

**SECOND SUPPLEMENT DATED 7 OCTOBER 2016 TO THE BASE PROSPECTUS DATED 24
MARCH 2016**



NN Group N.V.

(a public limited liability company (naamloze vennootschap) incorporated under the laws of The Netherlands)

€3,000,000,000

Debt Issuance Programme

This supplement (the “Supplement”) is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 24 March 2016, as supplemented by the first supplement dated 22 June 2016 (the “Prospectus”) prepared in connection with the Euro 3,000,000,000 Debt Issuance Programme (the “Programme”) established by NN Group N.V. (the “Issuer” or “NN Group”). This Supplement, together with the Prospectus, constitutes a base prospectus for the purposes of Article 5:23 of the Netherlands Financial Markets Supervision Act (*Wet op het financieel toezicht*, the “WFT”). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus (to be) issued by the Issuer.

This Supplement has been filed with and approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the “AFM”) as a prospectus supplement, in accordance with Directive 2003/71/EC, as amended, to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area (the “Prospectus Directive”).

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained in this Supplement or the Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in the Prospectus). Neither the delivery of this Supplement or the Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which the Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which the Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Supplement and the Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Supplement or the Prospectus

comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the benefit of, U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Supplement and the Prospectus, see "Subscription and Sale" in the Prospectus.

This Supplement and the Prospectus do not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

To the fullest extent permitted by law, none of the Dealers or the Arranger accepts any responsibility for the contents of this Supplement and the Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Supplement and the Prospectus or any such statement. Neither this Supplement nor the Prospectus nor any other financial statements should be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Supplement, the Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Supplement and the Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Supplement and the Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

Amendments and additions to the Prospectus

The purpose of this Supplement is (a) to incorporate by reference the Issuer's (i) Q2 Press Release (as defined below) and (ii) Q2 Interim Financial Report (as defined below); (b) to provide an update on the draft bill on recovery and resolution of insurers; (c) to include the Issuer's revised solvency capital ratio; (d) to describe the proposed acquisition by the Issuer of all the issued and outstanding ordinary shares of Delta Lloyd N.V. ("Delta Lloyd"); (e) to amend condition 5(b) on arrears of interest of the Subordinated Notes; (f) to amend condition 6(g) on substitution or variation of the Subordinated Notes; (g) to reflect the changes in the Issuer's share capital; (h) to amend Part B of the Form of Final Terms for Senior Notes and Part B of the Form of Final Terms for Subordinated Notes; (i) to provide an update on the composition of the Management Board of the Issuer; and (j) to amend the details of the legal adviser to the Issuer.

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Prospectus shall be supplemented in the manner described below:

1. Documents incorporated by reference

On page 49 of the Prospectus under caption "*Documents incorporated by reference*" the following documents are added to the list of documents deemed to be incorporated by reference in, and to form part of, the Prospectus (directly prior to "which have been previously published" and with deletion of the "and" before "(vi)"):

"(vii) the press release published by NN Group on 18 August 2016 entitled "NN Group reports 2Q16 results" (the "Q2 Press Release") and (viii) the Issuer's condensed consolidated interim financial information as at, and for the six-month period ended, 30 June 2016, together with the review report of KPMG Accountants N.V. dated 17 August 2016, which appears on page 43 of the interim report (the "Q2 Interim Financial Report"),".

2. ***Draft bill on recovery and resolution of insurers***

On page 18 of the Prospectus, the following bullet will be added as a new third paragraph:

- ***“Draft bill on recovery and resolution of insurers.*** On 13 July 2016, a draft bill on the recovery and resolution of insurers (*Wetsvoorstel herstel en afwikkeling van verzekeraars*) was published for public consultation. The consultation period closed on 28 August 2016. This draft bill, amongst other things, (i) expands and improves DNB’s tools, including bail-in tools to write down debt or convert debt into equity, for recovering and resolving insurers in an orderly manner to protect the interests of the policyholders; and (ii) opens the possibility to pay advances (*voorschotten*) to policyholders of an insolvent insurer prior to the bankruptcy verification meeting (*verificatievergadering*). As the content of this bill is not finalised, both the timing for adoption and the future impact on NN and the Noteholders are uncertain.”

3. ***Revised Solvency Capital Ratio***

The seventh sentence of the third paragraph on page 23 of the Prospectus, as included by the first supplement to the Prospectus dated 22 June 2016, in the risk factor with caption *“As of 1 January 2016 a new solvency framework and prudential regime, known as “Solvency II”, has become applicable to insurance companies, reinsurance companies and insurance holding companies.”*, *“NN Group’s Solvency II capital ratio can be found in Q1 Press Release on page 1, which has been incorporated by reference.”* is replaced by the following sentence:

“NN Group’s Solvency II capital ratio can be found on page 1 of the Q2 Press Release, which has been incorporated by reference.”

4. ***The Issuer intends to make an all-cash offer for Delta Lloyd – Risk Factor***

The following additional risk factor is to be added on page 16 of the Prospectus after the risk factor with caption *“Previously unknown risks, so-called “emerging risks”, which cannot be reliably assessed, could lead to unforeseeable claims, which could have a material adverse effect on NN’s business, results of operations and financial condition.”*:

NN may not complete the intended acquisition of Delta Lloyd N.V. (“Delta Lloyd”) or the acquisition may not give rise to the intended benefits to the Group

On 5 October 2016, the Issuer announced that it intends to make an all cash offer for all issued and outstanding ordinary shares of Delta Lloyd for a total consideration of EUR 2.4bn. See further the section entitled *“The Issuer intends to make an all-cash offer for Delta Lloyd”* in the section entitled *“Business Description of NN Group N.V.”* below. No assurance is given as to whether the Issuer will actually make an offer, or that any offer, if made, will be successful. An offer may not succeed, for example, if the legal, regulatory or other conditions that are required to be satisfied, are not in fact satisfied or waived, or if additional legal or regulatory conditions are imposed by the applicable regulatory authorities, which the Issuer is not able to satisfy, or is only able to satisfy with a material adverse effect on its business or financial condition. If an offer does not succeed, the Issuer will nevertheless have incurred costs in connection with it and such costs may be material.

If an offer is successful and the Issuer acquires all issued and outstanding ordinary shares of Delta Lloyd, no assurance is given that the commercial, operational and other benefits that the Issuer believes will arise as a result of the acquisition, will in fact arise or arise on a timely basis, or that there will not be any negative impact on the Issuer as a result of the acquisition. No assurance is given that the Issuer will be able to fully or effectively integrate Delta Lloyd (or its entities or assets) into its business in the future. The integration of Delta Lloyd may be complex and expensive, and depends largely on integrating the risk, financial, technological and management standards, processes, procedures and controls of Delta Lloyd, as well as employees and other operational functions, into those of the Issuer’s business. Such integration will require

management to devote significant time and resources to execute effectively, particularly in areas where the businesses of the Issuer and Delta Lloyd differ. This may present a number of challenges for management, including management distraction and overstretch and the deferral, modification or cancellation of certain management plans and targets. In addition, expected business growth opportunities, revenue and cost synergies, operational efficiencies and other benefits may not materialize for various reasons, including if the assumptions upon which the Issuer determined to proceed with the intended acquisition are proved to be incorrect or if the proposed integration of Delta Lloyd into the Issuer's business is not successful, or not as successful as the Issuer contemplated. No assurance can be given as to whether any diligence can be undertaken prior to making any offer. If such diligence is undertaken, it may not be sufficient to uncover all material issues, or to confirm that the acquisition of Delta Lloyd will not negatively impact upon the Issuer's overall financial, capital or liquidity position or stability. As a result, if anticipated synergies or other benefits of the acquisition are not achieved or not achieved on a timely basis, or those achieved are materially different from those that were expected to be achieved prior to the intended acquisition, or if the acquisition has a negative impact on the Issuer, then this could have a material adverse effect on the Issuer's business, results of operations, financial condition or stability, credit ratings, risk profile and prospects.

On 7 October 2016, Standard & Poor's announced that it had placed the credit ratings of the Issuer on "CreditWatch negative", meaning that Standard & Poor's will assess any offer that the Issuer may make for Delta Lloyd over the course of the 90 days following the Standard & Poor's announcement. Upon the completion of their review, Standard & Poor's could either affirm the ratings of the Issuer or lower them. On 7 October 2016, Fitch announced that it will not take any rating action as a result of the offer that the Issuer may make for Delta Lloyd. It is nevertheless possible that any offer the Issuer ultimately makes for Delta Lloyd could have a negative impact on its solicited or unsolicited credit ratings in the future and the solicited or unsolicited credit ratings assigned to the Notes.

5. *The Issuer intends to make an all-cash offer for Delta Lloyd - Description*

The following additional paragraphs are to be added on page 135 of the Prospectus after the paragraphs entitled "Acquisition of Notus Financial Advisors in Poland" in the section entitled "Business Description of NN Group N.V. – Recent Developments":

The Issuer intends to make an all-cash offer for Delta Lloyd

On 5 October 2016, the Issuer announced that it intends to make an all cash offer for all issued and outstanding shares of Delta Lloyd for a total consideration of EUR 2.4bn, financed using existing cash resources and external debt. Delta Lloyd is a financial institution, based in the Netherlands and having its shares listed on Euronext in Amsterdam and Euronext in Brussels, which offers products and services in insurance, pensions, investment and banking, serving commercial and retail clients.

Delta Lloyd has been invited by the Issuer to discuss the Issuer's intended offer with a view to having a recommended transaction. The Issuer has announced that it is in a position to complete a confirmatory due diligence simultaneously with the negotiation of a merger protocol with Delta Lloyd, within a short period of time. The Issuer's offer will be subject to customary pre-offer conditions (i.e., to be satisfied or waived prior to launch) and offer conditions (i.e., to be satisfied or waived prior to completion), for transactions of this nature, including, but not limited to, a minimum acceptance level, anti-trust clearance and other regulatory approvals, including, from DNB. No assurance can be given that an offer will be recommended. On 7 October 2016, the Executive Board and Supervisory Board of Delta Lloyd announced that they had rejected the intended offer announced by the Issuer on 5 October 2016.

Under Dutch public takeover rules, the Issuer is required to update the market on its intentions within four weeks after its initial announcement of the intended offer, on 5 October 2016. An offer document is required to be submitted to the AFM within 12 weeks of the initial announcement, at which time the Issuer will need to announce that it has certainty of funds. After the approval of the offer document by the AFM, the Issuer may launch the offer which will last for a period between eight to ten weeks. Within three business days after the expiry of the offer period, the Issuer may either declare the offer unconditional, extend the offer if the

offer conditions have not then been satisfied, or withdraw the offer. As described above, the offer will be subject to customary conditions and the final offer conditions are required to be described in the offer document.

The Issuer is of the view that the acquisition of Delta Lloyd will create a combination that will be a leading player in the Dutch insurance, banking and asset management markets, with a strong international presence. The Issuer is also of the view that the combined group will benefit from economies of scale and with the ability to generate significant free cash flow, as well as being able to offer a variety of attractive products and services to customers.

6. Condition 5(b) on arrears of interest of the Subordinated Notes

The third paragraph of Condition 5(b) (Arrears of Interest) of the Subordinated Notes on page 96 of the Prospectus is replaced by the following paragraph:

“Arrears of Interest will become immediately due and payable in whole (and not in part) upon the earliest of the following dates:

- (i) the date fixed for any redemption, purchase or substitution, or variation of the terms, of the Subordinated Notes by or on behalf of the Issuer pursuant to Condition 6 or Condition 10; or
- (ii) the date on which an order is made or a resolution is passed for the liquidation of the Issuer (other than a solvent winding-up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business of the Issuer, the terms of which reconstruction, amalgamation or substitution (A) have previously been approved in writing by an Extraordinary Resolution of the Noteholders and (B) do not provide that the Subordinated Notes shall thereby become payable); or
- (iii) if so specified as being applicable, the date on which a Compulsory Interest Payment Event occurs, provided that no Mandatory Deferral Event has occurred and is continuing; or
- (iv) if so specified as being applicable, the next Interest Payment Date which is not a Mandatory Interest Deferral Date,

in the case of paragraph (i), (iii) and (iv) above, provided that any notifications to the Relevant Supervisory Authority have been made or consent from the Relevant Supervisory Authority has been obtained, as the case may be, in either case if required under the Capital Adequacy Regulations.”

In item 9 (Interest Basis) of the Form of Final Terms for Subordinated Notes on page 162 of the Prospectus the following wording is added at the end:

“[Payment of Arrears of Interest (Condition 5(b)(iii)): [Applicable/Not Applicable]]

[Payment of Arrears of Interest (Condition 5(b)(iv)): [Applicable/Not Applicable]]”

7. Condition 6(g) on substitution or variation of the Subordinated Notes

The first sentence of the first paragraph of Condition 6(g) (Substitution or variation) of the Subordinated Notes on page 99 of the Prospectus is replaced by the following sentence:

“**Substitution or variation:** If any of the events described in Condition 6(d), 6(e) or 6(f) is specified hereon as being applicable and the relevant event has occurred and is continuing, then the Issuer may, subject to Condition 6(j), (without any requirement for the consent or approval of the Noteholders) and subject to having satisfied the Fiscal Agent immediately prior to the giving of such notice referred to herein that the provisions of this Condition 6(g) have been complied with and having given not less than seven days' written

notice to the Fiscal Agent and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), at any time either substitute all (but not some only) of the Subordinated Notes for, or vary the terms of the Subordinated Notes so that they remain or, as appropriate, become, Qualifying Securities.”

8. *Change in Issuer’s share capital*

The paragraph on page 121 of the Prospectus with caption “*Share Capital*” is replaced by the following paragraph:

“The Issuer’s authorised share capital amounts to EUR 168,000,000, divided into 700,000,000 ordinary shares and 700,000,000 preference shares, each with a nominal value of EUR 0.12. The Issuer’s issued capital amounts to EUR 39,811,842.84, consisting of 331,765,357 ordinary shares, with a nominal value of EUR 0.12 each. On 7 October 2016, the Issuer holds 9,022,873 ordinary shares, all or part of which it intends to cancel in due course. The rights of the shareholders are described in the Articles of Association.

A foundation, Stichting Continuïteit NN Group, has been granted a call option by the Issuer. On each exercise of the call option, Stichting Continuïteit NN Group is entitled to acquire ordinary shares from the Issuer up to a maximum corresponding with 100 per cent. of the issued share capital of the Issuer, as outstanding immediately prior to the exercise of the call option, less one share, from which maximum any Preference Shares already placed with Stichting Continuïteit NN Group at the time of the exercise of the call option shall be deducted. Stichting Continuïteit NN Group may exercise its option right repeatedly, each time up to the aforementioned maximum.

On 7 October 2016, major shareholders are BlackRock, Inc., Franklin Mutual Series Fund Inc., JP Morgan Asset Management Holdings Inc., Norges Bank, RRJ Capital II Ltd. and Temasek Holdings (Private) Limited. Based on Dutch legislation, the holder of a substantial holding or gross short position that equals or exceeds 3 per cent. of the issued capital of an issuer, should notify the AFM. These notifications are subsequently included in a public register kept by the AFM.

9. *Use of Proceeds*

Under renumbering of the subsequent items, the following new paragraph 4 is to be added in Part B of the Form of Final Terms for Senior Notes on page 158 of the Prospectus and in Part B of the Form of Final Terms for Subordinated Notes on page 168 of the Prospectus:

“**4. *Reasons for the offer***

Reasons for the offer:

[See “Use of Proceeds” wording in Prospectus/*specify particular identified use of proceeds*]

10. *Replacement of Doug Caldwell as Chief risk officer*

On page 137 of the Prospectus, the name ‘Doug Caldwell’ is replaced by the following name:

“Jan-Hendrik Erasmus”.

In addition, the description of Doug Caldwell on page 138 of the Prospectus is replaced by the following:

“**Jan-Hendrik Erasmus:** Jan-Hendrik Erasmus was appointed member of the Management Board of NN Group as of 1 September 2016. On 1 October 2016 he became chief risk officer of NN Group. Previously, he was a partner at Oliver Wyman’s Financial Services business (2010-2016), head of the UK Insurance Practice and a member of the European Leadership Team (2015-2016). His consulting work was predominantly focused on risk, capital and asset-liability management for UK and European insurers. From

2007 to 2009, Mr Erasmus held various functions at Lucida plc. From 2005 to 2007, Mr Erasmus served as group finance actuary and group risk actuary and head of risk-adjusted profitability at Prudential Plc. Mr Erasmus started his career at Momentum Life. Mr Erasmus has more than 13 years of financial services experience across insurance, risk and investment management in the UK and internationally. He holds an Executive MBA (with distinction) from London Business School and a Bachelor of Commerce (Honours) Actuarial Science from the University of Pretoria (South Africa). He is a Fellow of the Institute of Actuaries in the United Kingdom, and is a Chartered Enterprise Risk Actuary.

11. *Legal adviser to the Issuer*

On page 183 of the Prospectus, the details included under “to the Issuer” are replaced by the following details:

“Freshfields Bruckhaus Deringer LLP

Strawinskylaan 10
1077 XZ Amsterdam
The Netherlands”
