



First quarter 2016 results

26 May 2016



Lard Friese, CEO

Highlights

Operating result

EUR 305m

(1Q15: EUR 304m)

Net result

EUR 270m

(1Q15: EUR 485m)

Net Operating ROE

8.6%

(1Q15: 8.7%)

Holdco cash capital

EUR 2.1bn

(4Q15: EUR 2.0bn)

Solvency II ratio¹

241%

(4Q15: 239%)

Share buyback
programme

EUR 500m

- Operating result ongoing business stable
- Holding company cash capital at EUR 2.1bn; free cash flow at holding company of EUR 403m
- Solvency II ratio at 241%; increase due to NN Group's designation as Financial Conglomerate partly offset by impact of EUR 250m share buyback in January 2016
- ING Group's remaining stake in NN Group sold on 14 April 2016
- EUR 500m share buyback programme during the coming 12 months

Our values – care, clear, commit – underpin our strategy and how we serve our customers

NN statement of Living our Values



Care Clear Commit



Prohlášení NN „Žijeme hodnotami”



Care Clear Commit



Декларация на NN „Живеем с нашите ценности”



Care Clear Commit



Declaración de NN: Vivir nuestros valores



Cuidamos de nuestros Clientes
Somos claros
Estamos comprometidos



Porque Tú importas comienza por Vivir nuestros valores

NN Értékeinkről szóló iránymutatás



Öröfgyeetés Aláíthetőség Elkötlezettség



„You matter – Te számítasz”
azzal kezdődik.
Értékeink szertm elünk



We care
(私たちが気に掛けます)



We are clear
(私たちが明瞭です)



We commit
(私たちが責任を持ちます)

- Rebranding complete
- Brand awareness increased
- Active corporate sponsorship aligning brand, strategy and values




Transformation in the Netherlands to enhance customer experience


 <p>Relevant customer contact</p>	Increased interaction, personal and relevant service approach
 <p>Data and analytics</p>	Gather and analyse customer insights to provide relevant offers
 <p>Digital and omnichannel</p>	Bring together all products in one easy-to-use personal digital environment
 <p>Optimising distribution</p>	Build customer relationships, direct or together with our partners in retail

Pension Assistance service

Geboren in '58?

Uw geboortjaar bepaalt welke pensioeninformatie nu voor u belangrijk is.

 [Bekijk uw overzicht >](#)



Segmented motor insurance campaign

Prijs	Merk	Kwaliteit
<p>Vanaf € 12,50 verzekerd</p> <p> Bereken uw premie ></p>	<p>1,5 miljoen klanten gingen u voor</p> <p> Overtuig uzelf ></p>	<p>"Correct en efficiënt en vlot." ★★★★☆</p> <p> Overtuig uzelf ></p>

Capturing growth opportunities through multi-access distribution

Transparent products and services



NN

NN Direct Health



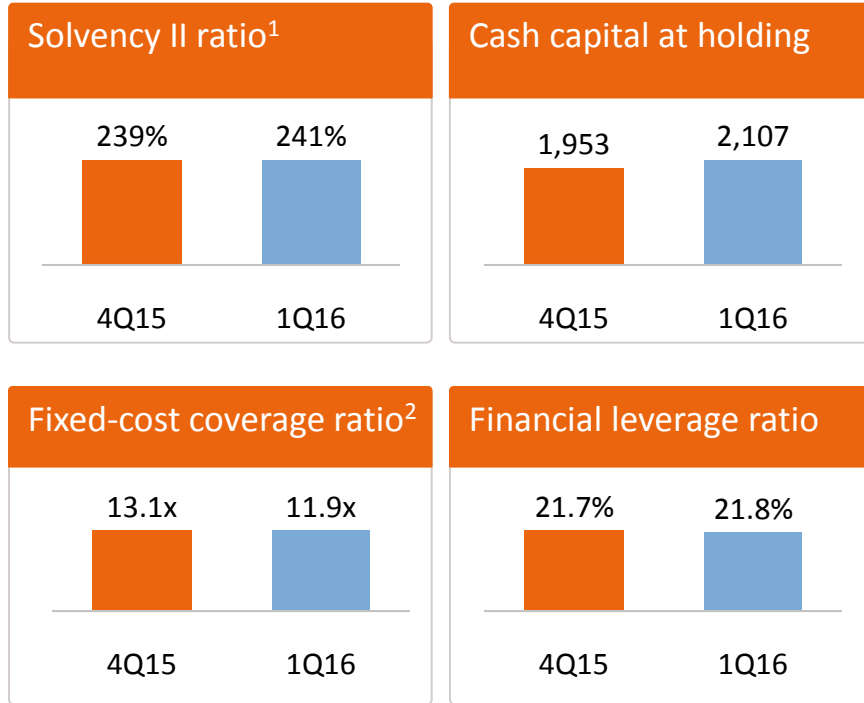
Πρόγραμμα
Ασφάλισης Υγείας



Multi-access distribution



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

- Share buyback of EUR 250m as part of ING's sell-down in January 2016
- Since IPO, EUR 1,440m of capital returned to shareholders, including final 2015 dividend
- EUR 500m share buyback programme during the coming 12 months



All numbers at end of period

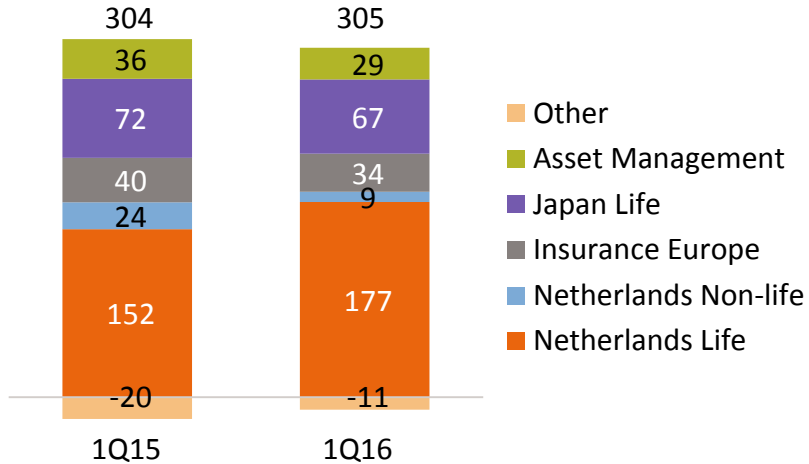
1. Based on the Partial Internal Model; 1Q16 reflects the EUR 250m share buyback in January 2016 and NN Group's designation as Financial Conglomerate effective from 1 January 2016; 4Q15 reflects the proposed 2015 final dividend
2. Calculated on a last 12-months basis

Delfin Rueda, CFO

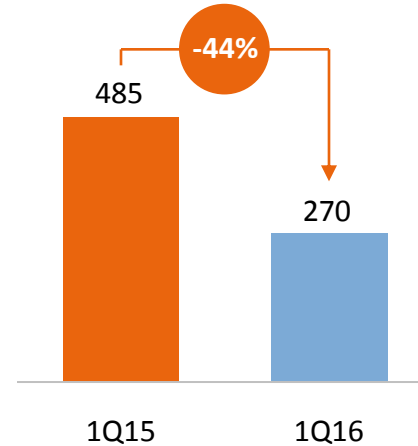


1Q16 results

Operating result (EURm)



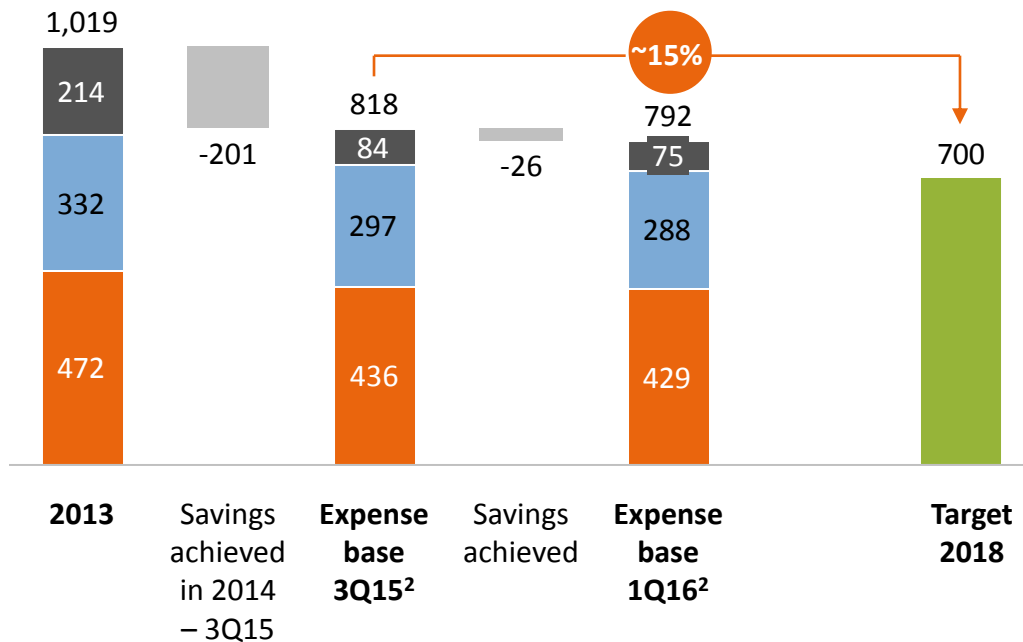
Net result (EURm)



- 1Q16 operating result ongoing business stable, as higher dividends at Netherlands Life and improved results at NN Bank were offset by lower results in Netherlands Non-life, Insurance Europe and Asset Management
- Net result of EUR 270m, down from 1Q15, which included a capital gain on an equity investment while 1Q16 reflects a negative result for Japan Closed Block VA due to higher market volatility

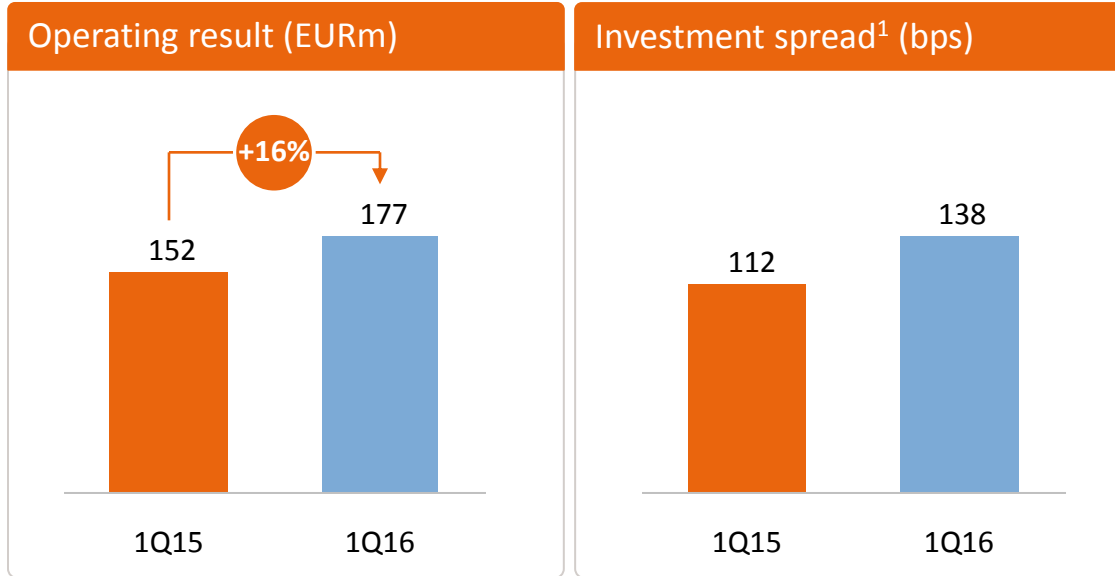
Expense base reduced to EUR 792m

Target administrative expense base in the Netherlands¹ of EUR 700m by 2018 (EURm)



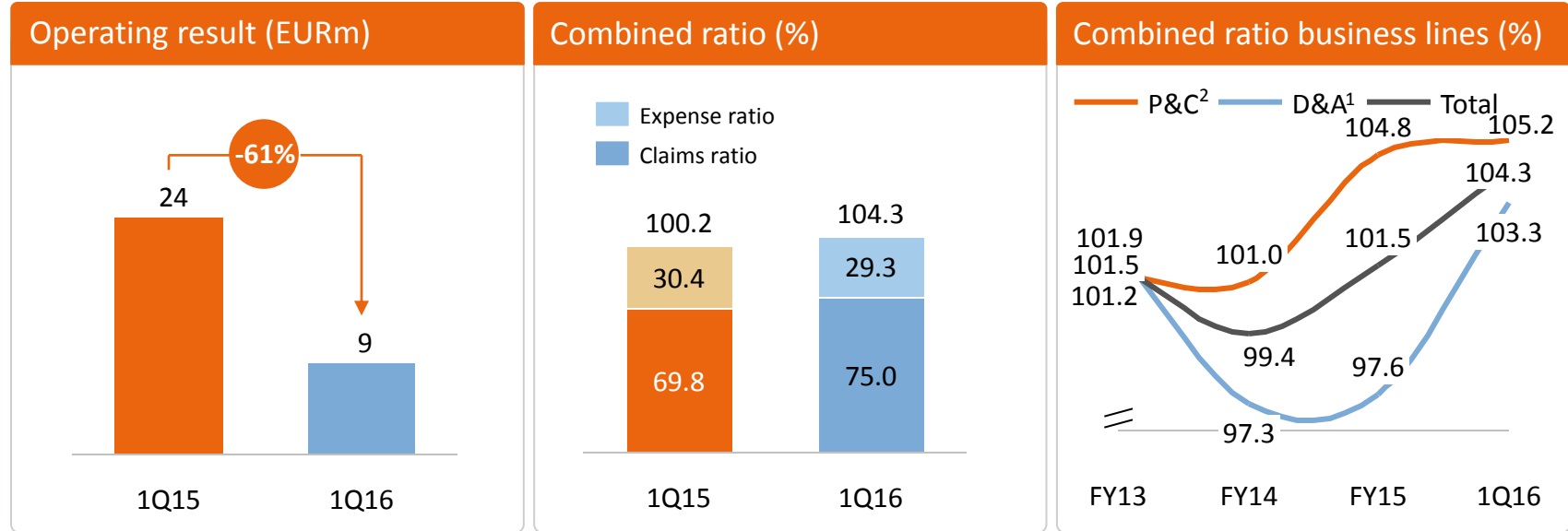
	Cost savings		
	4Q15	1Q16	Total ³
■ Holding	4	6	10
■ NL Non-life	6	3	9
■ NL Life	5	2	8
	15	11	26

Netherlands Life



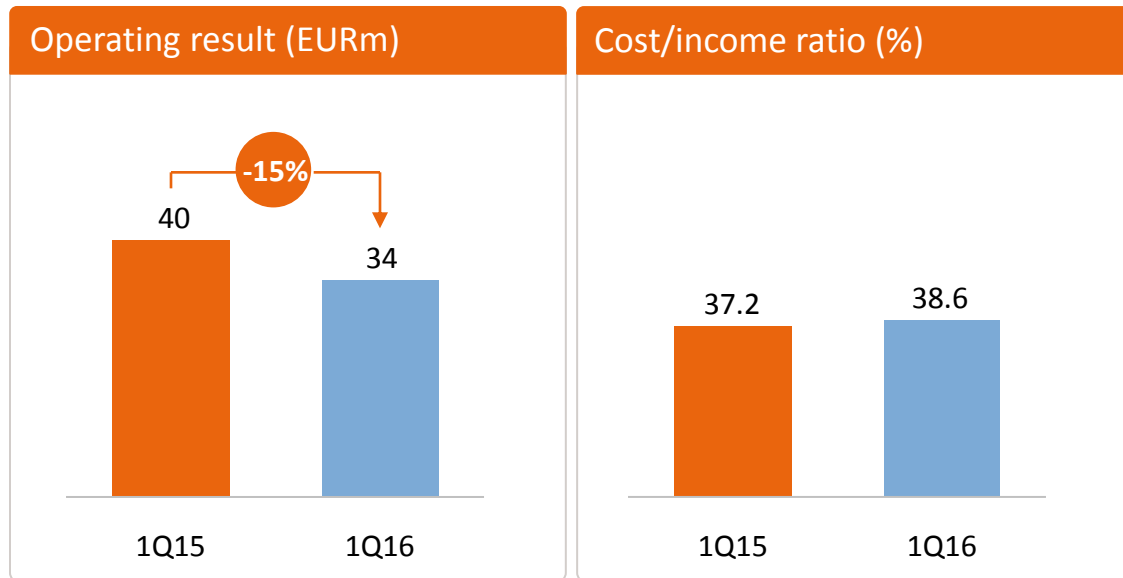
- Operating result 1Q16 increased to EUR 177m supported by higher dividends partly offset by lower fees and premium based revenues
- Investment margin supported by EUR 59m dividends of private equity and exceptional dividends; investment spread increased to 138bp

Netherlands Non-life



- Operating result 1Q16 down at EUR 9m due to less favourable results in D&A; combined ratio 104.3%
- D&A – operating result down on 1Q15; unfavourable claims experience in Individual disability in 1Q16, while 1Q15 included positive impact (IBNR update) in Group income protection portfolio; combined ratio 103.3%
- P&C – operating result improved on 1Q15, driven by better claims experience in Fire; combined ratio 105.2%

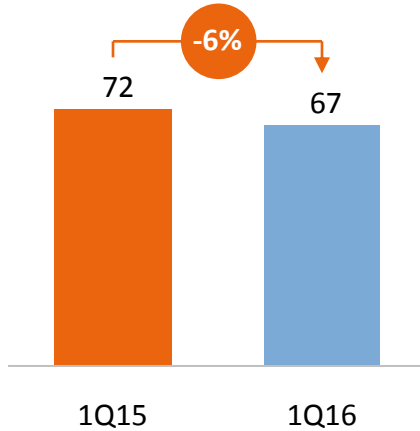
Insurance Europe



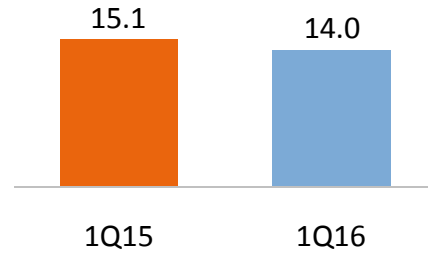
- Operating result 1Q16 decreased to EUR 34m, reflecting a EUR 4m provision related to the terrorist attacks in Belgium and a lower investment margin
- Cost/income ratio increased on lower income and higher administrative expenses

Japan Life

Operating result (EURm)

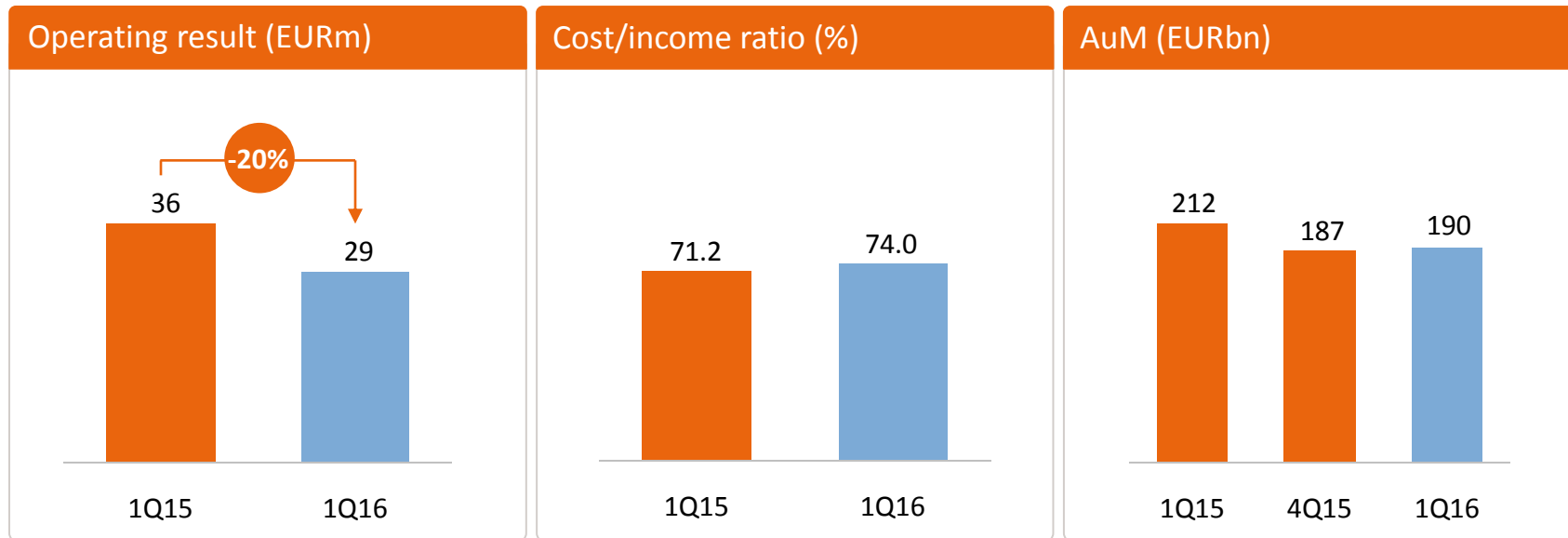


Cost/income ratio (%)



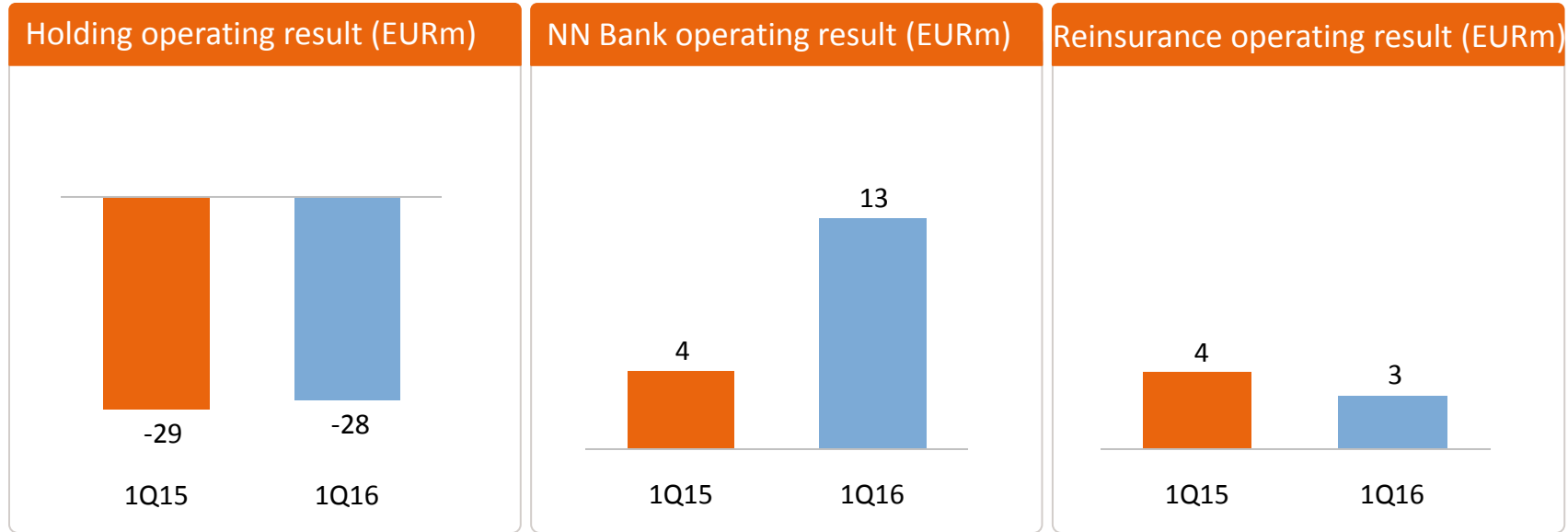
- Operating result 1Q16 decreased to EUR 67m, reflecting higher DAC amortisation and trail commissions due to higher premium income and higher surrenders as well as a lower investment margin
- These items were partly offset by higher fees and premium-based revenues driven by higher in-force volumes
- Cost/income ratio improved on higher income

Asset Management



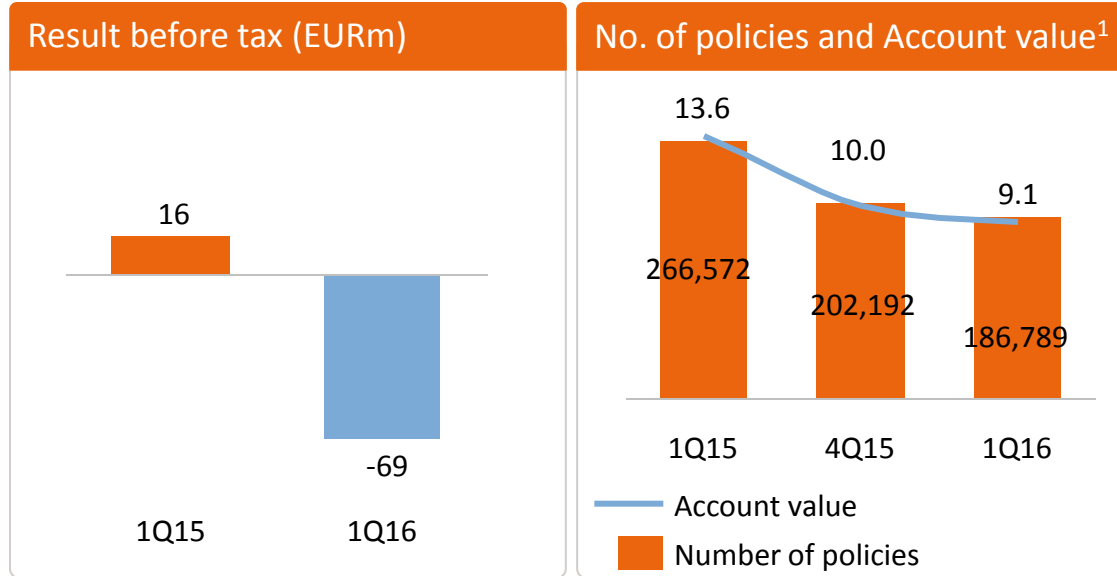
- Operating result 1Q16 decreased to EUR 29m, as a decrease in fees was only partly offset by lower staff and other expenses
- Total Assets under Management (AuM) increased to EUR 190bn from EUR 187bn at the end of 4Q15, reflecting positive market impact of EUR 6bn partly offset by net outflows of EUR 3bn

Other



- Operating result 1Q16 of segment 'Other' improved to EUR -11m from EUR -20m in 1Q15
- Holding result improved driven by lower holding expenses
- Higher result at NN Bank reflects higher interest margin
- Reinsurance result relatively stable

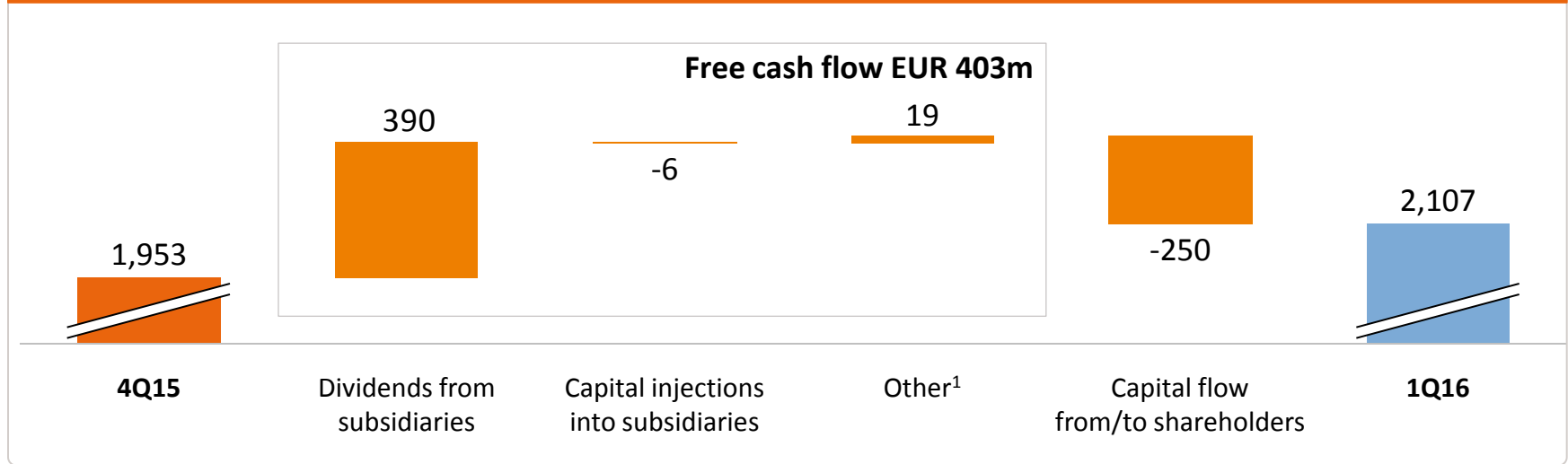
Japan Closed Block VA



- Result before tax 1Q16 was EUR -69m, reflecting a negative hedge-related result and a technical provision increase following a refinement in lapse assumptions
- Portfolio run-off resulted in a 7.6% decrease in the number of policies compared with 4Q15

Free cash flow 1Q16

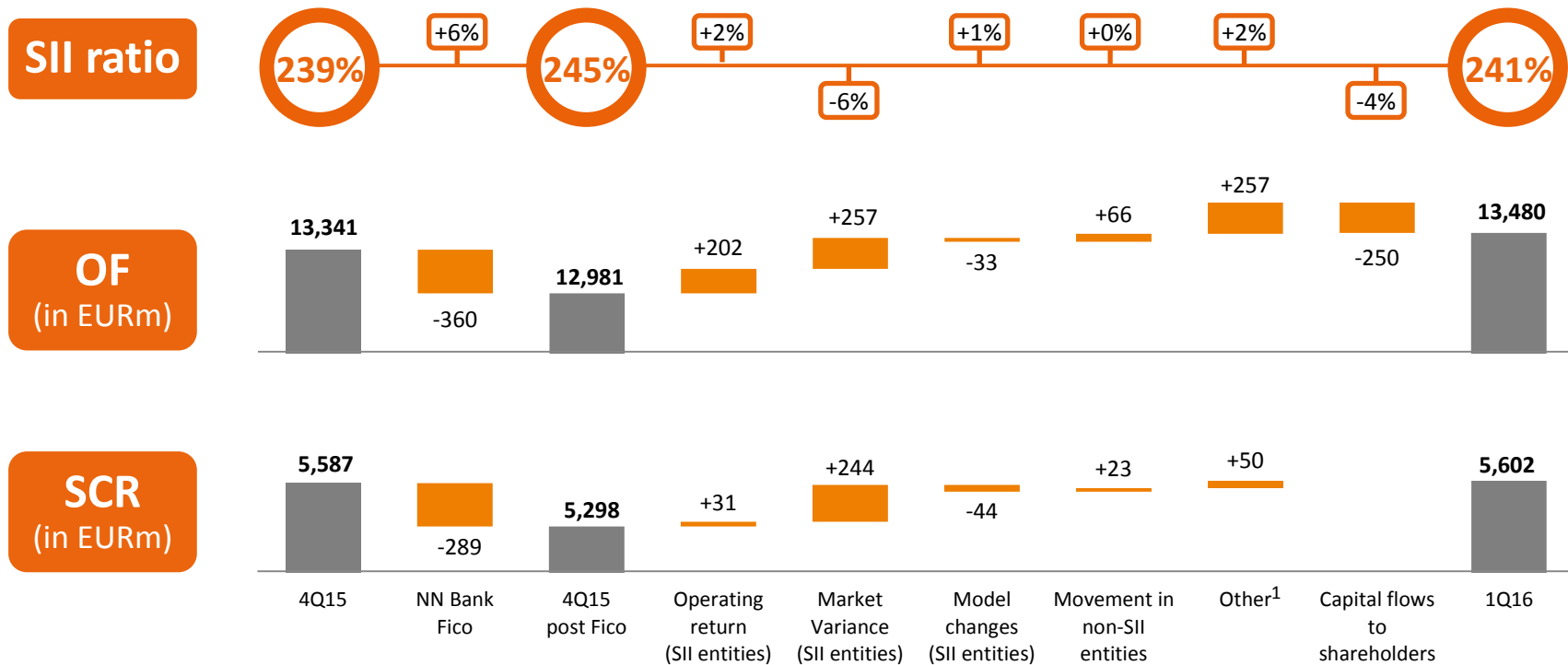
Movement in holding company cash capital (EURm)



- Cash capital position increased to EUR 2.1bn in 1Q16, driven by free cash flow, partly offset by the EUR 250m share buyback in January 2016
- Free cash flow of EUR 403m includes EUR 390m of dividends predominantly from the Dutch insurance units

1. Includes interest on subordinated loans and debt, holding company expenses and other cash flows

Solvency II movement



1. Mainly includes the impact of transitionals and the change of non-available/non-eligible Own Funds

Lard Friese, CEO

Key takeaways

- 1 Operating result ongoing business stable at EUR 305m and net result of EUR 270m
- 2 Cost savings in the Netherlands of EUR 11m in 1Q16 bringing the expense base down to EUR 792m
- 3 Solvency II ratio at 241%
- 4 Holding company cash capital higher at EUR 2.1bn; free cash flow at holding company of EUR 403m
- 5 EUR 500m share buyback programme during the coming 12 months

Q&A

Lard Friese, Delfin Rueda, Doug Caldwell

Appendices

Dividends upstreamed

Dividends upstreamed by segments/subsidiaries (EURm)

	1Q16	2015	2014
Netherlands Life ¹	160	807	60
Netherlands Non-life	107	93	208
Insurance Europe ²	6	227	145
NN Japan Life	-	74	90
Asset Management	-	90	61
NN Re Netherlands	75	185	100
Other	41	73	45
Total	390	1,548	710



1. Includes interest on subordinated loans provided to subsidiaries by the holding company
2. Refers to Insurance Europe entities' consolidated totals excluding Czech Life insurance business (branch of NN Life)

Important legal information

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

In preparing the financial information in this document, the same accounting principles are applied as in the 2015 NN Group Consolidated Annual Accounts. 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.

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