



Fourth quarter 2017 results

15 February 2018



Highlights

Lard Friese, CEO

Highlights 4Q17

Operating result

EUR 345m

(4Q16: EUR 282m)

Net result

EUR 700m

(4Q16: EUR 148m)

Net Operating ROE

8.2%

(4Q16: 7.2%)

Holdco cash capital

EUR 1.4bn

(3Q17: EUR 1.8bn)

Solvency II ratio

199%

(3Q17: 204%)

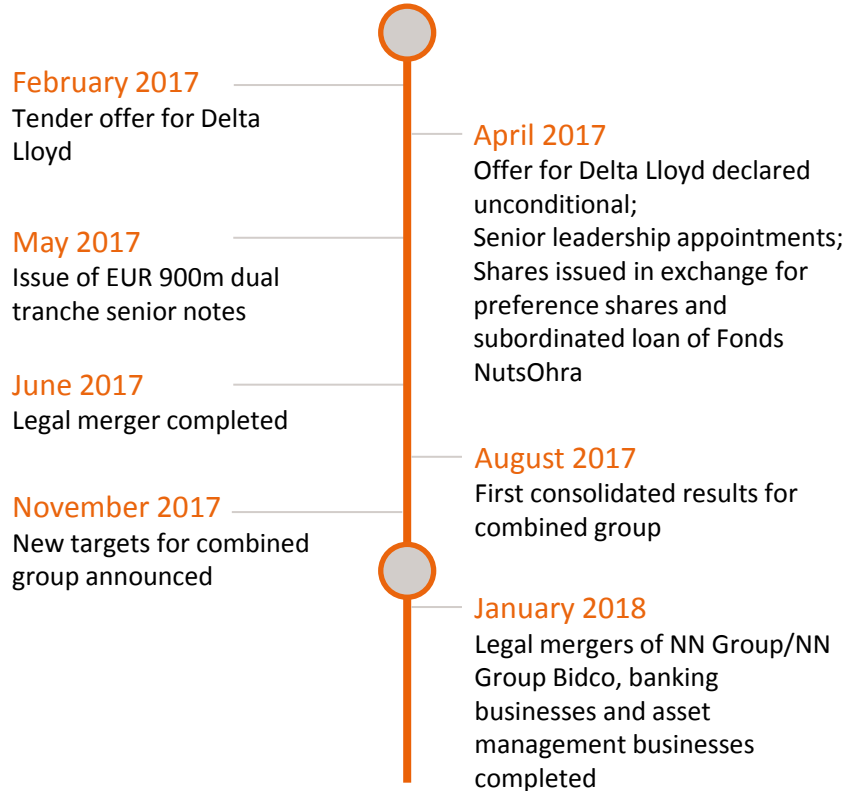
Full-year dividend

EUR 1.66

(FY16: EUR 1.55)

- Higher operating result of the ongoing business driven by the contribution of the Delta Lloyd businesses
- Net result of EUR 700m mainly driven by higher operating result and non-operating items
- Robust commercial progress: APE up 34% from 2016 at constant currencies; VNB of EUR 345m, up 61% from 2016
- Strong capital position: Solvency II ratio at 199%; holding company cash capital at EUR 1,434m
- Proposed 2017 final dividend: EUR 1.04 per share, bringing total 2017 dividend to EUR 1.66 per share

Integration of Delta Lloyd well on track



- Integration of management teams
- Several departments fully integrated, many business units and teams collaborating
- Selected Delta Lloyd office locations vacated and available for sub-letting
- Reduction of ~900 internal and external FTE in the Netherlands and Belgium in 2017¹
- Products are being rebranded from Delta Lloyd to NN
- Cost reduction of EUR 133m in 2017 versus target of EUR ~350m by 2020

1. Excluding FTE reduction following sale of Mandema & Partners

We continue to enhance customer experience through innovation and an omni-channel approach

Innovating the core

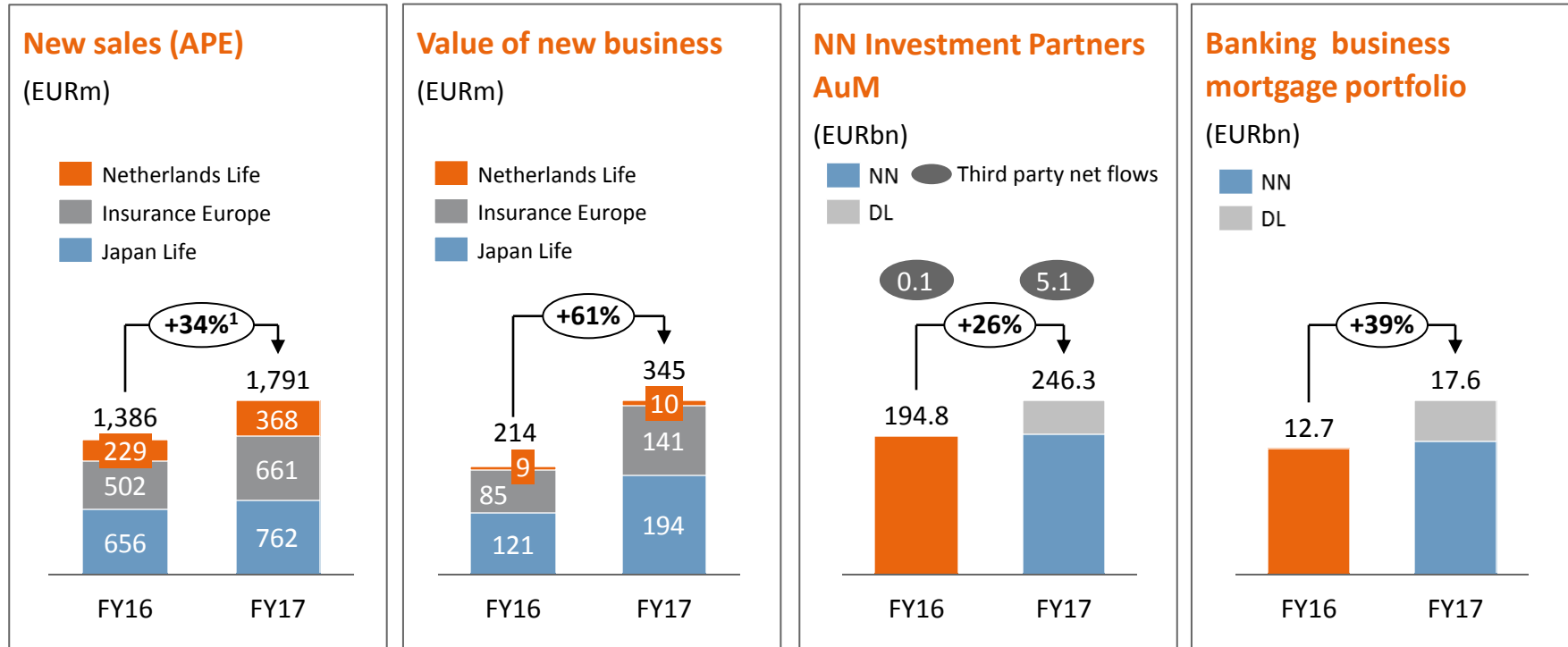
Digital, personal and relevant customer experience developed at NN and through partnerships

Multi-access distribution

Collaborations and distribution agreements to further expand and diversify distribution channels

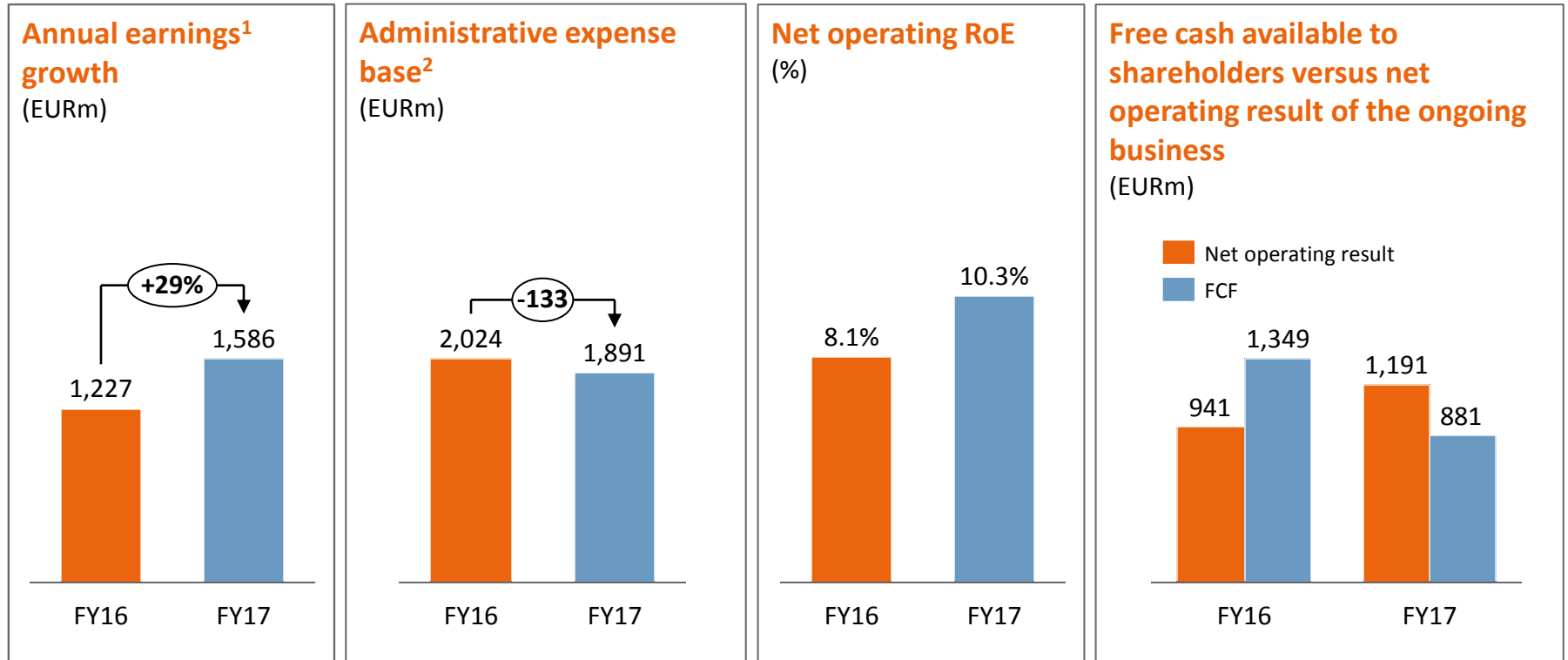


Robust commercial progress



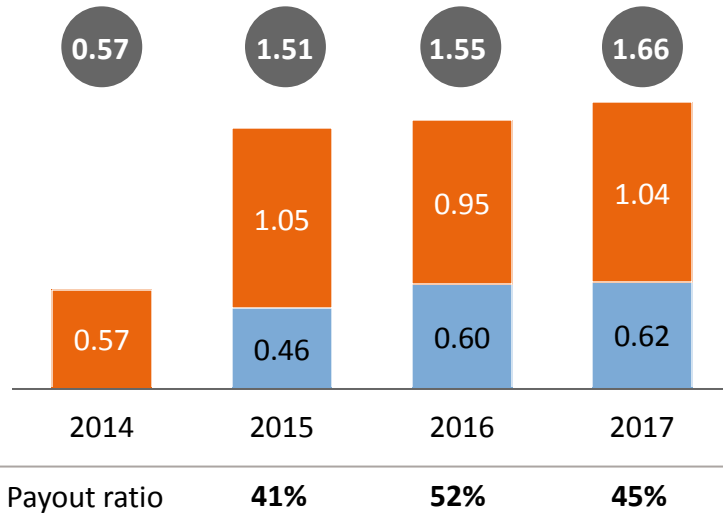
1. At constant currencies

Financial developments in 2017



Delivering a sustainable dividend

- Interim dividend per share (EUR)
- Final dividend per share (EUR)
- Total dividend per share (EUR)

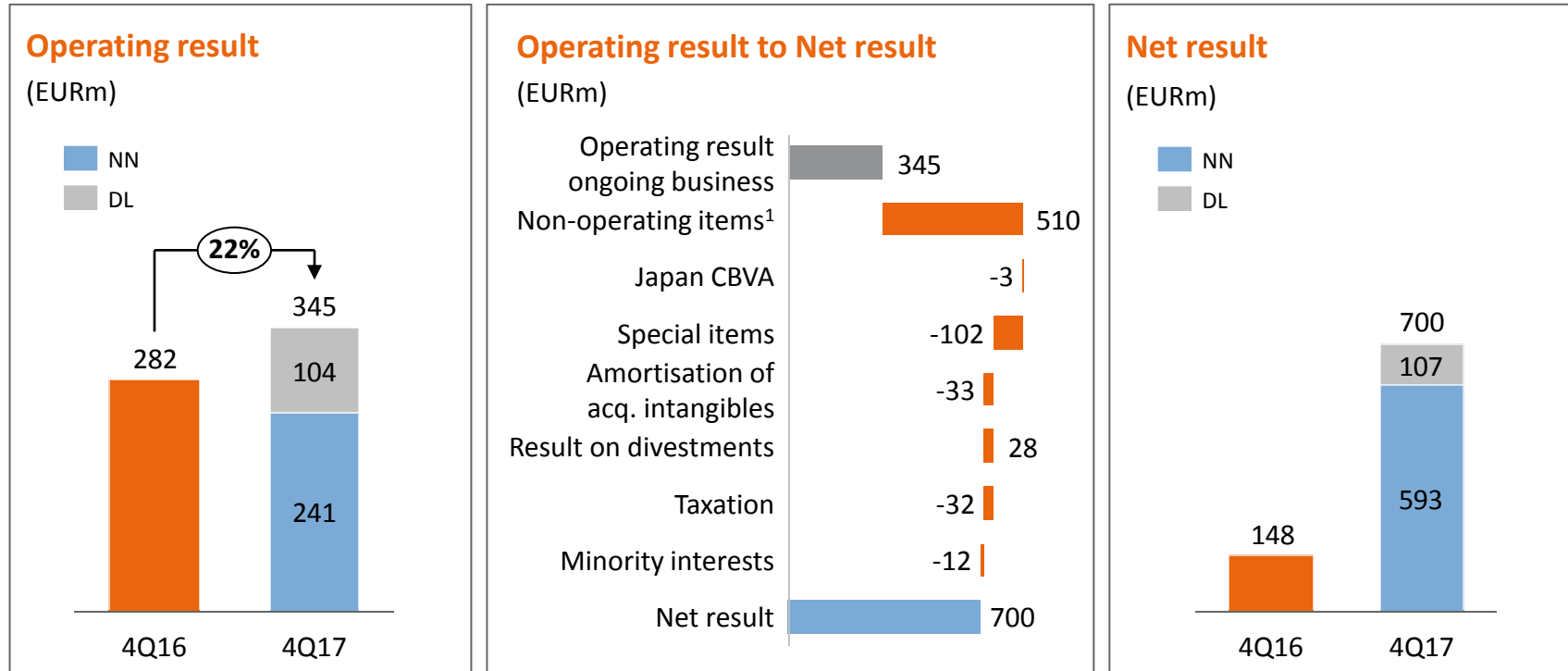


- Priority is a sustainable ordinary dividend per share
- Proposed 2017 final dividend of EUR 1.04 per share, bringing full-year 2017 dividend to EUR 1.66 per share, up 7% on 2016 dividend per share
- Equivalent to a pay-out ratio of around 45% of FY17 net operating result of ongoing business
- Since IPO, EUR 2.7bn of capital returned to shareholders, including proposed 2017 final dividend
- Double-digit increase in dividend per share anticipated for 2018 versus 2017
- Excess capital returned to shareholders unless it can be used for value creating opportunities

4Q17 results

Delfin Rueda, CFO

4Q17 operating result and net result

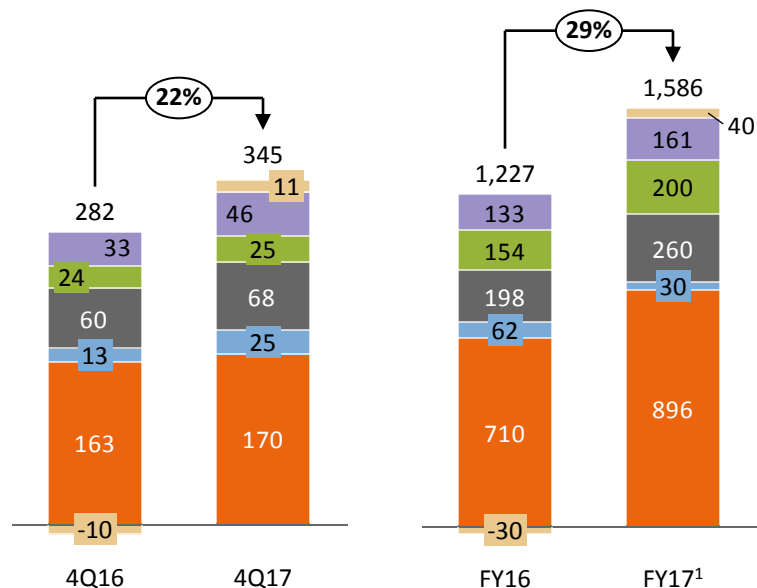


1. Includes realised capital gains/losses and impairments, revaluations and market & other impacts

Operating result ongoing business by segment

Operating result of the ongoing business

(EURm)



Operating result 4Q17 of EUR 345m, up 22% on 4Q16

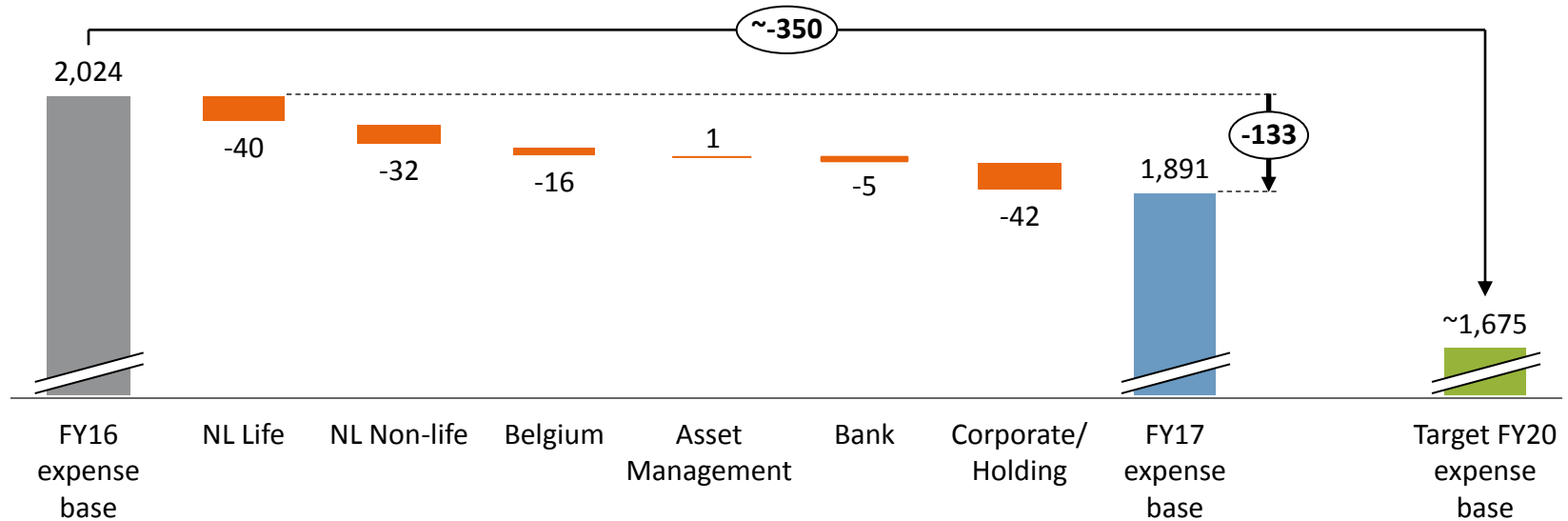
- **Netherlands Life:** Operating result up mainly driven by the inclusion of Delta Lloyd and higher investment margin, offset by lower technical margin and fees and premium-based revenues
- **Netherlands Non-life:** Operating result up driven by the inclusion of Delta Lloyd and improved underwriting performance in P&C, partly offset by unfavourable claims experience in the Group income portfolio in D&A. Combined ratio of 99.6%
- **Insurance Europe:** Operating result up reflecting higher fees and premium-based revenues, partly offset by higher administrative expenses
- **Japan Life:** Operating result up reflecting higher fees and premium-based revenues and an improvement in the technical margin, partially offset by higher expenses
- **Asset management:** Operating result up reflecting the contribution of Delta Lloyd
- **Other:** Operating result up driven by higher operating results of the banking and reinsurance businesses, partly offset by a lower holding result



Further reduction of the expense base

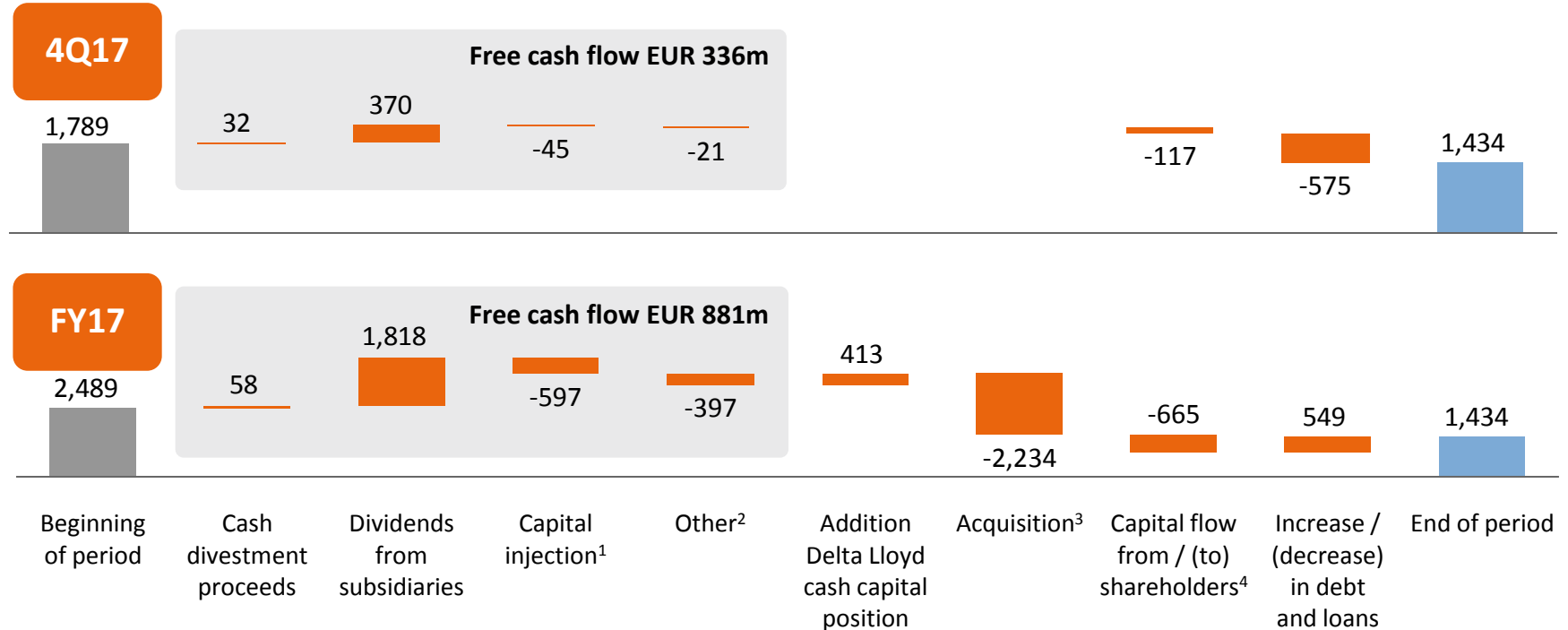
Administrative expense base¹

(EURm)

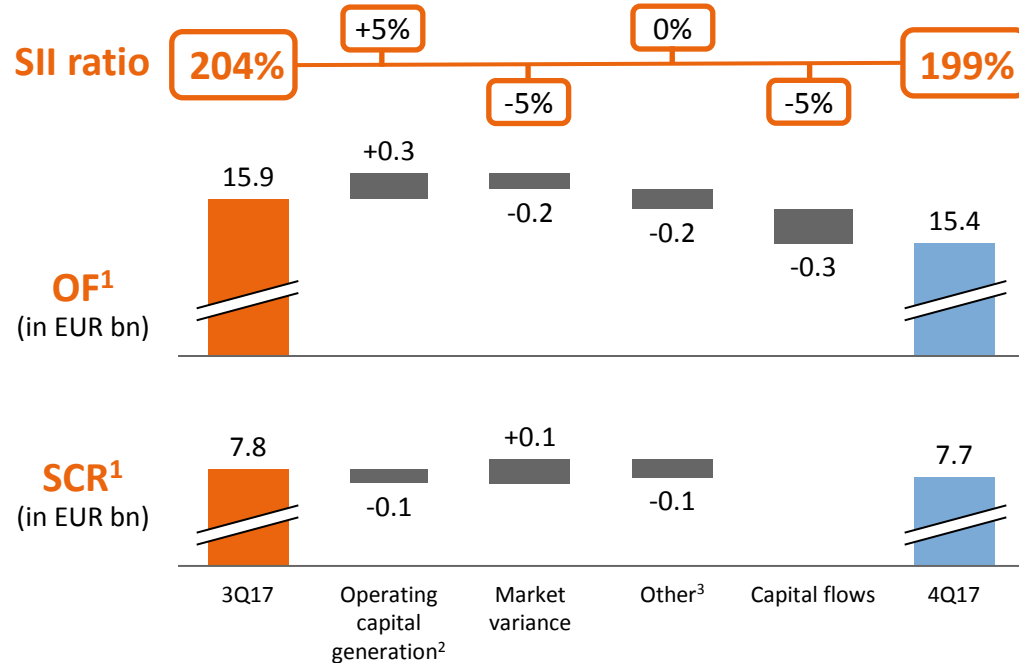


1. Netherlands Life, Netherlands Non-life, Belgium, Asset Management, Banking business and Corporate/Holding entities

Free cash flow 4Q17 and FY17

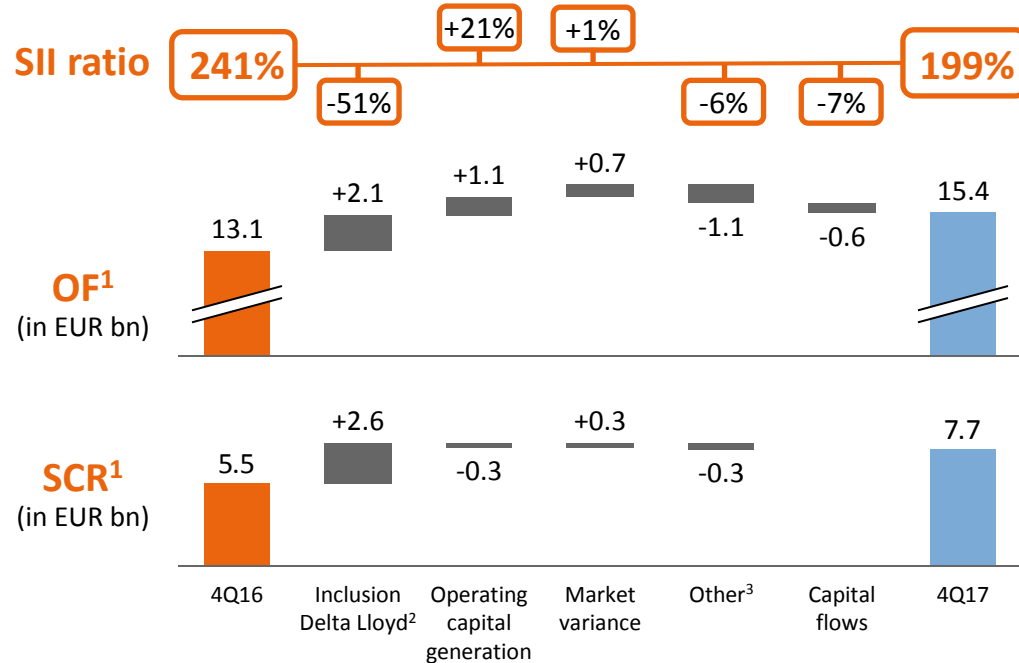


Solvency II movement 4Q17



- Solvency II ratio of 199% reflects the deduction of the proposed final 2017 dividend and market variance, partly offset by operating capital generation
- Operating capital generation includes a contribution from Delta Lloyd of EUR ~40m to Own Funds
- Negative market variance mainly due to tightening of corporate credit spreads
- Capital flows reflect the proposed final 2017 dividend of EUR 348m

Solvency II movement FY17



- Operating capital generation of EUR 1.4bn in 2017 from Solvency II entities, Japan Life, Asset Management and pension funds, as well as holding expenses
- Operating capital generation includes a contribution from Delta Lloyd of EUR ~150m to Own Funds as well as a release of SCR
- Market variance shows the impact of market movements during the period
- Other includes model and assumption alignments on the inclusion of Delta Lloyd
- Capital flows reflect the 2017 interim and final dividends

Wrap up

Lard Friese, CEO

Key takeaways

1

4Q17 operating result up 22% on 4Q16; full-year 2017 operating result of EUR 1.6bn

2

Further cost reductions; administrative expense base decreased by EUR 133m in 2017

3

Strong capital position: Solvency II ratio of 199%; holding company cash capital of EUR 1.4bn

4

Proposed 2017 final dividend of EUR 1.04, bringing total 2017 dividend to EUR 1.66 per share

Q&A

Lard Friese, Delfin Rueda, Jan-Hendrik Erasmus

Appendix

Breakdown of operating result between NN Group and Delta Lloyd

4Q17 and FY17 operating result before tax

(EURm)

	4Q17 Total	NN	Delta Lloyd	FY17 Total ¹	NN	Delta Lloyd
Netherlands Life	170	132	38	896	773	123
Netherlands Non-life	25	3	23	30	19	11
Insurance Europe	68	53	14	260	235	25
Japan Life	25	25	-	200	200	-
Asset Management	46	32	14	161	143	18
Other	11	-5	16	40	12	28
Operating result ongoing business	345	241	104	1,586	1,381	205

1. 2017 full-year operating result benefited from a total of EUR 104m of private equity dividends and non-recurring benefits: Netherlands Life: EUR 93m private equity dividends; Netherlands Non-life: EUR -40m P&C reserve strengthening, EUR -16m DL fire claims, EUR 10m private equity dividends; Insurance Europe: EUR 15m non-recurring benefits; Asset Management: EUR 10m non-recurring performance fees; Other: EUR 32m non-recurring benefits

Dividends upstreamed

Dividends upstreamed by segments/subsidiaries

(EURm)

	4Q17	3Q17	2Q17	1Q17	2017	2016
Netherlands Life ¹	205	168	501	160	1,035	642
Netherlands Non-life ¹	46	49	5	-	100	154
Insurance Europe ^{1,2}	31	15	172	13	230	251
NN Japan Life	-	-	57	-	57	80
Asset Management	31	33	31	-	96	93
NN Re Netherlands	50	50	50	50	200	250
Other ¹	8	17	3	73	100	142
Total	370	332	820	296	1,818	1,611

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)

Sensitivities of the NN Group Solvency II ratio to specified shocks

Sensitivities to shocks ¹ at 4Q17	Δ OF (in EURbn)	Δ SCR (in EURbn)	Δ Solvency II ratio (in %-points)
Interest rate: Parallel shock +50bps	-0.6	-0.4	+4%
Interest rate: Parallel shock -50bps	+0.7	+0.5	-4%
Interest rate: 10bps steepening between 20y–30y	-0.5	+0.0	-7%
Credit spread: Parallel shock for AAA-rated government bonds +50bps	-1.0	+0.0	-14%
Credit spread: Parallel shock for AA and lower-rated government bonds +50bps	-1.1	-0.1	-13%
Credit spread: Parallel shock corporates +50bps	+0.5	-0.2	+10%
Equity: Downward shock -25%	-1.3	-0.3	-8%
Real estate: Downward shock -10%	-0.8	-0.1	-9%
UFR: Downward adjustment to 4.05%	-0.3	+0.0	-5%

1. Sensitivities are performed for Solvency II entities and NN Life Japan

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 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 accounts for the period ended 30 September 2017. The Annual Accounts for 2017 are in progress and may be subject to adjustments from subsequent events.

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.

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