

## Delta Lloyd Investor Day outline: well positioned for profitable growth and future capital regimes

### Updated dividend policy: stable annual dividend of € 1.03

- Coherent and simple dividend policy: from 2015 a stable annual dividend will be paid, subject to internal solvency targets.
- Updated dividend policy driven by our new definition of operational result and transition to Solvency II framework.
- Aim to reduce 4% premium on scrip dividend to 2% at 2014 final dividend.

### New definition of operational result: a more accurate measure of our operational performance

- Consists of operational technical result and investment spread.
- Investment spread (direct yield -/- cost of liabilities) to replace long term investment return (LTIR) as of 1 January 2015.
- Pro-forma effect +15% on half-year 2014 operational result.

### Meeting requirements of current and future capital regimes

- Well prepared for Solvency II, capital based on standard formula above requirements
- Economic capital (based on Internal Model) ratio in mid-range of appetite level (140-180%) at end of Q3 2014
- Changing environment requires investment approach based on risk adjusted return on capital

### Market leadership in customer performance provides platform for profitable organic growth

*Delta Lloyd is holding its annual Investor Day for analysts and institutional investors today. During the day, management will provide an update on strategy execution; give more insight on Delta Lloyd's risk & return management and on the performance and growth opportunities of our insurance operations. The live webcast of this meeting can be accessed online at [www.deltalloydgroep.com](http://www.deltalloydgroep.com).*

Executive Board Chairman Niek Hoek: "Today we will show that we are well positioned for future capital regimes. We will provide details on the internal model we plan to use and the adaptations in our risk & return management in this context. We will introduce an updated and more stable dividend policy and a new definition of our operational result. We are convinced this provides a better and more accurate way of reporting the actual performance of our operations. Our customer performance, our expanded market share in new business and increased cost efficiency continue to be the foundation for our profitable organic growth."

## **Strategy and finance**

In the first part of the programme, Niek Hoek will provide an overview of the progress of the 'Future Secured' strategy with a focus on strong performance in profitability underpinned by a combined ratio of 95.8% (Q3 2014), internal rate of return of 11% and new business margin of 3.1%. The progress is driven by discipline in cost savings, market leadership in new life business and improved customer satisfaction.

Niek Hoek will then introduce an updated dividend policy, coming into effect on 1 January 2015. Delta Lloyd's current dividend policy contains a Solvency I threshold and is based on the current operational result definition. Therefore, we will introduce an updated dividend policy which is more stable, simpler and future proof. From 2015, Delta Lloyd will pay a stable annual dividend of € 1.03 subject to internal solvency targets. As indicated earlier, our aim is to reduce and eventually remove the premium on scrip dividend.

Emiel Roozen will then elaborate on the new definition of our operational result, taking into account the investment spread instead of the (assumed) long term investment return (LTIR). In today's volatile markets LTIR is also very volatile and not in sync with our actual investment return. This new definition makes the operational result a more realistic and accurate measure of our operational performance in the current markets than the previous definition.

## **Risk & return management**

In the second part, Theo Berg will focus on Delta Lloyd's capital position in the current and future capital regimes. He will illustrate characteristics of the internal model under Solvency II and explain how we actively manage the longevity exposure in our portfolio. Jacco Maters, the new chief investment officer of Delta Lloyd Asset Management, will then introduce a risk adjusted return on capital (RAROC) to bridge our economic view and Solvency II requirements. Jacco Maters will outline the changes in the different types of asset classes towards an optimised portfolio. In the third quarter of 2014, Delta Lloyd realised a total return on our own risk assets of 12.6%.

## **Opportunities for profitable growth**

The third and final part features presentations by Executive Board Members Ingrid de Graaf and Onno Verstegen, Léon van Riet, who is Managing Director of Delta Lloyd Life in The Netherlands and Jan van Autreve, Managing Director of Delta Lloyd Life in Belgium. These presentations will all deal with the four strategic priorities in our businesses: growth in market share, increased profitability, increased customer satisfaction, lower costs.

- Ingrid de Graaf will focus on the commercial strategy, which is firmly rooted in our distribution strength. We aim for improved customer satisfaction, expanding our online capabilities and growth in market share in profitable new business.
- Léon van Riet will discuss new commercial opportunities in the life market, driven by innovation, changes in pension legislation and operational excellence.
- Jan van Autreve will outline the opportunities for profitable growth in Belgium, driven by the retreat of the welfare state.
- Onno Verstegen will illustrate the future potential of the general insurance business.

## Programme

The Investor Day programme is as follows (times are approximate):

- 09.15-10.15 (CET) Introduction and strategy update – Niek Hoek  
Finance update – Emiel Roozen
- 10.30-11.30 (CET) Risk management – Theo Berg  
Return management – Jacco Maters
- 11.45-12.45 (CET) Commercial strategy – Ingrid de Graaf  
Life & pension in the Netherlands – Léon van Riet  
Life & pension in Belgium – Jan van Autreve  
General insurance – Onno Verstegen
- 12.45-13.00 (CET) Wrap up & closing – Niek Hoek

All presentations are in English and will be webcast on the Delta Lloyd website ([www.deltalloydgroup.com](http://www.deltalloydgroup.com)). The presentations will be available on our website on 21 November from 07.30am (CET).

## More information about this press release:

**Media Relations** +31 (0)20 594 44 88

Martijn Donders, Anneloes Geldermans  
mediarelations@deltalloyd.nl

**Investor Relations** +31 (0)20 594 96 93

Roeland Haanen, Hans Duine  
ir@deltalloyd.nl

### About Delta Lloyd NV

Delta Lloyd has been a trusted partner for insurance, pensions, investing and banking since 1807. It is our goal to offer financial security, now and in the future. We deliver clear, reliable and contemporary products and services that meet our customers' needs and create value for them, our shareholders and our employees. Our primary markets are the Netherlands and Belgium. In the Netherlands, we operate under the Delta Lloyd, OHRA and ABN AMRO Verzekeringen brands, while in Belgium we use the Delta Lloyd brand. We employ 5,085 (FTE) permanent staff, of which 3,825 in the Netherlands, 1,077 in Belgium and 184 in Germany. In 2013, we achieved a premium income of € 4.7 billion and a net operational result of € 430 million. Our shareholders' funds amount to € 2.7 billion and we manage investments worth € 83 billion. Delta Lloyd is listed on Euronext Amsterdam and Brussels, and included in the DJSI, AEX- and Bel-20 indices.

## Important information

- The figures in this press release have not been audited. They are partly based on the interim financial report 2014, the interim management statement Q3 2014 and partly on internal management information reports.
- Certain statements contained in this press release that are not historical facts are "forward-looking statements". These forward-looking statements are based on management's beliefs and projections and on information currently available to them. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Delta Lloyd's control and all of which are based on management's current beliefs and expectations about future events.

- Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. Delta Lloyd undertakes no duty to and will not update any of the forward-looking statements in light of new information or future events, except to the extent required by applicable law. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing Delta Lloyd and its subsidiaries. Such risks, uncertainties and other important factors include, among others: (i) changes in the financial markets and general economic conditions, (ii) changes in competition from local, national and international companies, new entrants in the market and self-insurance and changes to the competitive landscape in which Delta Lloyd operates, (iii) the adoption of new, or changes to existing, laws and regulations such as Solvency II, (iv) catastrophes and terrorist-related events, (v) default by third parties owing money, securities or other assets on their financial obligations, (vi) equity market losses, (vii) long- and/or short-term interest rate volatility, (viii) illiquidity of certain investment assets, (ix) flaws in underwriting assumptions, pricing and/or claims reserves, (x) the termination of or changes to relationships with principal intermediaries or partnerships, (xi) the unavailability and unaffordability of reinsurance, (xii) flaws in Delta Lloyd's underwriting, operating controls or IT systems, or a failure to prevent fraud, (xiii) a downgrade (or potential downgrade) of Delta Lloyd's credit ratings, and (xiv) the outcome of pending, threatened or future litigation or investigations.
- Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, Delta Lloyd's actual financial condition or results of operations could differ materially from those described herein as anticipated, believed, estimated or expected.
- Please see the Annual Report for the year ended 31 December 2013 for a description of certain important factors, risks and uncertainties that may affect Delta Lloyd's businesses.