

## Delta Lloyd: 2013 got off to a good start

**Niek Hoek, chairman of the Executive Board of Delta Lloyd Group, gave his New Year's address on Tuesday, 29 January. During a gathering for customers and business partners of Delta Lloyd Group held at the Concertgebouw in Amsterdam he looked back on the events of 2012 and ahead to what 2013 may bring.**

Niek Hoek said that 2013 had got off to a good start for Delta Lloyd Group. In January, shareholder Aviva completed the sale of its remaining stake in Delta Lloyd. The successful secondary offering was a source of much satisfaction to Delta Lloyd Group since long-term investors in particular had demonstrated their confidence in Delta Lloyd. This has reinforced Delta Lloyd's faith in the policy it is pursuing and enables the company to even further expand its shareholder base. In Belgium, Delta Lloyd obtained a stock exchange listing in January. According to Niek Hoek, this signals the importance of the Belgian market as a second home market for Delta Lloyd. Delta Lloyd Bank and Delta Lloyd Life have been well-represented in Belgium for many years and over a fifth of the company's staff work in Belgium.

Niek Hoek described the market conditions in 2012 as clearly difficult for the entire financial sector. He said, "As customers are scrutinising their spending ever more critically, service providers are having to go the extra mile. In addition, the crisis has made the financial markets extremely volatile. Above all, the low interest rate is making things difficult for life and pension insurers."

"Delta Lloyd cannot influence interest rates, but it can focus on its business operations," Niek Hoek said. In his view, the main thing is to regain and strengthen the trust of the customers. "Doing what you promise is really what it's all about. If you say you're going to resolve, simplify or improve things, you have to live up to that promise. Financials that have their house in order can now intensify their focus on increasing their market share. Last year, for example, we were the market leader in new life and pensions business. This proves that customers feel we are on the right track. As in previous years, we have also invested heavily in distribution, for example by expanding our partnership with ABN AMRO and entering into new alliances with Deutsche Bank in the Netherlands and LBK in Belgium."

Niek Hoek finds it difficult to make a worthwhile prediction about 2013. He is worried about the measures the Dutch government is proposing for the housing market. Any requirement that mortgages must be fully redeemed in 30 years is bound to change the day-to-day spending pattern for most households. He explains, "They will have less money available for the very expenditure which is currently so vital to the Dutch economy. Although I agree that measures are certainly necessary, why don't we initially consider partial redemption? In this way, we could maintain disposable income at a sound level while limiting the risks of excessive mortgage debts." Another of his concerns is the introduction of stricter regulatory requirements. "Prudence is fine, but here, too, we must be realistic. If requirements are tightened even further, this may in the short term adversely affect lending to our customers and harm the housing market. And this comes at the very moment when it is crucially important to stimulate rather than dampen the economy."

