

# NN GROUP FINANCIAL SUPPLEMENT

2Q2017

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## NN GROUP FINANCIAL SUPPLEMENT 2Q2017 INTRODUCTION

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- The Financial Supplement includes quarterly financial trend data and is published on a quarterly basis.
- Figures are calculated at historical foreign exchange rates, unless otherwise stated.
- All 2Q2017 figures are including Delta Lloyd, historical periods have not been restated
- Operating result and Adjusted allocated equity (as used in the calculation of Net operating ROE) are Alternative Performance Measures. These measures are derived from figures according to IFRS-EU. The operating result is derived by adjusting the reported result before tax to exclude the impact of result on divestments, the amortisation of acquisition intangibles, discontinued operations and special items, gains/losses and impairments, revaluations and market & other impacts. The adjusted allocated equity is derived by adjusting the reported total equity to exclude revaluation reserves, the undated subordinated notes classified as equity as well as the goodwill and intangible assets recognised as a result of the Delta Lloyd acquisition. Alternative Performance Measures are non-IFRS-EU measures that have a relevant IFRS-EU equivalent. For definitions and explanations of the Alternative Performance Measures reference is made to the section 'Alternative Performance measures (Non-GAAP measures)' in the 2016 Consolidated Annual Accounts.
- The segment 'Other' consists of banking business, reinsurance business, the holding company and certain other entities.
- APE represents annualized premium equivalents sold in the period, with single premiums calculated at 1/10th of the single premium amounts.
- The quarterly figures of the previous periods, excluding currency effects, are the sum of the monthly figures calculated at the average rate of each individual month of the current quarter.
- Rounding could cause some small differences.
- All figures are unaudited.

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## 1.1 CONSOLIDATED BALANCE SHEET: ASSETS

In EUR million	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Cash and cash equivalents	10,022	10,827	8,634	9,131	9,894	10,446
Financial assets at fair value through profit or loss						
- investments for risk of policyholders	34,506	26,282	30,711	31,485	31,623	31,954
- non-trading derivatives	5,297	3,817	4,421	6,809	7,266	6,079
- designated as at fair value through profit or loss	815	618	873	1,308	1,321	595
Available-for-sale investments						
- debt securities	99,368	71,186	72,779	76,748	76,678	72,933
- equity securities	8,493	7,451	6,988	7,007	6,595	6,502
Loans	54,627	34,007	33,920	34,533	33,649	32,057
Reinsurance contracts	1,053	262	231	251	258	267
Associates and joint ventures	3,113	3,001	2,698	2,537	2,450	2,442
Real estate investments	3,428	2,137	2,028	1,913	1,802	1,592
Property and equipment	155	88	86	84	83	82
Intangible assets	1,899	338	342	346	341	342
Deferred acquisition costs <sup>20)</sup>	1,682	1,715	1,631	1,694	1,691	1,580
Assets held for sale	2,422	2,491	6	961	985	-
Other assets	4,994	3,191	3,152	2,710	3,215	3,183
<b>Total assets <sup>20)</sup></b>	<b>231,874</b>	<b>167,411</b>	<b>168,500</b>	<b>177,517</b>	<b>177,851</b>	<b>170,054</b>

## 1.1 CONSOLIDATED BALANCE SHEET: EQUITY AND LIABILITIES

In EUR million	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Shareholders' equity (parent) <sup>20)</sup>	21,824	22,108	22,695	25,459	25,243	23,088
Minority interests	313	12	12	9	10	9
Undated subordinated notes	1,764	986	986	986	986	986
<b>Total equity <sup>20)</sup></b>	<b>23,901</b>	<b>23,106</b>	<b>23,693</b>	<b>26,454</b>	<b>26,239</b>	<b>24,083</b>
Subordinated debt	2,478	2,301	2,288	2,288	2,289	2,290
Debt securities issued	2,577	1,093	598	597	597	597
Other borrowed funds	7,371	6,028	7,646	7,952	8,198	7,238
Insurance and investment contracts						
- life insurance provisions <sup>20)</sup>	120,296	82,754	80,704	84,250	84,335	81,164
- non-life insurance provisions	6,008	3,882	3,536	3,666	3,764	3,879
- provision for risk of policyholders	35,214	26,336	30,772	31,558	31,704	32,026
- other	5,053	656	696	703	734	1,382
Customer deposits and other funds on deposit	14,572	10,603	10,224	9,682	9,257	8,639
Financial liabilities at fair value through profit or loss						
- non-trading derivatives	2,764	1,602	2,008	2,472	2,557	2,276
Liabilities held for sale	2,408	2,473	2	709	726	-
Other liabilities <sup>20)</sup>	9,232	6,577	6,333	7,186	7,451	6,480
<b>Total liabilities <sup>20)</sup></b>	<b>207,973</b>	<b>144,305</b>	<b>144,807</b>	<b>151,063</b>	<b>151,612</b>	<b>145,971</b>
<b>Total equity and liabilities <sup>20)</sup></b>	<b>231,874</b>	<b>167,411</b>	<b>168,500</b>	<b>177,517</b>	<b>177,851</b>	<b>170,054</b>

## 1.2 TOTAL EQUITY

In EUR million	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Share capital	42	40	40	40	40	40
Share premium	12,571	12,153	12,153	12,153	12,153	12,153
Revaluation reserve available-for sale investments Debt securities	8,199	8,525	9,902	12,810	13,119	10,821
Revaluation reserve available-for sale investments Equity securities	1,843	1,627	1,437	1,357	1,143	1,222
Revaluation reserve crediting to life policyholders	-4,884	-5,061	-5,574	-6,827	-6,858	-6,135
Other revaluations	28	27	27	26	23	25
Cashflow hedge reserve	3,492	4,103	4,435	5,546	5,455	4,991
Currency translation reserve	-48	71	10	198	196	4
Net defined benefit asset/liability remeasurement reserve	-92	-105	-103	-140	-131	-111
Retained earnings and other reserves <sup>20)</sup>	673	728	368	296	103	78
<b>Shareholders' equity (parent) <sup>20)</sup></b>	<b>21,824</b>	<b>22,108</b>	<b>22,695</b>	<b>25,459</b>	<b>25,243</b>	<b>23,088</b>
Minority interests	313	12	12	9	10	9
Undated subordinated notes	1,764	986	986	986	986	986
<b>Total equity <sup>20)</sup></b>	<b>23,901</b>	<b>23,106</b>	<b>23,693</b>	<b>26,454</b>	<b>26,239</b>	<b>24,083</b>
Shareholders' equity per share in EUR	65	69	70	78	77	71
Shares outstanding in the market (in million)	337	322	324	326	328	325

## 1.3 SHAREHOLDERS' EQUITY RECONCILIATION

30 June 2017

In EUR million	(Allocated) Shareholders' equity	Less: Revaluation reserves and other adjustments <sup>1)</sup>	Plus: Minority interest	Adjusted (allocated) equity
Netherlands Life	15,298	7,221	248	8,325
Netherlands Non-life	1,029	326	64	767
Insurance Europe	2,464	443	0	2,021
Japan Life	2,162	611	0	1,550
Asset Management	452	0	0	452
Other <sup>2)</sup>	-33	1,516	2	-1,547
of which Reinsurance business	223	75	0	148
of which Bank	662	3	0	658
of which other	-918	1,438	2	-2,354
<b>Ongoing business</b>	<b>21,371</b>	<b>10,116</b>	<b>314</b>	<b>11,569</b>
Japan Closed Block VA	452	-1	0	453
<b>NN Group</b>	<b>21,824</b>	<b>10,116</b>	<b>314</b>	<b>12,021</b>

## 1.4 CAPITAL BASE - SOLVENCY II

In EUR million	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
<b>Solvency II <sup>3)</sup></b>						
<b>IFRS Shareholders' equity <sup>20)</sup></b>	<b>21,824</b>	<b>22,108</b>	<b>22,695</b>	<b>25,459</b>	<b>25,243</b>	<b>23,088</b>
Minority interest	313	12	12	9	10	9
Elimination of deferred acquisition costs and intangible assets <sup>20)</sup>	-2,428	-849	-811	-991	-1,004	-1,018
Valuation differences on assets	1,596	1,500	1,594	2,414	2,547	2,555
Valuation differences on liabilities, including insurance and investment contracts <sup>20)</sup>	-8,157	-11,584	-12,458	-15,781	-14,054	-13,457
Deferred tax effect on valuation differences <sup>20)</sup>	1,943	2,675	2,884	3,492	3,018	2,882
Difference in treatment of non-solvency II regulated entities	-1,098	-1,064	-1,182	-1,272	-1,558	-1,321
<b>Excess of assets over liabilities</b>	<b>13,993</b>	<b>12,799</b>	<b>12,734</b>	<b>13,330</b>	<b>14,202</b>	<b>12,738</b>
Deduction of participation in Bank	-843	-605	-605	-569	-554	-507
Qualifying subordinated debt	4,378	3,059	3,037	3,058	3,096	3,048
Foreseeable dividends and distributions	-439	-456	-505	-564	-832	-402
<b>Basic Own Funds</b>	<b>17,089</b>	<b>14,797</b>	<b>14,660</b>	<b>15,255</b>	<b>15,912</b>	<b>14,877</b>
Non-available Own Funds	1,422	1,311	1,427	1,382	1,436	1,396
Non-eligible Own Funds	376	224	84	-	-	-
<b>Eligible Own Funds (a)</b>	<b>15,291</b>	<b>13,263</b>	<b>13,149</b>	<b>13,873</b>	<b>14,476</b>	<b>13,480</b>
of which Tier 1 Unrestricted	8,807	8,220	8,414	9,173	10,174	8,831
of which Tier 1 Restricted	1,891	1,095	1,919	1,929	1,983	1,912
of which Tier 2	2,399	1,891	1,043	1,054	1,039	1,062
of which Tier 3	1,097	747	750	631	273	757
of which non-solvency II regulated entities	1,098	1,309	1,022	1,086	1,007	918
<b>Solvency Capital Requirement (b)</b>	<b>7,818</b>	<b>5,566</b>	<b>5,459</b>	<b>5,871</b>	<b>5,735</b>	<b>5,602</b>
of which non-solvency II regulated entities	508	505	460	476	455	417
<b>NN Group Solvency II ratio (a/b)</b>	<b>196%</b>	<b>238%</b>	<b>241%</b>	<b>236%</b>	<b>252%</b>	<b>241%</b>



## 1.5 CASH CAPITAL POSITION AT THE HOLDING COMPANY

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Cash capital position - beginning of period</b>	<b>2,977</b>	<b>2,489</b>	<b>2,391</b>	<b>2,337</b>	<b>2,107</b>	<b>1,953</b>	<b>2,489</b>	<b>1,953</b>	<b>1,953</b>
Cash divestment proceeds		26					26		
Dividends from subsidiaries <sup>5)</sup>	820	296	370	320	532	390	1,115	922	1,611
Capital injections into subsidiaries <sup>6)</sup>	-531	-21	-85		-3	-6	-552	-8	-93
Other <sup>7)</sup>	-254	-58	-131	-22	-35	19	-312	-16	-169
<b>Free cash flow to the holding <sup>8)</sup></b>	<b>34</b>	<b>242</b>	<b>154</b>	<b>298</b>	<b>494</b>	<b>403</b>	<b>277</b>	<b>897</b>	<b>1,349</b>
Addition Delta Lloyd cash capital position	413						413		
Acquisition	-2,054	-180					-2,234		
Capital flows from / (to) shareholders	-256	-82	-55	-244	-263	-250	-339	-513	-812
Increase / (decrease) in debt and loans	616	508					1,124		
<b>Cash capital position - end of period <sup>9)</sup></b>	<b>1,731</b>	<b>2,977</b>	<b>2,489</b>	<b>2,391</b>	<b>2,337</b>	<b>2,107</b>	<b>1,731</b>	<b>2,337</b>	<b>2,489</b>

## 1.6 INVESTMENT PER ASSET TYPE

30 June 2017

In EUR million	Asset-backed securities	Covered bonds	Financial institutions bonds	Corporate bonds	Government bonds	Total debt securities	Public equity	Real estate equity	Private equity	Other equity securities	Total equity securities	Real estate	Mortgage	Deposits and other Loans	Other for risk of policyholders	Investments for risk of policyholders	Total
<b>IFRS classification</b>																	
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,022	-	10,022
Financial assets at fair value through profit or loss																	
- investments for risk of policyholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,506	34,506
- non-trading derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,297	-	5,297
- designated as at fair value through profit or loss	-	-	-	109	115	224	-	-	-	591	591	-	-	-	-	-	815
Available-for-sale investments																	
- debt securities	1,580	372	9,386	14,992	73,037	99,368	-	-	-	-	-	-	-	-	-	-	99,368
- equity securities	-	-	-	-	-	-	4,257	1,104	281	2,851	8,493	-	-	-	-	-	8,493
Loans	1,750	-	-	-	-	1,750	-	-	-	-	-	-	41,924	10,953	-	-	54,627
Associates and joint ventures	-	-	-	-	-	-	-	-	750	-	750	2,243	-	92	29	-	3,113
Real estate investments	-	-	-	-	-	-	-	-	-	-	-	3,428	-	-	-	-	3,428
Other assets <sup>10)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,205	-	12,205
<b>Total</b>	<b>3,330</b>	<b>372</b>	<b>9,386</b>	<b>15,101</b>	<b>73,152</b>	<b>101,342</b>	<b>4,257</b>	<b>1,104</b>	<b>1,031</b>	<b>3,442</b>	<b>9,834</b>	<b>5,670</b>	<b>41,924</b>	<b>11,045</b>	<b>27,553</b>	<b>34,506</b>	<b>231,874</b>

## 1.7 PRO FORMA DEVELOPMENT OF ADMINISTRATIVE EXPENSES AFTER DELTA LLOYD ACQUISITION

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Pro forma development of administrative expenses after Delta Lloyd acquisition</b>									
Netherlands Life <sup>12)</sup>	134	137	151	141	153	146	271	299	591
Netherlands Non-life <sup>13)</sup>	113	115	127	120	119	116	228	234	481
Belgium	31	30	30	43	31	33	61	64	137
Asset Management	97	98	101	95	92	93	196	185	381
Bank	56	59	66	57	57	55	115	112	235
Corporate/holding (including reinsurance business)	43	44	58	55	41	44	87	85	198
<b>Total</b>	<b>475</b>	<b>483</b>	<b>532</b>	<b>512</b>	<b>493</b>	<b>487</b>	<b>959</b>	<b>980</b>	<b>2,024</b>

## 1.8 EARNINGS PER ORDINARY SHARE

	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Basic earnings per ordinary share <sup>15)</sup></b>									
Net result (in EUR million)	240	435	148	436	335	270	676	605	1,189
Coupon on undated subordinated notes (in EUR million)	-15	-8	-8	-8	-8	-8	-23	-17	-34
<b>Basic earnings (in EUR million)</b>	<b>226</b>	<b>427</b>	<b>139</b>	<b>427</b>	<b>327</b>	<b>262</b>	<b>653</b>	<b>589</b>	<b>1,156</b>
<b>Weighted average number of ordinary shares (in million)</b>	<b>328.8</b>	<b>322.9</b>	<b>324.9</b>	<b>326.0</b>	<b>324.8</b>	<b>325.2</b>	<b>325.9</b>	<b>325.0</b>	<b>325.2</b>
<b>Basic earnings per ordinary share (in EUR)</b>	<b>0.69</b>	<b>1.32</b>	<b>0.43</b>	<b>1.31</b>	<b>1.01</b>	<b>0.81</b>	<b>2.00</b>	<b>1.81</b>	<b>3.55</b>
<b>Diluted earnings per ordinary share <sup>16)</sup></b>									
<b>Basic earnings (in EUR million)</b>	<b>226</b>	<b>427</b>	<b>139</b>	<b>427</b>	<b>327</b>	<b>262</b>	<b>653</b>	<b>589</b>	<b>1,156</b>
Weighted average number of ordinary shares (in million)	328.8	322.9	324.9	326.0	324.8	325.2	325.9	325.0	325.2
Dilutive instruments: Stock option and share plans (in million)	0.7	0.9	0.8	0.8	0.8	1.0	0.7	0.8	0.8
<b>Weighted average number of ordinary shares (including dilutive instruments in million)</b>	<b>329.5</b>	<b>323.8</b>	<b>325.8</b>	<b>326.8</b>	<b>325.6</b>	<b>326.2</b>	<b>326.5</b>	<b>325.8</b>	<b>326.1</b>
<b>Diluted earnings per ordinary share (in EUR)</b>	<b>0.69</b>	<b>1.32</b>	<b>0.43</b>	<b>1.31</b>	<b>1.00</b>	<b>0.80</b>	<b>2.00</b>	<b>1.81</b>	<b>3.54</b>

## 1.9 NEW BUSINESS

In EUR million	1H2017	2H2016	1H2016	FY2016
<b>NN Group</b>				
Value of new business	170	114	101	214
Present value of new business premiums	6,043	4,096	4,488	8,584
New business margin <sup>30)</sup>	2.8%	2.8%	2.2%	2.5%

In EUR million	1H2017	2H2016	1H2016	FY2016
<b>Netherlands Life</b>				
Value of new business	6	3	6	9
Present value of new business premiums	1,437	174	846	1,020
New business margin <sup>30)</sup>	0.4%	1.5%	0.7%	0.8%

In EUR million	1H2017	2H2016	1H2016	FY2016
<b>Insurance Europe</b>				
Value of new business	72	39	46	85
Present value of new business premiums	2,418	1,813	1,817	3,631
New business margin <sup>30)</sup>	3.0%	2.1%	2.5%	2.3%

In EUR million	1H2017	2H2016	1H2016	FY2016
<b>Japan Life</b>				
Value of new business	93	72	49	121
Present value of new business premiums	2,188	2,109	1,825	3,933
New business margin <sup>30)</sup>	4.2%	3.4%	2.7%	3.1%

## 2.1 ANALYSIS OF RESULTS: TOTAL

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Analysis of results</b>									
Netherlands Life	290	220	163	178	193	177	511	369	710
Netherlands Non-life	-27	31	13	21	19	9	4	28	62
Insurance Europe	73	42	60	52	52	34	115	86	198
Japan Life	37	85	24	40	23	67	123	90	154
Asset Management	37	33	33	38	33	29	70	62	133
Other	-7	-5	-10	-11	2	-11	-12	-9	-30
<b>Operating result ongoing business</b>	<b>404</b>	<b>406</b>	<b>282</b>	<b>319</b>	<b>321</b>	<b>305</b>	<b>810</b>	<b>626</b>	<b>1,227</b>
Non-operating items ongoing business	211	168	30	251	153	122	379	274	555
of which gains/losses and impairments	132	145	-27	188	88	29	276	117	279
of which revaluations	34	52	135	58	40	62	86	103	296
of which market & other impacts	45	-29	-79	5	24	31	17	54	-19
Japan Closed Block VA	12	-20	11	-13	-28	-69	-8	-97	-99
Special items before tax	-68	-19	-51	-10	-20	-26	-87	-46	-107
Amortisation of acquisition intangibles	-33	-	-	-	-	-	-33	-	-
Result on divestments	-188	9	-114	-	-	-	-179	-	-114
<b>Result before tax</b>	<b>338</b>	<b>544</b>	<b>158</b>	<b>547</b>	<b>426</b>	<b>331</b>	<b>882</b>	<b>758</b>	<b>1,463</b>
Taxation	92	109	10	111	91	61	200	152	273
Minority interests	6	0	0	0	0	0	6	0	1
<b>Net result</b>	<b>240</b>	<b>435</b>	<b>148</b>	<b>436</b>	<b>335</b>	<b>270</b>	<b>676</b>	<b>605</b>	<b>1,189</b>
Shares outstanding in the market (in million)	337	322	324	326	328	325	337	328	324
Basic earnings per ordinary share in EUR <sup>15)</sup>	0.69	1.32	0.43	1.31	1.01	0.81	2.00	1.81	3.55
Diluted earnings per ordinary share in EUR <sup>16)</sup>	0.69	1.32	0.43	1.31	1.00	0.80	2.00	1.81	3.54
<b>New business ongoing business</b>									
Single premiums	455	389	464	273	279	373	844	652	1,389
Regular premiums	354	581	252	298	256	441	935	697	1,247
New sales life insurance (APE)	400	620	298	326	284	478	1,020	762	1,386
Value of new business							170	101	214

## 2.1 ANALYSIS OF RESULTS: TOTAL

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Key figures ongoing business</b>									
Gross premium income	2,945	3,397	2,000	2,123	2,020	3,279	6,343	5,299	9,421
Total administrative expenses	582	427	462	422	426	424	1,009	850	1,734
Cost/income ratio (Administrative expenses/Operating income)	31.8%	30.9%	34.0%	33.4%	33.5%	32.9%	31.4%	33.2%	33.5%
Combined ratio (Netherlands Non-life) <sup>11) 17)</sup>	107.4%	95.9%	100.1%	97.9%	99.8%	100.4%	103.2%	100.1%	99.6%
Asset Management Assets under Management <sup>18)</sup>	245	194	195	199	197	190	245	197	195
Life general account invested assets <sup>18)</sup>	136	91	89	89	88	86	136	88	89
Investment margin/Life general account invested assets (in bps) <sup>19)</sup>	70	92	91	90	101	109			
Total provisions for insurance and investment contracts <sup>18)</sup>	159	104	106	110	109	108	159	109	106
of which for risk policyholder <sup>18)</sup>	29	18	23	23	23	23	29	23	23
NN Life Solvency II ratio <sup>3)</sup>	220%	197%	203%	211%	239%	212%	220%	239%	203%
Delta Lloyd Life Solvency II ratio <sup>3)</sup>	139%						139%		
Net operating result <sup>21)</sup>	321	299	215	239	246	242	620	488	941
Adjusted allocated equity (end of period) <sup>20)22)</sup>	11,569	12,355	11,882	11,923	11,662	11,295	11,569	11,662	11,882
Net operating ROE <sup>20)23)</sup>	10.7%	9.9%	7.2%	8.1%	8.6%	8.6%	10.9%	8.6%	8.1%
<b>Key figures Japan Closed Block VA</b>									
Account value	6,546	7,926	8,201	8,699	9,064	9,125	6,546	9,064	8,201
Number of policies	122,394	145,457	154,315	163,450	173,806	186,789	122,394	173,806	154,315
<b>Key figures Total NN Group</b>									
Solvency II ratio <sup>3)</sup>	196%	238%	241%	236%	252%	241%	196%	252%	241%
Total assets <sup>18)20)</sup>	232	167	169	178	178	170	232	178	169
Shareholders' equity <sup>20)</sup>	21,824	22,108	22,695	25,459	25,243	23,088	21,824	25,243	22,695
Employees (internal FTEs, end of period)	15,000	11,327	11,464	11,533	11,443	11,485	15,000	11,443	11,464

## 2.1 ANALYSIS OF RESULTS: TOTAL - EXCLUDING CURRENCY EFFECTS

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Analysis of results</b>									
Netherlands Life	290	220	163	178	193	177	511	369	710
Netherlands Non-life	-27	31	13	21	19	9	4	28	62
Insurance Europe	73	43	62	53	53	35	116	88	203
Japan Life	37	82	23	37	22	68	119	90	150
Asset Management	37	33	33	38	33	29	70	62	133
Other	-7	-5	-10	-10	2	-11	-12	-9	-30
<b>Operating result ongoing business</b>	<b>404</b>	<b>403</b>	<b>283</b>	<b>317</b>	<b>322</b>	<b>307</b>	<b>808</b>	<b>629</b>	<b>1,228</b>
Non-operating items ongoing business	211	168	30	252	153	122	378	274	555
of which gains/losses and impairments	132	144	-26	188	88	29	276	117	279
of which revaluations	34	52	135	58	40	62	86	103	296
of which market & other impacts	45	-29	-79	5	24	31	17	54	-19
Japan Closed Block VA	12	-20	11	-13	-28	-69	-9	-97	-99
Special items before tax	-68	-19	-51	-10	-20	-26	-87	-45	-106
Amortisation of acquisition intangibles	-33	-	-	-	-	-	-33	-	-
Result on divestments	-188	9	-117	-	-	-	-179	-	-117
<b>Result before tax</b>	<b>338</b>	<b>541</b>	<b>155</b>	<b>545</b>	<b>427</b>	<b>334</b>	<b>879</b>	<b>761</b>	<b>1,461</b>
Taxation	92	108	10	111	91	61	199	152	273
Minority interests	6	0	0	0	0	0	6	0	1
<b>Net result</b>	<b>240</b>	<b>433</b>	<b>145</b>	<b>434</b>	<b>336</b>	<b>272</b>	<b>674</b>	<b>608</b>	<b>1,187</b>
Shares outstanding in the market (in million)	337	322	324	326	328	325	337	328	324
Basic earnings per ordinary share in EUR <sup>15)</sup>	0.69	1.32	0.42	1.31	1.01	0.81	2.00	1.82	3.55
Diluted earnings per ordinary share in EUR <sup>16)</sup>	0.69	1.31	0.42	1.30	1.01	0.81	2.00	1.81	3.54
<b>New business ongoing business</b>									
New sales life insurance (APE)	400	611	292	308	279	477	1,011	756	1,355
<b>Key figures ongoing business</b>									
Gross premium income	2,945	3,358	1,975	2,059	2,013	3,295	6,303	5,308	9,342
Total administrative expenses	582	427	461	419	425	425	1,008	850	1,729
<b>Key figures Total NN Group</b>									
Total assets <sup>18)20)</sup>	232	166	168	175	175	170	232	175	168



## 2.2.1 ANALYSIS OF RESULTS: NETHERLANDS LIFE

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Analysis of results</b>									
Investment margin	254	198	167	178	209	191	452	400	745
Fees and premium-based revenues	127	89	82	78	79	98	216	176	336
Technical margin	55	43	33	30	21	9	98	30	93
Operating income non-modelled business	0	-0	-0	-0	0	0	0	0	-0
<b>Operating income</b>	<b>436</b>	<b>330</b>	<b>282</b>	<b>286</b>	<b>309</b>	<b>298</b>	<b>766</b>	<b>606</b>	<b>1,175</b>
Administrative expenses	134	99	110	100	107	108	233	216	426
DAC amortisation and trail commissions	11	10	9	9	9	12	22	21	39
<b>Expenses</b>	<b>146</b>	<b>110</b>	<b>119</b>	<b>108</b>	<b>116</b>	<b>121</b>	<b>255</b>	<b>237</b>	<b>465</b>
<b>Operating result</b>	<b>290</b>	<b>220</b>	<b>163</b>	<b>178</b>	<b>193</b>	<b>177</b>	<b>511</b>	<b>369</b>	<b>710</b>
Non-operating items	141	143	13	181	156	101	284	257	451
of which gains/losses and impairments	76	115	-30	112	91	6	191	96	179
of which revaluations	19	57	121	58	39	64	76	103	282
of which market & other impacts	46	-28	-78	11	26	31	17	58	-10
Special items before tax	-12	-10	-11	-1	-1	-1	-22	-2	-14
Result on divestments	-	-	-	-	-	-	-	-	-
<b>Result before tax</b>	<b>419</b>	<b>353</b>	<b>165</b>	<b>358</b>	<b>347</b>	<b>277</b>	<b>772</b>	<b>624</b>	<b>1,147</b>
Taxation	70	70	-6	64	69	51	139	120	178
Minority interests	3	0	0	0	0	0	4	0	1
<b>Net result</b>	<b>346</b>	<b>283</b>	<b>170</b>	<b>294</b>	<b>278</b>	<b>226</b>	<b>629</b>	<b>504</b>	<b>968</b>
<b>New business</b>									
Single premiums	112	83	112	66	65	101	195	166	345
Regular premiums	74	194	5	9	26	153	268	179	194
New sales life insurance (APE)	85	202	17	16	33	163	288	196	229
Value of new business							6	6	9
<b>Key figures</b>									
Gross premium income	763	880	436	377	435	983	1,642	1,419	2,231
Total administrative expenses	134	99	110	100	107	108	233	216	426
Cost/income ratio (Administrative expenses/Operating income)	30.8%	30.1%	39.1%	34.8%	34.8%	36.5%	30.5%	35.6%	36.3%
Life general account invested assets <sup>18)</sup>	102	67	66	64	64	64	102	64	66
Investment margin/Life general account invested assets (in bps) <sup>19)</sup>	85	116	116	114	128	138			
Total provisions for insurance and investment contracts <sup>18)</sup>	115	72	72	75	75	74	115	75	72
of which for risk policyholder <sup>18)</sup>	22	13	15	15	15	15	22	15	15
Allocated equity (end of period) <sup>24)</sup>	15,298	15,152	15,916	18,148	17,818	16,124	15,298	17,818	15,916
NN Life Solvency II ratio <sup>3)</sup>	220%	197%	203%	211%	239%	212%	220%	239%	203%
Delta Lloyd Life Solvency II ratio <sup>3)</sup>	139%						139%		
Net operating result	247	169	136	139	155	153	415	308	583
Adjusted allocated equity (end of period)	8,325	7,489	7,356	7,333	7,187	7,049	8,325	7,187	7,356
Net operating ROE <sup>24)</sup>	12.5%	9.1%	7.4%	7.7%	8.7%	8.7%	12.0%	8.7%	8.1%
Employees (internal FTEs, end of period)	2,664	2,046	2,088	2,097	2,078	2,094	2,664	2,078	2,088

## 2.2.2 NETHERLANDS LIFE - PROVISIONS FOR LIFE INSURANCE AND INVESTMENT CONTRACTS

In EUR billion	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Provisions for life insurance and investment contracts for risk of company - roll forward</b>									
<b>Beginning of period</b>	<b>59.1</b>	<b>57.8</b>	<b>59.6</b>	<b>59.9</b>	<b>58.8</b>	<b>54.5</b>	<b>57.8</b>	<b>54.5</b>	<b>54.5</b>
Deposits	0.4	2.0	0.3	0.3	0.5	2.4	2.4	3.0	3.6
Withdrawals / Benefits	-1.3	-0.9	-1.0	-0.9	-0.9	-0.9	-2.2	-1.7	-3.7
Net production	-0.9	1.1	-0.7	-0.7	-0.3	1.6	0.2	1.2	-0.1
Acquisition / Divestments / Transfers	34.5	0.0	-	-	-	-0.1	34.5	-0.1	-0.1
Market performance / Interest credited	0.3	0.2	-1.2	0.4	1.5	2.8	0.5	4.3	3.5
FX impact and other	-	-	-	-	-	-	-	-	-
<b>End of period</b>	<b>92.9</b>	<b>59.1</b>	<b>57.8</b>	<b>59.6</b>	<b>59.9</b>	<b>58.8</b>	<b>92.9</b>	<b>59.9</b>	<b>57.8</b>

In EUR billion	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Provisions for life insurance and investment contracts for risk of policyholders - roll forward</b>									
<b>Beginning of period</b>	<b>12.5</b>	<b>14.6</b>	<b>15.1</b>	<b>15.1</b>	<b>15.3</b>	<b>17.6</b>	<b>14.6</b>	<b>17.6</b>	<b>17.6</b>
Deposits	0.3	0.1	0.1	0.1	0.1	0.2	0.4	0.3	0.5
Withdrawals / Benefits	-0.6	-2.3	-0.4	-0.4	-0.7	-3.0	-3.0	-3.7	-4.4
Net production	-0.3	-2.2	-0.3	-0.3	-0.6	-2.8	-2.5	-3.4	-3.9
Acquisition / Divestments / Transfers	9.9	-	-	-	-	-	9.9	-	-
Market performance / Interest credited	-0.2	0.1	-0.2	0.2	0.4	0.5	-0.1	0.9	0.9
FX impact and other	-	-	-	-	-	-	-	-	-
<b>End of period</b>	<b>21.9</b>	<b>12.5</b>	<b>14.6</b>	<b>15.1</b>	<b>15.1</b>	<b>15.3</b>	<b>21.9</b>	<b>15.1</b>	<b>14.6</b>

## 2.3.1 ANALYSIS OF RESULTS: NETHERLANDS NON-LIFE

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Analysis of results</b>									
Earned premiums	700	400	401	383	386	385	1,099	770	1,555
Investment income	32	28	26	27	32	24	60	56	109
Other income	1	1	0	0	-1	1	1	0	1
<b>Operating income</b>	<b>732</b>	<b>428</b>	<b>427</b>	<b>411</b>	<b>417</b>	<b>410</b>	<b>1,160</b>	<b>827</b>	<b>1,665</b>
<b>Claims incurred, net of reinsurance</b>	<b>567</b>	<b>281</b>	<b>296</b>	<b>276</b>	<b>284</b>	<b>289</b>	<b>848</b>	<b>573</b>	<b>1,145</b>
Acquisition costs	106	64	62	60	62	59	170	121	244
Administrative expenses	94	53	58	54	54	54	147	108	219
<b>Acquisition costs and administrative expenses</b>	<b>200</b>	<b>117</b>	<b>120</b>	<b>114</b>	<b>116</b>	<b>113</b>	<b>317</b>	<b>229</b>	<b>463</b>
<b>Expenditure</b>	<b>767</b>	<b>398</b>	<b>416</b>	<b>390</b>	<b>400</b>	<b>401</b>	<b>1,165</b>	<b>802</b>	<b>1,608</b>
<b>Operating result insurance businesses</b>	<b>-35</b>	<b>30</b>	<b>11</b>	<b>21</b>	<b>17</b>	<b>8</b>	<b>-5</b>	<b>25</b>	<b>57</b>
Operating result health business and broker business	8	1	2	0	2	1	9	3	5
<b>Total operating result</b>	<b>-27</b>	<b>31</b>	<b>13</b>	<b>21</b>	<b>19</b>	<b>9</b>	<b>4</b>	<b>28</b>	<b>62</b>
Non-operating items	12	3	12	7	5	26	16	31	50
of which gains/losses and impairments	2	2	-1	1	0	23	4	23	23
of which revaluations	10	1	14	6	5	3	11	8	27
of which market & other impacts	-	-	-0	-	-	-	-	-	-0
Special items before tax	-2	-0	5	-0	-6	-6	-2	-12	-7
Result on divestments	-	-	-	-	-	-	-	-	-
<b>Result before tax</b>	<b>-17</b>	<b>34</b>	<b>30</b>	<b>27</b>	<b>19</b>	<b>29</b>	<b>18</b>	<b>47</b>	<b>104</b>
Taxation	-5	7	3	4	3	6	2	10	17
Minority interests	2	-	-	-	-	-	2	-	-
<b>Net result</b>	<b>-14</b>	<b>27</b>	<b>27</b>	<b>23</b>	<b>15</b>	<b>22</b>	<b>13</b>	<b>38</b>	<b>87</b>
<b>Key figures</b>									
Gross premium income	653	788	244	282	292	760	1,441	1,052	1,578
Total administrative expenses <sup>13)</sup>	113	63	73	69	69	70	176	139	281
Combined ratio <sup>11) 17)</sup>	107.4%	95.9%	100.1%	97.9%	99.8%	100.4%	103.2%	100.1%	99.6%
of which Claims ratio <sup>11) 17)</sup>	78.8%	66.5%	70.2%	68.1%	69.8%	71.1%	74.4%	70.4%	69.8%
of which Expense ratio <sup>11) 17)</sup>	28.6%	29.4%	29.9%	29.8%	30.1%	29.3%	28.8%	29.7%	29.8%
Total insurance provisions <sup>18)</sup>	6	4	3	3	4	4	6	4	3
Allocated equity (end of period) <sup>24)</sup>	1,029	694	695	733	731	694	1,029	731	695
Net operating result	-18	25	11	16	15	8	7	23	51
Adjusted allocated equity (end of period)	767	379	361	349	356	342	767	356	361
Net operating ROE <sup>24)</sup>	-12.8%	26.9%	12.8%	18.4%	16.9%	8.8%	1.2%	12.6%	14.1%
Employees (internal FTEs, end of period)	2,684	1,458	1,609	1,619	1,630	1,667	2,684	1,630	1,609

## 2.3.2 NETHERLANDS NON-LIFE - KEY FIGURES BY LINE OF BUSINESS

In EUR million

	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Gross premium income by line of business</b>									
<b>Disability &amp; Accident</b>	<b>156</b>	<b>478</b>	<b>61</b>	<b>99</b>	<b>109</b>	<b>462</b>	<b>634</b>	<b>571</b>	<b>731</b>
Fire	230	136	76	76	75	123	366	198	350
Marine & Aviation	20	9	3	3	3	8	29	11	18
Motor	162	91	71	70	72	94	254	166	307
Miscellaneous	88	73	33	33	32	73	161	104	170
Indirect business	-4	1	0	1	1	1	-3	1	2
<b>Property &amp; Casualty</b>	<b>497</b>	<b>310</b>	<b>183</b>	<b>183</b>	<b>182</b>	<b>299</b>	<b>807</b>	<b>481</b>	<b>847</b>
<b>Total</b>	<b>653</b>	<b>788</b>	<b>244</b>	<b>282</b>	<b>292</b>	<b>760</b>	<b>1,441</b>	<b>1,052</b>	<b>1,578</b>

In EUR million

	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Operating result by line of business</b>									
<b>Disability &amp; Accident</b>	<b>29</b>	<b>29</b>	<b>11</b>	<b>25</b>	<b>47</b>	<b>11</b>	<b>58</b>	<b>58</b>	<b>94</b>
Fire	-6	12	13	4	-19	2	6	-16	0
Marine & Aviation	-0	1	1	-0	1	-0	1	0	1
Motor	-44	-6	-12	-8	-11	-3	-50	-14	-33
Miscellaneous	-13	-8	-3	-0	-1	-2	-21	-3	-7
Indirect business	0	1	0	0	1	0	1	1	1
<b>Property &amp; Casualty</b>	<b>-63</b>	<b>0</b>	<b>-0</b>	<b>-5</b>	<b>-30</b>	<b>-2</b>	<b>-63</b>	<b>-32</b>	<b>-37</b>
Health business and broker business	8	1	2	0	2	1	9	3	5
<b>Total</b>	<b>-27</b>	<b>31</b>	<b>13</b>	<b>21</b>	<b>19</b>	<b>9</b>	<b>4</b>	<b>28</b>	<b>62</b>

	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Combined ratios Disability &amp; Accident and Property &amp; Casualty <sup>11) 17)</sup></b>									
<b>Disability &amp; Accident</b>									
Combined ratio	91.9%	86.6%	96.7%	88.4%	78.9%	94.9%	89.6%	87.0%	89.8%
of which Claims ratio	71.1%	65.5%	74.3%	66.8%	57.1%	74.1%	68.7%	65.7%	68.1%
of which Expense ratio	20.8%	21.1%	22.4%	21.6%	21.8%	20.8%	21.0%	21.3%	21.6%
<b>Property &amp; Casualty</b>									
Combined ratio	115.4%	103.6%	103.0%	106.0%	117.9%	105.2%	111.6%	111.6%	108.0%
of which Claims ratio	82.9%	67.4%	66.7%	69.2%	80.7%	68.4%	77.9%	74.6%	71.2%
of which Expense ratio	32.5%	36.2%	36.3%	36.8%	37.2%	36.8%	33.7%	37.0%	36.8%
<b>Total</b>									
Combined ratio	107.4%	95.9%	100.1%	97.9%	99.8%	100.4%	103.2%	100.1%	99.6%
of which Claims ratio	78.8%	66.5%	70.2%	68.1%	69.8%	71.1%	74.4%	70.4%	69.8%
of which Expense ratio	28.6%	29.4%	29.9%	29.8%	30.1%	29.3%	28.8%	29.7%	29.8%

## 2.3.3. NEW METHODOLOGY OF CALCULATING THE COMBINED RATIO

In EUR million	2Q2017 D&A	2Q2017 P&C	2Q2017 Total
<b>Reconciliation of old and new methodologies</b>			
<b>Old methodology</b>			
Earned premiums	238	461	700
Claims incurred, net of reinsurance	185	382	567
<b>Claims ratio</b>	<b>77.6%</b>	<b>82.9%</b>	<b>81.1%</b>
Acquisition costs and administrative expenses	50	150	200
Expense ratio	<b>20.8%</b>	<b>32.5%</b>	<b>28.6%</b>
<b>Combined ratio</b>	<b>98.4%</b>	<b>115.4%</b>	<b>109.6%</b>
<b>New methodology</b>			
Claims incurred, net of reinsurance	185	382	567
Unwind of interest accrual	-16	-	-16
Claims incurred, net of reinsurance, excluding unwind of interest accrual	169	382	552
<b>Claims ratio</b>	<b>71.1%</b>	<b>82.9%</b>	<b>78.8%</b>
Expense ratio (unchanged)	<b>20.8%</b>	<b>32.5%</b>	<b>28.6%</b>
<b>Combined ratio</b>	<b>91.9%</b>	<b>115.4%</b>	<b>107.4%</b>

## 2.4.1 ANALYSIS OF RESULTS: INSURANCE EUROPE

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Analysis of results</b>									
Investment margin	24	14	22	16	19	15	38	34	72
Fees and premium-based revenues	179	143	142	136	137	134	322	271	548
Technical margin	47	47	58	50	51	42	93	93	201
Operating income non-modelled business	1	1	1	1	1	1	2	2	3
<b>Operating income Life Insurance</b>	<b>251</b>	<b>205</b>	<b>222</b>	<b>202</b>	<b>208</b>	<b>191</b>	<b>456</b>	<b>399</b>	<b>824</b>
Administrative expenses	99	82	86	77	79	78	181	157	320
DAC amortisation and trail commissions	78	81	77	75	78	79	159	157	310
<b>Expenses Life Insurance</b>	<b>178</b>	<b>162</b>	<b>163</b>	<b>152</b>	<b>156</b>	<b>157</b>	<b>340</b>	<b>314</b>	<b>629</b>
<b>Operating result Life Insurance</b>	<b>73</b>	<b>43</b>	<b>59</b>	<b>50</b>	<b>52</b>	<b>34</b>	<b>116</b>	<b>86</b>	<b>195</b>
Operating result Non-life	-0	-0	1	2	0	0	-0	1	4
<b>Operating result</b>	<b>73</b>	<b>42</b>	<b>60</b>	<b>52</b>	<b>52</b>	<b>34</b>	<b>115</b>	<b>86</b>	<b>198</b>
Non-operating items	30	21	9	67	-6	-1	51	-7	69
of which gains/losses and impairments	22	19	7	71	-5	-1	41	-6	73
of which revaluations	8	2	3	1	1	1	10	2	6
of which market & other impacts	-0	-0	-1	-6	-2	-1	-0	-3	-9
Special items before tax	-8	-0	-16	-6	-6	-16	-8	-22	-44
Result on divestments	-	-	-	-	-	-	-	-	-
<b>Result before tax</b>	<b>95</b>	<b>63</b>	<b>54</b>	<b>113</b>	<b>40</b>	<b>17</b>	<b>158</b>	<b>57</b>	<b>224</b>
Taxation	15	10	29	23	11	4	25	14	66
Minority interests	-	-	-	-	-	-	-	-	-
<b>Net result</b>	<b>80</b>	<b>53</b>	<b>25</b>	<b>90</b>	<b>29</b>	<b>13</b>	<b>133</b>	<b>43</b>	<b>158</b>
<b>New business</b>									
Single premiums	343	306	352	207	214	266	649	480	1,039
Regular premiums	135	145	103	80	101	114	280	215	398
New sales life insurance (APE)	170	175	138	101	123	140	345	263	502
Value of new business							72	46	85
<b>Key figures</b>									
Gross premium income	763	609	640	554	586	580	1,372	1,166	2,360
Total administrative expenses (Life & Non-life)	102	84	90	80	82	81	187	163	333
Cost/income ratio (Administrative expenses/Operating income)	39.8%	40.0%	37.2%	35.9%	35.7%	38.6%	39.9%	37.1%	36.8%
Life general account invested assets <sup>18)</sup>	19	10	10	10	10	10	19	10	10
Investment margin/Life general account invested assets (in bps) <sup>19)</sup>	49	72	71	70	70	69			
Total provisions for insurance and investment contracts <sup>18)</sup>	26	16	18	18	18	18	26	18	18
of which for risk policyholder <sup>18)</sup>	7	6	8	8	7	8	7	7	8
Assets under Management Pensions <sup>18)25)</sup>	18	18	16	16	15	15	18	15	16
Allocated equity (end of period) <sup>20)24)</sup>	2,464	1,942	1,923	1,930	1,856	2,032	2,464	1,856	1,923
Net operating result	58	33	45	43	40	29	91	69	156
Adjusted allocated equity (end of period) <sup>20)</sup>	2,021	1,477	1,414	1,334	1,288	1,488	2,021	1,288	1,414
Net operating ROE <sup>20)24)</sup>	13.3%	9.2%	13.0%	13.1%	11.5%	7.8%	11.9%	9.6%	11.3%
Employees (internal FTEs, end of period)	4,629	4,215	4,142	4,192	4,112	4,097	4,629	4,112	4,142

## 2.4.1 ANALYSIS OF RESULTS: INSURANCE EUROPE - EXCLUDING CURRENCY EFFECTS

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Analysis of results</b>									
Investment margin	24	14	23	15	19	15	38	34	72
Fees and premium-based revenues	179	144	142	135	137	133	323	271	548
Technical margin	47	47	58	50	51	42	94	93	202
Operating income non-modelled business	1	1	1	1	1	1	2	2	3
<b>Operating income Life Insurance</b>	<b>251</b>	<b>206</b>	<b>223</b>	<b>202</b>	<b>208</b>	<b>191</b>	<b>457</b>	<b>399</b>	<b>824</b>
Administrative expenses	99	82	86	76	78	78	181	156	318
DAC amortisation and trail commissions	78	81	77	75	78	79	159	156	308
<b>Expenses Life Insurance</b>	<b>178</b>	<b>163</b>	<b>163</b>	<b>151</b>	<b>156</b>	<b>156</b>	<b>340</b>	<b>312</b>	<b>626</b>
<b>Operating result Life Insurance</b>	<b>73</b>	<b>43</b>	<b>60</b>	<b>51</b>	<b>52</b>	<b>35</b>	<b>116</b>	<b>87</b>	<b>198</b>
Operating result Non-life	-0	-0	1	2	0	1	-0	1	4
<b>Operating result</b>	<b>73</b>	<b>43</b>	<b>62</b>	<b>53</b>	<b>53</b>	<b>35</b>	<b>116</b>	<b>88</b>	<b>203</b>
Non-operating items	30	21	9	67	-6	-1	51	-7	69
of which gains/losses and impairments	22	19	7	71	-5	-1	41	-6	73
of which revaluations	8	2	3	1	1	1	10	2	6
of which market & other impacts	-0	-0	-1	-6	-2	-1	-0	-3	-9
Special items before tax	-8	-0	-16	-6	-6	-16	-8	-22	-43
Result on divestments	-	-	-	-	-	-	-	-	-
<b>Result before tax</b>	<b>95</b>	<b>64</b>	<b>55</b>	<b>114</b>	<b>41</b>	<b>18</b>	<b>159</b>	<b>59</b>	<b>229</b>
Taxation	15	10	29	23	11	4	25	15	67
Minority interests	-	-	-	-	-	-	-	-	-
<b>Net result</b>	<b>80</b>	<b>54</b>	<b>26</b>	<b>91</b>	<b>30</b>	<b>14</b>	<b>133</b>	<b>45</b>	<b>162</b>
<b>New business</b>									
New sales life insurance (APE)	170	176	137	99	120	136	345	255	491
<b>Key figures</b>									
Gross premium income	763	611	642	555	588	581	1,375	1,170	2,366
Total administrative expenses (Life & Non-life)	102	85	90	79	81	81	187	162	330

## 2.4.2 INSURANCE EUROPE - KEY FIGURES BY COUNTRY

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Gross premium income by country</b>									
Belgium	237	86	126	107	130	137	323	267	500
Poland	90	85	85	77	75	75	175	149	311
Czech Republic	38	38	40	37	39	40	76	79	156
Hungary	63	58	60	66	59	54	120	113	239
Spain	161	156	126	112	109	122	317	230	468
Other	174	186	204	154	175	153	360	328	686
<b>Insurance Europe</b>	<b>763</b>	<b>609</b>	<b>640</b>	<b>554</b>	<b>586</b>	<b>580</b>	<b>1,372</b>	<b>1,166</b>	<b>2,360</b>
In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Operating result by country</b>									
Belgium	15	1	8	6	10	-3	17	7	21
Poland	20	17	22	19	20	20	37	40	80
Czech Republic	10	7	8	6	5	5	17	11	25
Hungary	4	4	2	4	2	4	8	6	12
Spain	7	7	11	8	8	8	15	16	35
Other	16	6	9	8	7	1	22	8	25
<b>Insurance Europe</b>	<b>73</b>	<b>42</b>	<b>60</b>	<b>52</b>	<b>52</b>	<b>34</b>	<b>115</b>	<b>86</b>	<b>198</b>
In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>New sales (APE) by country</b>									
Belgium	22	6	10	8	10	11	28	20	38
Poland	23	27	21	16	19	19	50	38	75
Czech Republic	6	6	4	3	4	4	12	8	16
Hungary	6	6	7	7	6	5	12	12	25
Spain	30	30	25	20	21	22	60	43	87
Other	82	100	72	48	62	79	182	142	262
<b>Insurance Europe</b>	<b>170</b>	<b>175</b>	<b>138</b>	<b>101</b>	<b>123</b>	<b>140</b>	<b>345</b>	<b>263</b>	<b>502</b>



## 2.4.2 INSURANCE EUROPE - KEY FIGURES BY COUNTRY - EXCLUDING CURRENCY EFFECTS

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Gross premium income by country</b>									
Belgium	237	86	126	107	130	137	323	267	500
Poland	90	87	88	80	77	77	177	154	322
Czech Republic	38	39	40	38	40	40	77	80	158
Hungary	63	57	60	67	60	54	120	114	240
Spain	161	156	126	112	109	122	317	230	468
Other	174	186	201	152	173	151	360	324	677
<b>Insurance Europe</b>	<b>763</b>	<b>611</b>	<b>642</b>	<b>555</b>	<b>588</b>	<b>581</b>	<b>1,375</b>	<b>1,170</b>	<b>2,366</b>

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Operating result by country</b>									
Belgium	15	1	8	6	10	-3	17	7	21
Poland	20	18	23	19	20	21	38	41	83
Czech Republic	10	7	8	6	5	6	17	11	25
Hungary	4	4	2	4	2	4	8	6	12
Spain	7	7	11	8	8	8	15	16	35
Other	16	6	9	9	7	1	22	8	26
<b>Insurance Europe</b>	<b>73</b>	<b>43</b>	<b>62</b>	<b>53</b>	<b>53</b>	<b>35</b>	<b>116</b>	<b>88</b>	<b>203</b>

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>New sales (APE) by country</b>									
Belgium	22	6	10	8	10	11	28	20	38
Poland	23	28	22	16	20	20	51	39	77
Czech Republic	6	7	4	3	4	4	12	8	16
Hungary	6	6	7	7	7	5	12	12	25
Spain	30	30	25	20	21	22	60	43	87
Other	82	99	70	45	58	74	182	133	248
<b>Insurance Europe</b>	<b>170</b>	<b>176</b>	<b>137</b>	<b>99</b>	<b>120</b>	<b>136</b>	<b>345</b>	<b>255</b>	<b>491</b>

## 2.4.3 INSURANCE EUROPE - PROVISIONS FOR LIFE INSURANCE AND INVESTMENT CONTRACTS AND ASSETS UNDER MANAGEMENT PENSIONS

In EUR billion	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Provisions for life insurance and investment contracts for risk of company - roll forward</b>									
<b>Beginning of period</b>	<b>9.8</b>	<b>10.1</b>	<b>10.5</b>	<b>10.6</b>	<b>10.7</b>	<b>10.8</b>	<b>10.1</b>	<b>10.8</b>	<b>10.8</b>
Deposits	0.2	0.2	0.4	0.2	0.1	0.2	0.4	0.3	0.8
Withdrawals / Benefits	-0.4	-0.4	-0.6	-0.3	-0.4	-0.5	-0.8	-0.9	-1.8
Net production	-0.2	-0.2	-0.2	-0.1	-0.2	-0.3	-0.4	-0.6	-1.0
Acquisition / Divestments / Transfers	9.2	-	-	-	-	-	9.2	-	-
Market performance / Interest credited	0.0	-0.1	-0.1	0.0	0.1	0.2	-0.0	0.3	0.3
FX impact and other	0.0	0.0	-0.0	0.0	-0.0	0.0	0.0	-0.0	-0.0
<b>End of period</b>	<b>18.9</b>	<b>9.8</b>	<b>10.1</b>	<b>10.5</b>	<b>10.6</b>	<b>10.7</b>	<b>18.9</b>	<b>10.6</b>	<b>10.1</b>
In EUR billion	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Provisions for life insurance and investment contracts for risk of policyholders - roll forward</b>									
<b>Beginning of period</b>	<b>5.8</b>	<b>7.9</b>	<b>7.7</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	<b>7.9</b>	<b>7.5</b>	<b>7.5</b>
Deposits	0.3	0.3	0.2	0.2	0.2	0.2	0.5	0.4	0.8
Withdrawals / Benefits	-0.3	-0.2	-0.2	-0.2	-0.1	-0.1	-0.5	-0.3	-0.6
Net production	-0.0	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.1
Acquisition / Divestments / Transfers	0.9	-	-	-	-	-	0.9	-	-
Market performance / Interest credited	0.0	-2.2	0.2	0.2	-0.0	-0.1	-2.2	-0.1	0.3
FX impact and other	0.0	0.0	-0.0	0.0	-0.0	0.0	0.1	-0.0	-0.0
<b>End of period</b>	<b>6.7</b>	<b>5.8</b>	<b>7.9</b>	<b>7.7</b>	<b>7.5</b>	<b>7.5</b>	<b>6.7</b>	<b>7.5</b>	<b>7.9</b>
In EUR billion	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Assets under management pensions - roll forward</b>									
<b>Beginning of period</b>	<b>17.6</b>	<b>16.1</b>	<b>15.6</b>	<b>14.6</b>	<b>15.2</b>	<b>14.7</b>	<b>16.1</b>	<b>14.7</b>	<b>14.7</b>
Deposits	0.4	0.4	0.4	0.3	0.4	0.4	0.8	0.7	1.5
Withdrawals / Benefits	-0.2	-0.2	-0.2	-0.1	-0.2	-0.1	-0.4	-0.3	-0.6
Net production	0.2	0.1	0.2	0.2	0.2	0.2	0.4	0.4	0.9
Acquisition / Divestments / Transfers	-	0.0	0.0	0.0	0.0	0.0	-	-	-
Market performance / Interest credited	0.5	1.0	0.6	0.6	-0.5	0.2	1.5	-0.3	0.9
FX impact and other	0.0	0.3	-0.3	0.2	-0.3	0.1	0.4	-0.3	-0.4
<b>End of period</b>	<b>18.4</b>	<b>17.6</b>	<b>16.1</b>	<b>15.6</b>	<b>14.6</b>	<b>15.2</b>	<b>18.4</b>	<b>14.6</b>	<b>16.1</b>

## 2.5.1 ANALYSIS OF RESULTS: JAPAN LIFE

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Analysis of results</b>									
Investment margin	-2	-3	-3	-6	-7	-5	-4	-12	-21
Fees and premium-based revenues	135	194	120	162	130	176	328	306	589
Technical margin	1	13	-13	-11	-9	-1	14	-10	-33
Operating income non-modelled business	-0	0	-0	-0	0	0	-0	0	-0
<b>Operating income</b>	<b>134</b>	<b>204</b>	<b>105</b>	<b>145</b>	<b>115</b>	<b>170</b>	<b>339</b>	<b>284</b>	<b>535</b>
Administrative expenses	36	32	33	32	31	24	68	55	120
DAC amortisation and trail commissions	61	87	48	72	60	79	148	139	260
<b>Expenses</b>	<b>97</b>	<b>119</b>	<b>81</b>	<b>105</b>	<b>92</b>	<b>103</b>	<b>216</b>	<b>194</b>	<b>381</b>
<b>Operating result</b>	<b>37</b>	<b>85</b>	<b>24</b>	<b>40</b>	<b>23</b>	<b>67</b>	<b>123</b>	<b>90</b>	<b>154</b>
Non-operating items	-4	-1	-3	-1	-2	-1	-4	-3	-7
of which gains/losses and impairments	-0	8	-2	2	1	0	8	1	0
of which revaluations	-4	-9	-1	-3	-3	-1	-12	-4	-8
of which market & other impacts	-	-	-	-	-	-	-	-	-
Special items before tax	-	-	-3	-0	-1	-1	-	-2	-5
Result on divestments	-	-	-	-	-	-	-	-	-
<b>Result before tax</b>	<b>34</b>	<b>85</b>	<b>18</b>	<b>39</b>	<b>20</b>	<b>65</b>	<b>118</b>	<b>85</b>	<b>141</b>
Taxation	10	24	6	7	10	7	33	18	31
Minority interests	-	-	-	-	-	-	-	-	-
<b>Net result</b>	<b>24</b>	<b>61</b>	<b>12</b>	<b>32</b>	<b>10</b>	<b>57</b>	<b>85</b>	<b>67</b>	<b>111</b>
<b>New business</b>									
Single premiums	-	-	-	-	0	6	-	6	6
Regular premiums	145	243	144	209	128	174	387	303	655
New sales life insurance (APE)	145	243	144	209	128	175	387	303	656
Value of new business	-	-	-	-	-	-	93	49	121
<b>Key figures</b>									
Gross premium income	762	1,114	672	906	701	951	1,876	1,651	3,230
Total administrative expenses	36	32	33	32	31	24	68	55	120
Cost/income ratio (Administrative expenses/Operating income)	26.6%	15.6%	31.4%	22.3%	27.4%	14.0%	20.0%	19.4%	22.5%
Life general account invested assets <sup>18)</sup>	14	15	14	14	13	12	14	13	14
Total provisions for insurance and investment contracts <sup>18)</sup>	13	13	12	13	13	11	13	13	12
of which for risk policyholder <sup>18)</sup>	0	0	0	0	0	0	0	0	0
Allocated equity (end of period) <sup>14) 24)</sup>	2,162	2,336	2,272	2,650	2,822	2,313	2,162	2,822	2,272
Net operating result	26	61	17	29	17	48	87	64	110
Adjusted allocated equity (end of period)	1,550	1,673	1,561	1,669	1,640	1,484	1,550	1,640	1,561
Net operating ROE <sup>14) 24)</sup>	6.6%	15.1%	4.1%	6.9%	4.3%	13.2%	10.8%	8.6%	7.0%
Employees (internal FTEs, end of period)	792	734	713	686	669	622	792	669	713

## 2.5.1 ANALYSIS OF RESULTS: JAPAN LIFE - EXCLUDING CURRENCY EFFECTS

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Analysis of results</b>									
Investment margin	-2	-3	-3	-6	-7	-6	-4	-12	-21
Fees and premium-based revenues	135	187	116	150	129	179	321	308	574
Technical margin	1	13	-12	-10	-9	-1	14	-10	-32
Operating income non-modelled business	-0	0	-0	-0	0	0	-0	0	-0
<b>Operating income</b>	<b>134</b>	<b>197</b>	<b>101</b>	<b>135</b>	<b>113</b>	<b>173</b>	<b>331</b>	<b>286</b>	<b>521</b>
Administrative expenses	36	31	32	30	31	25	67	56	118
DAC amortisation and trail commissions	61	84	47	67	60	80	145	140	254
<b>Expenses</b>	<b>97</b>	<b>115</b>	<b>78</b>	<b>97</b>	<b>91</b>	<b>105</b>	<b>212</b>	<b>196</b>	<b>371</b>
<b>Operating result</b>	<b>37</b>	<b>82</b>	<b>23</b>	<b>37</b>	<b>22</b>	<b>68</b>	<b>119</b>	<b>90</b>	<b>150</b>
Non-operating items	-4	-1	-3	-1	-2	-1	-5	-3	-7
of which gains/losses and impairments	-0	7	-2	1	1	0	7	1	0
of which revaluations	-4	-8	-1	-2	-3	-1	-12	-4	-7
of which market & other impacts	-	-	-	-	-	-	-	-	-
Special items before tax	-	-	-3	-0	-1	-1	-	-2	-5
Result on divestments	-	-	-	-	-	-	-	-	-
<b>Result before tax</b>	<b>34</b>	<b>81</b>	<b>17</b>	<b>36</b>	<b>20</b>	<b>65</b>	<b>115</b>	<b>85</b>	<b>138</b>
Taxation	10	23	5	7	10	8	32	18	30
Minority interests	-	-	-	-	-	-	-	-	-
<b>Net result</b>	<b>24</b>	<b>58</b>	<b>12</b>	<b>29</b>	<b>9</b>	<b>58</b>	<b>82</b>	<b>67</b>	<b>108</b>
<b>New business</b>									
New sales life insurance (APE)	145	233	138	193	127	178	378	304	636
<b>Key figures</b>									
Gross premium income	762	1,073	646	841	692	966	1,834	1,658	3,145
Total administrative expenses	36	31	32	30	31	25	67	56	118

## 2.5.2 JAPAN LIFE - PROVISIONS FOR LIFE INSURANCE AND INVESTMENT CONTRACTS

In EUR billion	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Provisions for life insurance and investment contracts for risk of company - roll forward</b>									
<b>Beginning of period</b>	<b>13.2</b>	<b>12.2</b>	<b>13.0</b>	<b>12.5</b>	<b>10.9</b>	<b>10.2</b>	<b>12.2</b>	<b>10.2</b>	<b>10.2</b>
Deposits	0.7	1.0	0.6	0.8	0.9	0.6	1.7	1.5	2.9
Withdrawals / Benefits	-0.4	-0.5	-0.4	-0.4	-0.8	-0.1	-0.9	-0.9	-1.7
Net production	0.2	0.5	0.2	0.4	0.2	0.5	0.7	0.6	1.2
Acquisition / Divestments / Transfers	-	-	-	-	-	-	-	-	-
Market performance / Interest credited	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.2
FX impact and other	-0.9	0.4	-1.0	0.0	1.4	0.2	-0.5	1.6	0.7
<b>End of period</b>	<b>12.5</b>	<b>13.2</b>	<b>12.2</b>	<b>13.0</b>	<b>12.5</b>	<b>10.9</b>	<b>12.5</b>	<b>12.5</b>	<b>12.2</b>

## 2.6.1 ANALYSIS OF RESULTS: ASSET MANAGEMENT

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Analysis of results</b>									
Investment income	-0	-0	0	-0	0	-0	-0	0	0
Fees	135	118	120	119	113	111	253	224	463
<b>Operating income</b>	<b>135</b>	<b>118</b>	<b>120</b>	<b>119</b>	<b>113</b>	<b>110</b>	<b>252</b>	<b>224</b>	<b>463</b>
<b>Administrative expenses</b>	<b>97</b>	<b>85</b>	<b>87</b>	<b>81</b>	<b>80</b>	<b>82</b>	<b>182</b>	<b>162</b>	<b>330</b>
<b>Operating result</b>	<b>37</b>	<b>33</b>	<b>33</b>	<b>38</b>	<b>33</b>	<b>29</b>	<b>70</b>	<b>62</b>	<b>133</b>
Non-operating items	-0	0	0	-1	0	-0	0	-0	-1
Special items before tax	-5	-0	-2	-1	-1	-1	-5	-3	-6
Result on divestments	-	-	-	-	-	-	-	-	-
<b>Result before tax</b>	<b>32</b>	<b>33</b>	<b>31</b>	<b>36</b>	<b>32</b>	<b>28</b>	<b>65</b>	<b>59</b>	<b>126</b>
Taxation	10	8	8	10	7	8	17	15	32
Minority interests	-	-	-	-	-	-	-	-	-
<b>Net result</b>	<b>23</b>	<b>25</b>	<b>23</b>	<b>27</b>	<b>24</b>	<b>20</b>	<b>48</b>	<b>44</b>	<b>94</b>
<b>Key figures</b>									
Total administrative expenses	97	85	87	81	80	82	182	162	330
Cost/income ratio (Administrative expenses/Operating income)	72.4%	72.0%	72.6%	68.0%	70.8%	74.0%	72.2%	72.4%	71.3%
Net inflow Assets under Management (in EUR billion)	2	-1	1	0	0	-3	2	-3	-2
Assets under Management <sup>18)</sup>	245	194	195	199	197	190	245	197	195
Fees/average Assets under Management (in bps)	25	24	24	24	23	23	24	23	24
Allocated equity (end of period) <sup>24)</sup>	452	426	399	395	420	413	452	420	399
Net operating result	28	25	24	29	25	22	53	47	100
Adjusted allocated equity (end of period)	452	427	399	395	420	413	452	420	399
Net operating ROE <sup>24)</sup>	25.6%	23.9%	24.6%	28.4%	24.2%	21.4%	24.7%	22.8%	24.7%
Employees (internal FTEs, end of period)	1,220	1,086	1,090	1,129	1,144	1,167	1,220	1,144	1,090

## 2.6.1 ANALYSIS OF RESULTS: ASSET MANAGEMENT - EXCLUDING CURRENCY EFFECTS

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Analysis of results</b>									
Investment income	-0	-0	0	-0	0	-0	-0	0	0
Fees	135	118	120	119	113	111	252	224	463
<b>Operating income</b>	<b>135</b>	<b>118</b>	<b>120</b>	<b>119</b>	<b>113</b>	<b>111</b>	<b>252</b>	<b>224</b>	<b>463</b>
<b>Administrative expenses</b>	<b>97</b>	<b>85</b>	<b>87</b>	<b>81</b>	<b>80</b>	<b>82</b>	<b>182</b>	<b>162</b>	<b>330</b>
<b>Operating result</b>	<b>37</b>	<b>33</b>	<b>33</b>	<b>38</b>	<b>33</b>	<b>29</b>	<b>70</b>	<b>62</b>	<b>133</b>
Non-operating items	-0	0	0	-1	0	-0	0	-0	-1
Special items before tax	-5	-0	-2	-1	-1	-1	-5	-3	-6
Result on divestments	-	-	-	-	-	-	-	-	-
<b>Result before tax</b>	<b>32</b>	<b>33</b>	<b>31</b>	<b>36</b>	<b>32</b>	<b>28</b>	<b>65</b>	<b>59</b>	<b>126</b>
Taxation	10	8	8	10	7	8	17	15	32
Minority interests	-	-	-	-	-	-	-	-	-
<b>Net result</b>	<b>23</b>	<b>25</b>	<b>23</b>	<b>27</b>	<b>25</b>	<b>20</b>	<b>48</b>	<b>45</b>	<b>95</b>
<b>Key figures</b>									
Total administrative expenses	97	85	87	81	80	82	182	162	330

## 2.6.2 ASSET MANAGEMENT - ASSETS UNDER MANAGEMENT AND ASSETS UNDER ADMINISTRATION

In EUR billion	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016
<b>Assets under Management (AuM) and Assets under Advice and Administration (AuA)</b>						
<b>Affiliates</b>	<b>160</b>	<b>118</b>	<b>122</b>	<b>128</b>	<b>128</b>	<b>122</b>
Proprietary (general account assets)	134	99	101	106	106	100
Other affiliates business	26	19	21	22	22	22
<b>Third parties</b>	<b>86</b>	<b>76</b>	<b>73</b>	<b>71</b>	<b>69</b>	<b>68</b>
Institutional customers	41	34	33	32	32	32
Retail customers home markets	30	27	26	26	25	25
Retail customers others	14	15	14	13	12	11
<b>Total Assets under Management</b>	<b>245</b>	<b>194</b>	<b>195</b>	<b>199</b>	<b>197</b>	<b>190</b>
<b>Assets under Advice and Administration</b>	<b>53</b>	<b>68</b>	<b>60</b>	<b>57</b>	<b>54</b>	<b>52</b>

In EUR billion	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016
<b>AuM by investment</b>						
Equity	31	26	25	24	23	24
Fixed income	186	145	149	155	154	147
Multi asset	28	23	20	20	19	19
<b>Total</b>	<b>245</b>	<b>194</b>	<b>195</b>	<b>199</b>	<b>197</b>	<b>190</b>

30 June 2017	Affiliates	Proprietary	Other	Third Parties	Institutional	Retail home markets	Retail Others	Total
In EUR billion								
<b>AuM roll forward</b>								
<b>Beginning of period</b>	<b>118</b>	<b>99</b>	<b>19</b>	<b>76</b>	<b>34</b>	<b>27</b>	<b>15</b>	<b>194</b>
Net inflow	0	0	0	3	2	0	0	2
Acquisition/ Divestments	44	37	7	8	5	3	0	52
Market performance (incl. FX Impact) and Other	-2	-2	0	-1	0	0	0	-3
<b>End of period</b>	<b>160</b>	<b>134</b>	<b>26</b>	<b>86</b>	<b>41</b>	<b>30</b>	<b>14</b>	<b>245</b>

In EUR billion	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016
<b>AuM roll forward</b>						
<b>Beginning of period</b>	<b>194</b>	<b>195</b>	<b>199</b>	<b>197</b>	<b>190</b>	<b>187</b>
Net inflow	2	-1	1	0	0	-3
Acquisition/ Divestments	52	0	0	0	0	0
Market performance (incl. FX Impact) and Other	-3	0	-6	2	7	6
<b>End of period</b>	<b>245</b>	<b>194</b>	<b>195</b>	<b>199</b>	<b>197</b>	<b>190</b>



## 2.7.1 ANALYSIS OF RESULTS: OTHER

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Analysis of results</b>									
Interest on hybrids and debt <sup>31)</sup>	-34	-31	-26	-26	-26	-26	-64	-51	-103
Investment income and fees	23	12	14	14	14	14	34	28	55
Holding expenses	-38	-16	-14	-16	-11	-14	-54	-25	-55
Amortisation of intangible assets	-0	-0	-1	-2	-2	-2	-1	-3	-6
<b>Holding result</b>	<b>-50</b>	<b>-36</b>	<b>-27</b>	<b>-30</b>	<b>-24</b>	<b>-28</b>	<b>-85</b>	<b>-52</b>	<b>-109</b>
Operating result reinsurance business	8	5	-1	2	9	3	14	12	12
Operating result Bank	34	24	16	17	17	13	58	30	63
Other results	0	2	2	0	1	1	2	1	4
<b>Operating result</b>	<b>-7</b>	<b>-5</b>	<b>-10</b>	<b>-11</b>	<b>2</b>	<b>-11</b>	<b>-12</b>	<b>-9</b>	<b>-30</b>
Non-operating items	32	1	-2	-1	-0	-3	33	-3	-6
of which gains/losses and impairments	32	1	-0	3	1	1	33	2	5
of which revaluations	-0	0	-2	-4	-2	-4	0	-6	-12
of which market & other impacts	-	-	-	-	-	-	-	-	-
Special items before tax	-41	-8	-23	-2	-5	-0	-49	-5	-30
Amortisation of acquisition intangibles	-33	-	-	-	-	-	-33	-	-
Result on divestments	-188	9	-114	-	-	-	-179	-	-114
<b>Result before tax</b>	<b>-237</b>	<b>-3</b>	<b>-149</b>	<b>-14</b>	<b>-3</b>	<b>-14</b>	<b>-240</b>	<b>-17</b>	<b>-181</b>
Taxation	-11	-5	-32	6	-2	1	-16	-1	-27
Minority interests	0	-0	-	-	-	-	0	-	-
<b>Net result</b>	<b>-226</b>	<b>2</b>	<b>-117</b>	<b>-20</b>	<b>-1</b>	<b>-15</b>	<b>-225</b>	<b>-16</b>	<b>-153</b>
<b>Key figures</b>									
Gross premium income	5	6	7	5	6	4	11	10	22
Total administrative expenses	99	63	69	61	56	58	162	115	244
of which reinsurance business	3	4	4	4	4	4	7	7	15
of which Bank	56	43	51	41	42	41	99	82	174
of which corporate/holding	39	17	13	16	11	14	56	25	55
NN Bank common equity Tier 1 ratio phased in <sup>26)</sup>	14.0%	13.2%	14.0%	14.1%	13.9%	13.3%	14.0%	13.9%	14.0%
Delta Lloyd Bank common equity Tier 1 ratio phased in <sup>26)</sup>	16.8%						16.8%		
Total assets Bank <sup>18)</sup>	21	15	15	14	13	12	21	13	15
Net operating result Bank	26	18	12	13	12	10	43	22	47
Adjusted allocated equity Bank (end of period)	658	528	508	481	468	455	658	468	508
Net operating ROE Bank <sup>27)</sup>	17.2%	13.6%	9.8%	10.6%	10.8%	8.7%	18.1%	9.8%	10.0%
Total provisions for insurance and investment contracts <sup>18)</sup>	0	0	0	0	0	1	0	0	0
Allocated equity (end of period) <sup>24)</sup>	-33	1,038	907	975	884	693	-33	884	907
Net operating result <sup>29)</sup>	-19	-13	-18	-17	-6	-17	-33	-23	-58
Adjusted allocated equity (end of period) <sup>22)</sup>	-1,547	911	791	842	771	519	-1,547	771	791
Employees (internal FTEs, end of period)	2,958	1,740	1,770	1,759	1,750	1,772	2,958	1,750	1,770

## 2.7.1 ANALYSIS OF RESULTS: OTHER - EXCLUDING CURRENCY EFFECTS

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Analysis of results</b>									
Interest on hybrids and debt	-34	-31	-26	-26	-26	-26	-64	-51	-103
Investment income and fees	23	12	14	14	14	14	34	28	55
Holding expenses	-38	-16	-14	-16	-11	-14	-54	-25	-55
Amortisation of intangible assets	-0	-0	-1	-1	-1	-1	-1	-3	-6
<b>Holding result</b>	<b>-50</b>	<b>-36</b>	<b>-27</b>	<b>-30</b>	<b>-24</b>	<b>-28</b>	<b>-85</b>	<b>-52</b>	<b>-108</b>
Operating result reinsurance business	8	5	-1	2	9	3	14	12	12
Operating result Bank	34	24	16	17	17	13	58	30	63
Other results	0	2	2	0	1	1	2	1	4
<b>Operating result</b>	<b>-7</b>	<b>-5</b>	<b>-10</b>	<b>-10</b>	<b>2</b>	<b>-11</b>	<b>-12</b>	<b>-9</b>	<b>-30</b>
Non-operating items	32	1	-2	-1	-0	-3	33	-3	-6
of which gains/losses and impairments	32	1	-0	3	1	1	33	2	5
of which revaluations	-0	0	-2	-4	-2	-4	0	-6	-12
of which market & other impacts	-	-	-	-	-	-	-	-	-
Special items before tax	-41	-8	-23	-2	-5	-0	-49	-5	-30
Amortisation of acquisition intangibles	-33	-	-	-	-	-	-33	-	-
Result on divestments	-188	9	-117	-	-	-	-179	-	-117
<b>Result before tax</b>	<b>-237</b>	<b>-3</b>	<b>-153</b>	<b>-14</b>	<b>-3</b>	<b>-14</b>	<b>-240</b>	<b>-17</b>	<b>-184</b>
Taxation	-11	-5	-32	6	-2	1	-16	-1	-27
Minority interests	0	-0	-	-	-	-	0	-	-
<b>Net result</b>	<b>-226</b>	<b>2</b>	<b>-121</b>	<b>-20</b>	<b>-1</b>	<b>-15</b>	<b>-224</b>	<b>-16</b>	<b>-157</b>
<b>Key figures</b>									
Gross premium income	5	6	7	5	6	4	11	10	22
Total administrative expenses	99	63	69	61	56	58	162	115	244
of which reinsurance business	3	4	4	4	4	4	7	7	15
of which Bank	56	43	51	41	42	41	99	82	174
of which corporate/holding	39	17	13	16	11	14	56	25	54

## 2.7.2 BANK - SAVINGS AND DEPOSITS AND MORTGAGES

In EUR billion	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Savings &amp; Deposits - roll forward</b>									
<b>Beginning of period</b>	<b>10.6</b>	<b>10.2</b>	<b>9.7</b>	<b>9.3</b>	<b>8.6</b>	<b>8.0</b>	<b>10.2</b>	<b>8.0</b>	<b>8.0</b>
Deposits	1.0	1.3	1.4	0.9	1.2	1.2	2.4	2.4	4.8
Withdrawals / Benefits	-0.9	-1.0	-0.9	-0.5	-0.6	-0.6	-1.8	-1.2	-2.6
Net production	0.2	0.4	0.5	0.4	0.6	0.6	0.6	1.2	2.2
Acquisition / Divestments / Transfers	2.9	-	-	-	-	-	2.9	-	-
Market performance / Interest credited	-	-	-	-	-	-	-	-	-
FX impact and other	-	-	-	-	-	-	-	-	-
<b>End of period</b>	<b>13.7</b>	<b>10.6</b>	<b>10.2</b>	<b>9.7</b>	<b>9.3</b>	<b>8.6</b>	<b>13.7</b>	<b>9.3</b>	<b>10.2</b>
In EUR billion	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Mortgages - roll forward</b>									
<b>Beginning of period</b>	<b>13.1</b>	<b>12.7</b>	<b>11.8</b>	<b>11.4</b>	<b>10.9</b>	<b>10.5</b>	<b>12.7</b>	<b>10.5</b>	<b>10.5</b>
Production	0.9	1.1	1.4	1.0	1.1	1.4	2.0	2.5	4.9
Redemptions	-0.4	-0.3	-0.3	-0.2	-0.2	-0.2	-0.6	-0.4	-0.9
Net production	0.5	0.8	1.1	0.8	0.9	1.2	1.4	2.1	4.0
Acquisition / Divestments / Transfers	3.8	-0.5	-0.2	-0.4	-0.4	-0.8	3.3	-1.2	-1.8
Market performance / Interest credited	-	-	-	-	-	-	-	-	-
FX impact and other	-	-	-	-	-	-	-	-	-
<b>End of period</b>	<b>17.4</b>	<b>13.1</b>	<b>12.7</b>	<b>11.8</b>	<b>11.4</b>	<b>10.9</b>	<b>17.4</b>	<b>11.4</b>	<b>12.7</b>

## 2.8.1 ANALYSIS OF RESULTS: JAPAN CLOSED BLOCK VA

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Analysis of results</b>									
Investment margin	-1	-1	-1	-1	-1	-1	-1	-1	-2
Fees and premium-based revenues	11	12	14	14	15	14	23	29	57
Technical margin	-	-	-	-	-	-	-	-	-
Operating income non-modelled business	-0	0	-0	0	0	-0	0	0	0
<b>Operating income</b>	<b>11</b>	<b>11</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>22</b>	<b>28</b>	<b>55</b>
Administrative expenses	3	3	3	4	4	4	6	8	15
DAC amortisation and trail commissions	1	1	2	2	2	2	3	4	7
<b>Expenses</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>9</b>	<b>12</b>	<b>22</b>
<b>Operating result</b>	<b>6</b>	<b>7</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>13</b>	<b>16</b>	<b>33</b>
Non-operating items	5	-27	2	-21	-36	-77	-22	-113	-132
of which gains/losses and impairments	-0	-0	-0	-0	-0	-	-0	-0	-0
of which revaluations	-	-	-	-	-	-	-	-	-
of which market & other impacts	5	-27	2	-21	-36	-77	-22	-113	-132
Special items before tax	-	-	-	-	-	-	-	-	-
Result on divestments	-	-	-	-	-	-	-	-	-
<b>Result before tax</b>	<b>12</b>	<b>-20</b>	<b>11</b>	<b>-13</b>	<b>-28</b>	<b>-69</b>	<b>-8</b>	<b>-97</b>	<b>-99</b>
Taxation	3	-5	3	-3	-7	-16	-2	-23	-24
Minority interests	-	-	-	-	-	-	-	-	-
<b>Net result</b>	<b>9</b>	<b>-15</b>	<b>8</b>	<b>-9</b>	<b>-21</b>	<b>-53</b>	<b>-7</b>	<b>-74</b>	<b>-75</b>
<b>Key figures <sup>4)</sup></b>									
Gross premium income	1	1	1	1	1	1	1	2	4
Allocated equity (end of period) <sup>28)</sup>	452	519	583	627	712	819	452	712	583
Account value	6,546	7,926	8,201	8,699	9,064	9,125	6,546	9,064	8,201
Net Amount at Risk	180	434	352	917	1,021	498	180	1,021	352
IFRS Reserves	401	677	674	1,176	1,335	824	401	1,335	674
Number of policies	122,394	145,457	154,315	163,450	173,806	186,789	122,394	173,806	154,315
Employees (internal FTEs, end of period)	53	49	51	51	60	67	53	60	51

## 2.8.1 ANALYSIS OF RESULTS: JAPAN CLOSED BLOCK VA - EXCLUDING CURRENCY EFFECTS

In EUR million	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Analysis of results</b>									
Investment margin	-1	-1	-1	-1	-1	-1	-1	-1	-2
Fees and premium-based revenues	11	11	13	13	15	15	23	30	56
Technical margin	-	-	-	-	-	-	-	-	-
Operating income non-modelled business	-0	0	-0	0	0	-0	0	0	0
<b>Operating income</b>	<b>11</b>	<b>11</b>	<b>13</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>22</b>	<b>28</b>	<b>54</b>
Administrative expenses	3	3	3	4	4	4	6	8	15
DAC amortisation and trail commissions	1	1	1	2	2	2	3	4	7
<b>Expenses</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>9</b>	<b>12</b>	<b>21</b>
<b>Operating result</b>	<b>6</b>	<b>7</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>13</b>	<b>17</b>	<b>33</b>
Non-operating items	5	-27	2	-21	-36	-77	-22	-113	-132
of which gains/losses and impairments	-0	-0	-0	-0	-0	-	-0	-0	-0
of which revaluations	-	-	-	-	-	-	-	-	-
of which market & other impacts	5	-27	2	-21	-36	-77	-22	-113	-132
Special items before tax	-	-	-	-	-	-	-	-	-
Result on divestments	-	-	-	-	-	-	-	-	-
<b>Result before tax</b>	<b>12</b>	<b>-20</b>	<b>11</b>	<b>-13</b>	<b>-28</b>	<b>-69</b>	<b>-9</b>	<b>-97</b>	<b>-99</b>
Taxation	3	-5	3	-4	-7	-16	-2	-23	-24
Minority interests	-	-	-	-	-	-	-	-	-
<b>Net result</b>	<b>9</b>	<b>-15</b>	<b>8</b>	<b>-10</b>	<b>-21</b>	<b>-53</b>	<b>-7</b>	<b>-73</b>	<b>-75</b>

## 2.8.2 JAPAN CLOSED BLOCK VA - ACCOUNT VALUE

In EUR billion	2Q2017	1Q2017	4Q2016	3Q2016	2Q2016	1Q2016	6M2017	6M2016	FY2016
<b>Account value - roll forward</b>									
<b>Beginning of period</b>	<b>7.9</b>	<b>8.2</b>	<b>8.7</b>	<b>9.1</b>	<b>9.1</b>	<b>10.0</b>	<b>8.2</b>	<b>10.0</b>	<b>10.0</b>
Deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Withdrawals / Benefits	-1.1	-0.5	-0.5	-0.6	-0.7	-0.7	-1.6	-1.4	-2.4
Net production	-1.1	-0.5	-0.5	-0.6	-0.6	-0.7	-1.6	-1.4	-2.4
Acquisition / Divestments / Transfers	-	-	-	-	-	-	-	-	-
Market performance / Interest credited	0.3	-0.0	0.7	0.2	-0.5	-0.4	0.2	-0.9	-0.0
FX impact and other	-0.5	0.3	-0.7	0.0	1.1	0.2	-0.3	1.3	0.6
<b>End of period</b>	<b>6.5</b>	<b>7.9</b>	<b>8.2</b>	<b>8.7</b>	<b>9.1</b>	<b>9.1</b>	<b>6.5</b>	<b>9.1</b>	<b>8.2</b>

## NOTES

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- 1) Revaluation reserves for debt securities, equity securities and property in own use, the cash flow hedge reserve, the related crediting to policyholders, the coupon on undated subordinated notes recognized in equity as well as the goodwill and intangible assets recognized as a result of the Delta Lloyd acquisition.
- 2) The segment 'Other' comprises of the allocated equity of banking business, reinsurance business and the cash capital position, other assets and debt of the holding company.
- 3) The solvency ratios are not final until filed with the regulators. The Solvency II ratios for NN Group and NN Life are based on the partial internal model. The Solvency II ratio for Delta Lloyd Life (Delta Lloyd Levensverzekering N.V.) is based on the standard formula.
- 4) End of period, except Gross premium income.
- 5) Includes interest on subordinated loans provided to subsidiaries by the holding company.
- 6) Includes the change of subordinated loans provided to subsidiaries by the holding company.
- 7) Includes interest on subordinated loans and debt, holding company expenses and other cash flows.
- 8) Free cash flow to the holding company is defined as the change in cash capital position of the holding company over the period, excluding acquisitions, capital transactions with shareholders and debtholders and the inclusion of the Delta Lloyd cash capital position.
- 9) Cash capital is defined as net current assets available at the holding company.
- 10) Other assets contain Reinsurance contracts, Property and equipment, Intangible assets, and Deferred acquisition costs.
- 11) As of 2Q17, the calculation methodology for the combined ratio has been updated and now excludes the discount rate unwind on the D&A insurance liabilities. All comparative combined ratios have been updated to reflect this change.
- 12) Including AZL.
- 13) Including health business and broker business.
- 14) As of 2Q17, the net operating result and adjusted allocated equity used to calculate the Net operating ROE of Japan Life are adjusted for the impact of internal reinsurance ceded to NN Group's reinsurance business.
- 15) Basic earnings per ordinary share is calculated as the net result, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity, divided by the weighted average number of ordinary shares outstanding (net of treasury shares).
- 16) Diluted earnings per share is calculated as if the share plans and warrants outstanding at the end of the period had been exercised at the beginning of the period and assuming that the cash received from exercised share plans and warrants was used to buy own shares against the average market price during the period. The net decrease in the number of shares results from the cancellation of shares following the share buy back programme.
- 17) Excluding health business and broker business.
- 18) End of period, in EUR billion.
- 19) Four-quarter rolling average. The 2Q17 calculation reflects the impact of including Delta Lloyd on an annualised basis.
- 20) As of 1 January 2017, NN Group changed its accounting policy for the Reserve Adequacy Test. The change represents a change in accounting policy under IFRS and is implemented retrospectively. The impact on previous periods is limited to the consolidated balance sheet and equity. For more details refer to the 31 March 2017 Condensed consolidated interim accounts.
- 21) Net operating result of the ongoing business, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity.
- 22) Allocated equity, adjusted for revaluation reserves and excluding undated subordinated notes classified in equity as well as the goodwill and intangible assets recognized as a result of the Delta Lloyd acquisition.
- 23) Net operating ROE is calculated as the (annualised) net operating result of the ongoing business, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity, divided by (average) adjusted allocated equity of ongoing business. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves, the undated subordinated notes classified as equity as well as the goodwill and intangible assets recognised as a result of the Delta Lloyd acquisition. Reference is made to the section 'Alternative Performance measures (Non-GAAP measures)' in the 2016 consolidated annual accounts .
- 24) Net operating ROE is calculated as the (annualised) net operating result of the segment, divided by (average) adjusted allocated equity. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves. Reference is made to the section 'Alternative Performance measures (Non-GAAP measures)' in the 2016 Consolidated Annual Accounts .
- 25) The numbers shown under AuM are client balances which exclude IFRS shareholders' equity related to the respective pension businesses and include the assets under administration.
- 26) The 'Common equity Tier 1 ratio phased in' is not final until filed with the regulators.
- 27) Net operating ROE is calculated as the (annualised) net operating result of the banking business, divided by (average) adjusted allocated equity. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves. Reference is made to the section 'Alternative Performance measures (Non-GAAP measures)' in the 2016 Consolidated Annual Accounts.
- 28) Allocated equity, adjusted for revaluation reserve.
- 29) Net operating result is adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity.
- 30) Value of new business as a percentage of Present value of new business premiums.
- 31) Does not include interest costs on subordinated debt treated as equity.

## IMPORTANT LEGAL INFORMATION

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NN Group's Consolidated Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and with Part 9 of Book 2 of the Dutch Civil Code.

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 2017.

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 or European Union countries leaving the European Union, (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 and the interpretation and application thereof, (13) changes in the policies and actions 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 NN Group 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, (18) catastrophes and terrorist-related events, (19) adverse developments in legal and other proceedings and (20) the other risks and uncertainties 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.

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