



Second quarter 2019 results

15 August 2019

Highlights 2Q19

Financial results

Operating result

EUR 445m

(2Q18: EUR 508m)

Net result

EUR 606m

(2Q18: EUR 463m)

Expense savings¹

EUR 306m

(1Q19: EUR 310m)

Capital

Solvency II ratio

210%

(1Q19: 213%)

Holdco cash capital

EUR 2.2bn

(1Q19: EUR 2.0bn)

Interim dividend

EUR 0.76

(FY18: EUR 1.90 per share)

Commercial performance

New sales (APE)

EUR 243m

(2Q18: EUR 357m)

VNB²

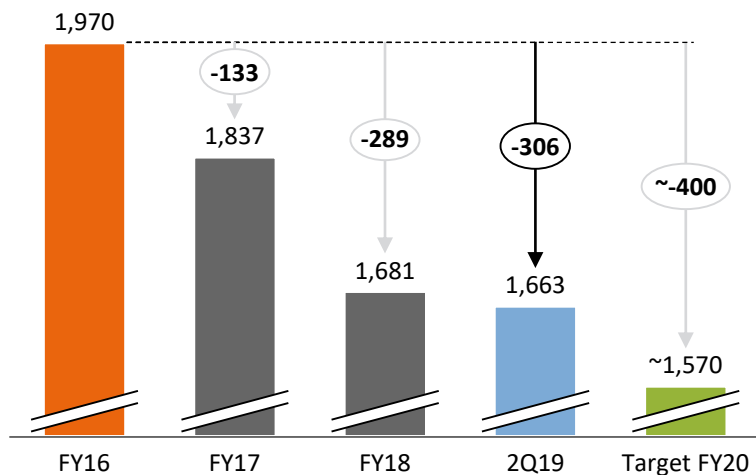
EUR 236m

(6M18: EUR 205m)

Cost reductions achieved to date of EUR 306m

Administrative expense base^{1,2}

(EURm)



Total administrative expense savings

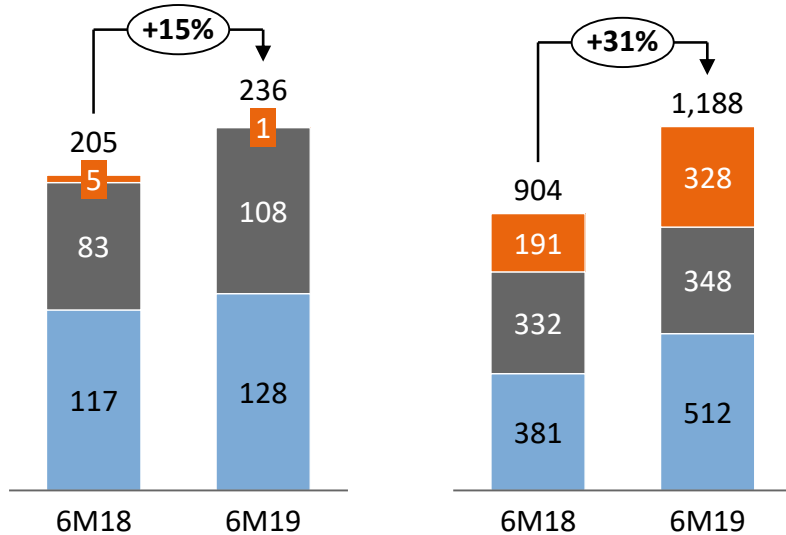
by segment^{1,2} (EURm)

2Q19

Netherlands Life	112
Netherlands Non-life	93
Belgium	15
Asset Management	34
Banking	32
Corporate/holding	21
Total	306

Strong commercial momentum

Value of new business (VNB)¹ (EURm) **New sales (APE)¹** (EURm)



■ Netherlands Life ■ Insurance Europe ■ Japan Life

VNB and APE

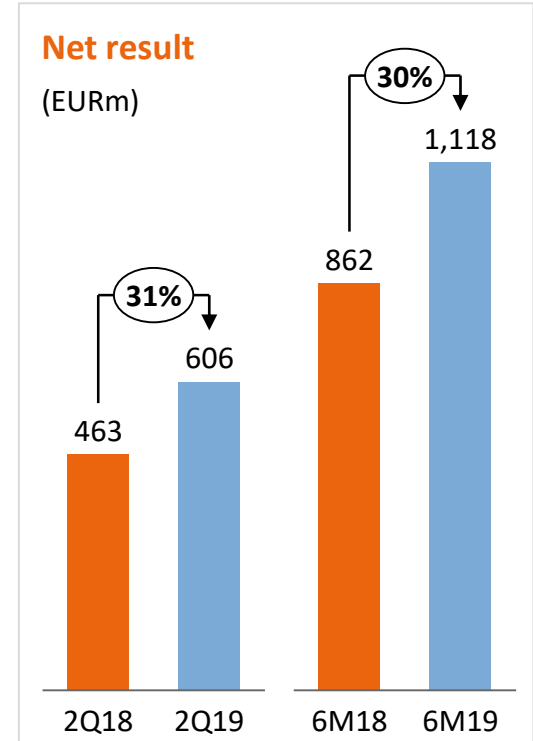
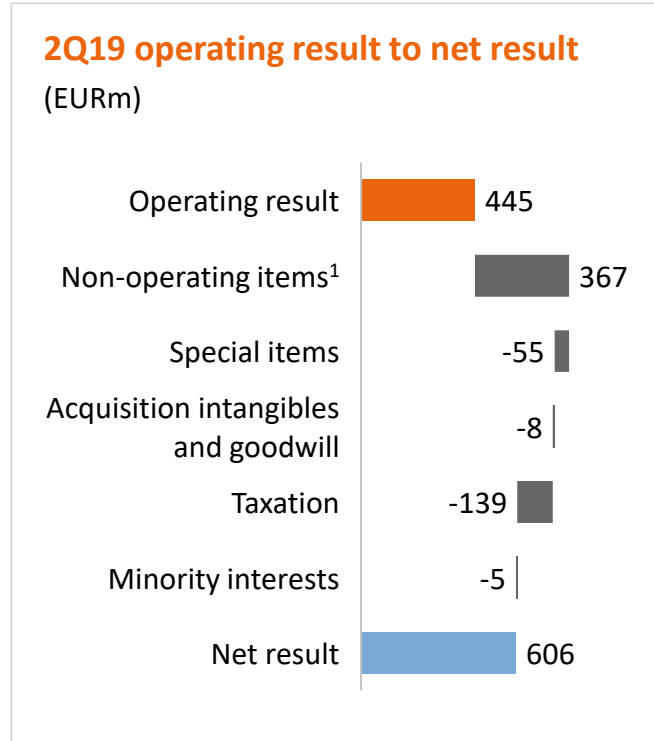
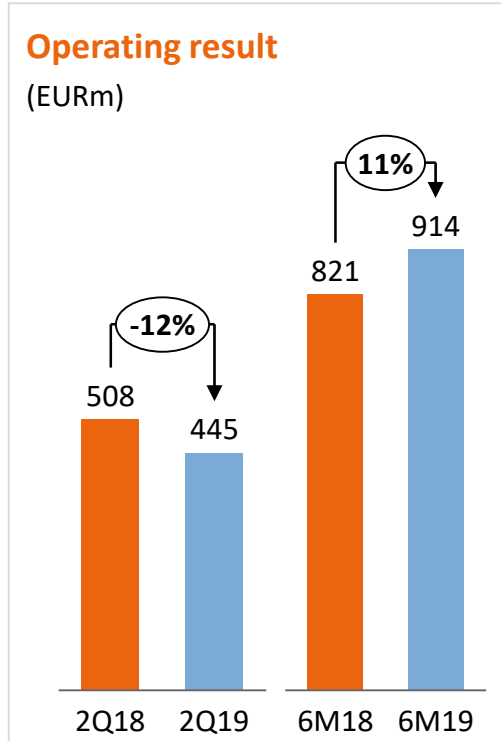
- VNB up 15% on 6M18 driven by an improved business mix and higher life and pension sales at Insurance Europe, as well as higher sales at Japan Life in 1Q19
- APE up 31% driven by a higher volume of group pension contracts at Netherlands Life, higher sales at Japan Life in 1Q19 and higher life and pension sales in Insurance Europe

Innovative products and services

- Three COLI products launched by Japan Life in July
- OHRA launched Clix, an all-risk insurance for borrowed cars which can be taken out for just one day or longer
- NN IP introduced a new short duration green bond fund

1. VNB and APE figures are based on historical currencies.

Operating result and net result

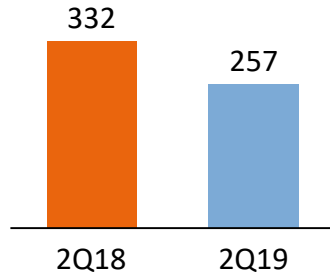


1. Includes realised capital gains/losses and impairments, revaluations and market & other impacts

2Q19 operating result by segment

Netherlands Life

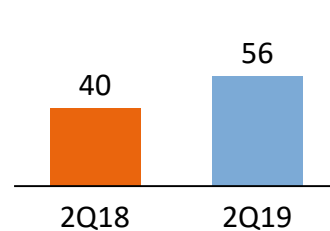
(EURm)



- 2Q19 reflects lower private equity dividends (EUR 4m versus EUR 55m in 2Q18), lower technical margin and lower fees and premium-based revenues

Netherlands Non-life

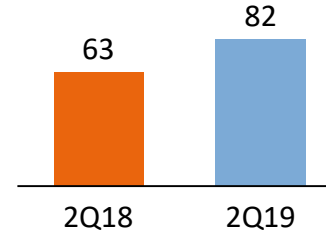
(EURm)



- 2Q19 reflects improved claims experience mainly in P&C, partly offset by lower private equity dividends
- 2Q19 combined ratio of 95.8%

Insurance Europe

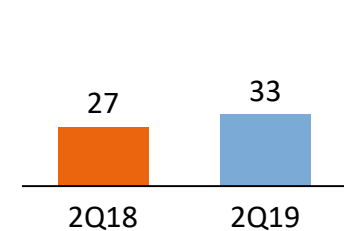
(EURm)



- 2Q19 includes improved technical margin, higher performance fees as well as EUR 6m non-recurring benefit (versus EUR 5m charge in 2Q18), partly offset by lower pension fees in Romania

Japan Life

(EURm)

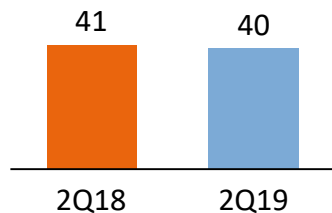


- 2Q19 operating result up, reflecting higher technical margin and lower DAC amortisation and trail commissions, partly offset by lower fees and premium-based revenues

2Q19 operating result by segment

Asset Management

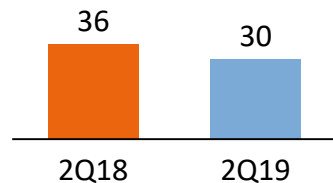
(EURm)



- 2Q19 reflects lower fees, partly compensated by lower administrative expenses
- AuM up at EUR 268bn, driven by positive market performance

Banking

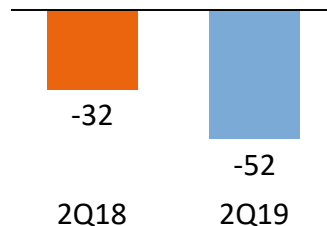
(EURm)



- 2Q19 reflects higher additions to loan loss provisions and higher operating expenses

Other

(EURm)

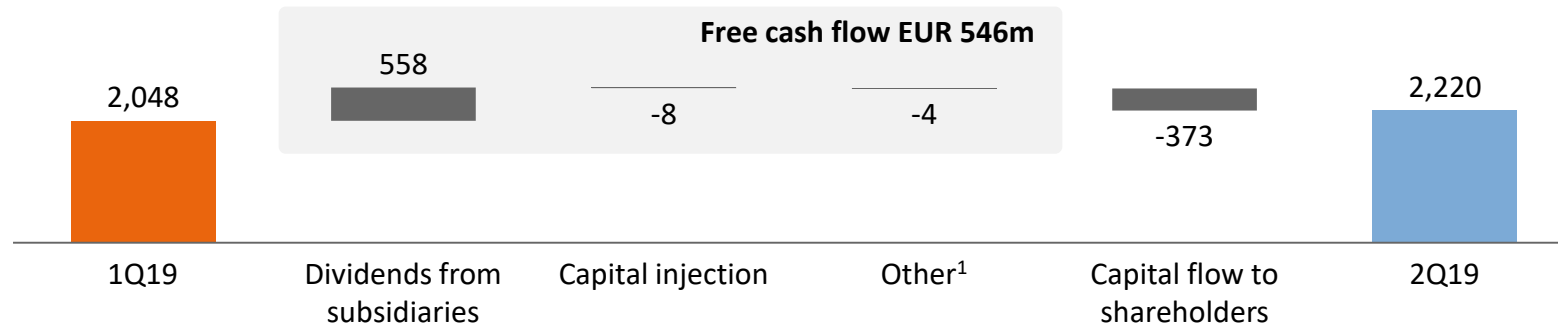


- Lower operating result of the reinsurance business reflecting claims related to Non-life's Disability portfolio and a large claim from a legacy portfolio

Free cash flow 2Q19

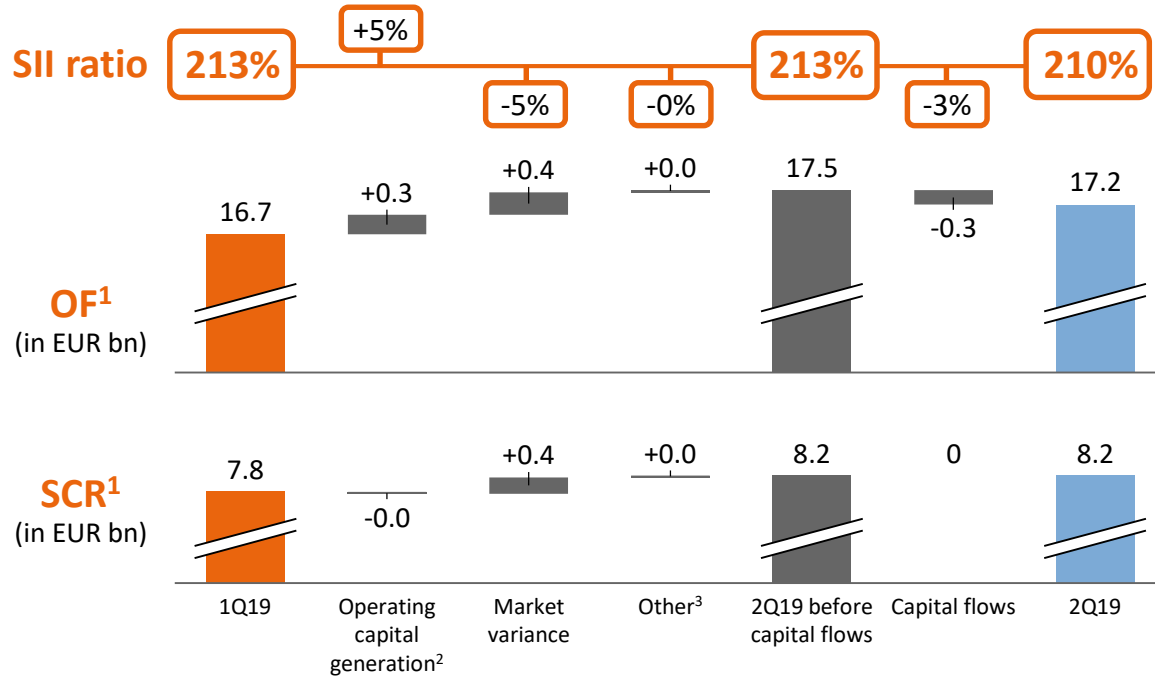
Movement in holding company cash capital

(EURm)



- Capital flow to shareholders reflects the cash part of the 2018 final dividend of EUR 243m and shares repurchased under the share buyback programme for an amount of EUR 130m

Solvency II movement 2Q19



- Solvency II ratio of 210% reflects operating capital generation offset by market variance and the 2019 interim dividend
- Market variance mainly driven by movements in credit spreads, partly offset by positive equity revaluations

Key takeaways

- 1 2Q19 operating result of EUR 445m
- 2 Administrative expense reductions achieved to date of EUR 306m
- 3 Value of new business up 15% on 6M18
- 4 Solvency II ratio of 210% after deduction of 2019 interim dividend

Q&A

Delfin Rueda, Jan-Hendrik Erasmus

Appendices

Sensitivities of the NN Group Solvency II ratio to specified shocks

Sensitivities to shocks ¹ at 2Q19	Δ OF (in EURbn)	Δ SCR (in EURbn)	Δ Solvency II ratio (in %-points)
Interest rate: Parallel shock +50bps	-0.7	-0.6	+7%
Interest rate: Parallel shock -50bps	+0.9	+0.7	-7%
Interest rate: 10bps steepening between 20y–30y	-0.6	+0.0	-8%
Credit spread: Parallel shock for AAA-rated government bonds +50bps	-0.8	-0.0	-9%
Credit spread: Parallel shock for AA and lower-rated government bonds +50bps	-0.7	-0.1	-6%
Credit spread: Parallel shock corporates +50bps	+0.2	-0.1	+7%
Equity: Downward shock -25%	-1.3	-0.2	-11%
Real estate: Downward shock -10%	-0.7	-0.0	-8%
UFR: Downward adjustment to 3.75%	-0.3	+0.0	-4%

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

Dividends upstreamed

Dividends upstreamed by segments/subsidiaries

(EURm)

	2Q19	1Q19	2018	2017
Netherlands Life ¹	210	200	837	1,035
Netherlands Non-life ¹	33	1	108	100
Insurance Europe ^{1,2}	125	2	299	230
NN Japan Life	79	-	-	57
Asset Management	44	44	177	96
Banking ¹	56	20	10	2
NN Re Netherlands	10	-	150	200
Other	-	2	12	98
Total	558	269	1,593	1,818

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 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 2019.

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