: NN Group, DNB and Bloomberg. Swap rates at 2Q16
² The discount rate used under Solvency II is the swap curve plus the UFR and is adjusted for the Volatility Adjustment and Credit Risk Adjustment
³ At 2Q16
**Netherlands Life: Focus on reducing expenses, shift to higher yielding assets and de-risking liabilities**

**Manage our investment margin**
- Prudent investment mix
- Ongoing opportunities to raise mortgage allocation while spreads are attractive
- Since the IPO, we have increased our exposure to higher-yielding assets
- Investment spread\(^1\) of 128 bps in 2Q16 vs 104 bps in 2013

**Generate and upstream capital**
- NN Life to generate cash and pay dividends to the holding
- Run-off of individual life closed block continues with approx. 50% of technical reserves expected to run off by 2025
- Growth opportunities in pensions

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**Target: Maintain operating result before tax broadly stable at 2013 levels over the medium term**

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\(^1\) Four-quarter rolling average
Netherlands Non-life: Focus on underwriting performance and cost reductions

Product mix (by GWP 2015)

Distribution channel (by GWP 2015)

More needed to reach COR target ≤97% by 2018

<table>
<thead>
<tr>
<th></th>
<th>6M16</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>D&amp;A¹</td>
<td>95%</td>
<td>98%</td>
<td>97%</td>
<td>102%</td>
</tr>
<tr>
<td>Fire</td>
<td>112%</td>
<td>102%</td>
<td>98%</td>
<td>101%</td>
</tr>
<tr>
<td>Motor</td>
<td>113%</td>
<td>109%</td>
<td>111%</td>
<td>105%</td>
</tr>
<tr>
<td>Total</td>
<td>104%</td>
<td>102%</td>
<td>99%</td>
<td>101%</td>
</tr>
</tbody>
</table>

Priority is to drive combined ratio to target level

- Better underwriting performance, including differentiated premium rate increases
- Further expense reductions
- Selective growth opportunities

Target: Combined ratio of 97% or below by 2018

1. D&A = Disability & Accident
Insurance Europe: Self-funded growth with operating leverage

Product mix focused on life and voluntary pensions (by APE 2015)

- Protection: 4%
- Unit-linked: 24%
- Traditional Life: 31%
- Voluntary pension: 28%
- Mandatory pension: 13%

Leveraging distribution platform

- Distribution further diversified, mainly through bancassurance channel
- Driving efficiency through digitalisation and Tied Agency transformation
- Limited direct distribution across markets

Operational improvement

- Customer satisfaction\(^1\) better than main competitors in majority of markets
- Focus on profitable business to improve VNB\(^2\)
- Benefiting from operating leverage through disciplined cost management
- Self-funded growth and cash generative

Target: Mid-single digit operating result before tax annual growth rate on average, over 2013-18

1. Measured by Net Promoter Score (NPS)
2. VNB = Value of New Business
Japan Life: Strong profitability and cash generation

**COLI segment is 21%** of Japanese Life market by APE
- **Total market EUR 21bn**

![Circle chart showing the distribution of market segments: Individual Savings and Protection 43%, COLI 21%, Individual Investment 20%, Individual Health 16%]

**Product development**
- Broad range of products with track record of innovation
- Leading player in the COLI market
- Focus on niche COLI market allows shorter time to market
- Shifting mix to protection products
- Stable level of new sales; APE of EUR 303m in 6M16

**Operational improvement**
- Operating leverage reflected in low cost–income ratio
- Pressure on VNB from low rate environment mitigated by shift to higher margin products
- Self-funded growth and cash generative

**Target:** Low to mid-single digit operating result before tax annual growth rate on average, over 2013-18

1. Internal estimate; JPY/EUR FX rate = 135.41; for the fiscal year 1 April 2014 – 31 March 2015
2. By APE (2013/14), source: internal estimate NN Group
Asset Management: Strategy to grow third party business and benefit from operating leverage

**Assets under Management (EURbn)**

<table>
<thead>
<tr>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2Q16</th>
</tr>
</thead>
<tbody>
<tr>
<td>174</td>
<td>195</td>
<td>187</td>
<td>197</td>
</tr>
<tr>
<td>99</td>
<td>121</td>
<td>118</td>
<td>128</td>
</tr>
<tr>
<td>75</td>
<td>74</td>
<td>69</td>
<td>69</td>
</tr>
</tbody>
</table>

**Third-party strategy**

**Focus**
- Pure play asset management
- Effective distribution

**Simplify**
- Rationalise product range
- Create scale in product offering

**Optimise**
- Build on fixed income franchise and prioritise flagship spread products
- Leverage multi-asset capabilities and strengthen niche equity strategies

**Operating leverage**

- Investments made in people, processes and products, e.g.:
  - Repositioning flagship equity strategies
  - Onboarding convertible bond capabilities
  - Focus on sustainability solutions
  - State-of-the-art platform highly scalable

**Target:** Mid-single digit operating result before tax annual growth rate on average, over 2013-18

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1. Third party retail and institutional customers
2. NN’s general account and NN’s other affiliated business
NN Bank: focus on building scale and improving profitability

Steady growth in mortgages and savings (EURbn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Mortgages</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>6.2</td>
<td>5.8</td>
</tr>
<tr>
<td>2014</td>
<td>8.0</td>
<td>7.0</td>
</tr>
<tr>
<td>2015</td>
<td>10.5</td>
<td>8.0</td>
</tr>
<tr>
<td>2Q16</td>
<td>11.4</td>
<td>9.3</td>
</tr>
</tbody>
</table>

Complementary products to NN’s insurance offering

- NN Bank facilitates the long-term savings need in the Netherlands
- Offers frequent points of contact with our customers and cross-selling opportunities
- Strong new production bank annuity products
- Flexibility to grow in mortgages based on attractive yields and appetite, top 5 originator of mortgages in the Netherlands
- Continued investments in people and processes to support future growth
- ROE 9.8% in 6M16 vs 5.6% in 2014

Target: Return on Equity of 7% by 2018
Japan Closed Block VA: Capital release from maturing portfolio

~90% expected to have matured by end 2019

- Portfolio reinsured to NN Re in the Netherlands
- Expected capital release plus or minus hedge results

Liabilities are actively managed and hedged

(EURbn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Asset</th>
<th>Liability</th>
</tr>
</thead>
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</tr>
<tr>
<td>6M16</td>
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- Hedge result is expected to remain volatile
- Quality of hedging and the team secured by successful migration from Japan to the Netherlands
Important legal information


In preparing the financial information in this document, the same accounting principles are applied as in the NN Group N.V. condensed consolidated interim financial information for the period ended 30 June 2016. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management’s current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in NN Group’s core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro, (4) 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.

Any forward-looking statements made by or on behalf of NN Group speak only as of the date they are made, and, NN Group assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities.