

NN GROUP FINANCIAL SUPPLEMENT

2Q2019



NN GROUP FINANCIAL SUPPLEMENT 2Q2019 INTRODUCTION

- The Financial Supplement includes quarterly financial trend data and is published on a quarterly basis.
- Figures are calculated at historical foreign exchange rates, unless otherwise stated.
- Operating result and Adjusted allocated equity (as used in the calculation of Net operating ROE) are Alternative Performance Measures. These measures are derived from figures according to IFRS-EU. The operating result is derived by adjusting the reported result before tax to exclude the impact of result on divestments, the acquisition intangibles and goodwill, discontinued operations and special items, gains/losses and impairments, revaluations and market & other impacts. The adjusted allocated equity is derived by adjusting the reported total equity to exclude revaluation reserves, the undated subordinated notes classified as equity as well as the goodwill and intangible assets recognised as a result of the Delta Lloyd acquisition. Alternative Performance Measures are non-IFRS-EU measures that have a relevant IFRS-EU equivalent. For definitions and explanations of the Alternative Performance Measures reference is made to the section 'Alternative Performance Measures (Non-GAAP Measures)' in the NN Group N.V. 2018 Consolidated Annual Accounts.
- The segment 'Other' consists of reinsurance business, the holding company, Japan Closed Block VA and certain other entities.
- APE represents annualised premium equivalents sold in the period, with single premiums calculated at 1/10th of the single premium amounts.
- The quarterly figures of the previous periods, excluding currency effects, are the sum of the monthly figures calculated at the average rate of each individual month of the current quarter.
- Rounding could cause some small differences.
- All figures are unaudited.

TABLE OF CONTENTS

1.1	Consolidated balance sheet	4
1.2	Total equity	6
1.3	Shareholders' equity reconciliation	7
1.4	Capital base - solvency II	8
1.5	Cash capital position at the holding company	9
1.6	Investments per asset type	10
1.7	Pro forma development of administrative expenses after Delta Lloyd acquisition	11
1.8	Earnings per ordinary share	12
1.9	New business	13
	Analysis of Results:	
2.1	Total	14
2.2.1	Netherlands Life	17
2.2.2	Netherlands Life - Provisions for life insurance and investment contracts	18
2.3.1	Netherlands Non-life	19
2.3.2	Netherlands Non-life - Key figures by line of business	20
2.4.1	Insurance Europe	21
2.4.2	Insurance Europe - Key figures by country	23
2.4.3	Insurance Europe - Provisions for life insurance and investment contracts and Assets under management pensions	25
2.5.1	Japan Life	26
2.5.2	Japan Life - Provisions for life insurance and investment contracts	28
2.6.1	Asset Management	29
2.6.2	Asset Management - Assets under management and Assets under administration	31
2.7.1	Banking	32
2.7.2	Banking - Savings and deposits and Mortgages	33
2.8	Other	34
	Notes	36

1.1 CONSOLIDATED BALANCE SHEET: ASSETS

In EUR million	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018
Cash and cash equivalents	11,131	10,418	8,886	8,540	9,722	10,273
Financial assets at fair value through profit or loss						
- investments for risk of policyholders	32,934	32,102	30,230	32,095	32,250	32,196
- non-trading derivatives	10,026	7,001	5,096	4,385	4,784	4,905
- designated as at fair value through profit or loss	1,206	1,090	722	830	786	806
Available-for-sale investments						
- debt securities	105,308	100,979	97,595	97,173	98,013	97,971
- equity securities	7,272	7,513	6,734	7,351	7,592	7,908
Loans	60,898	60,283	58,903	57,427	56,635	56,131
Reinsurance contracts	1,024	1,056	1,010	1,007	1,017	969
Associates and joint ventures	5,227	5,223	5,000	5,092	4,921	3,523
Real estate investments	2,482	2,430	2,374	2,368	2,364	3,629
Property and equipment	399	408	151	154	148	140
Intangible assets	1,016	1,026	863	1,739	1,781	1,816
Deferred acquisition costs	1,960	1,961	1,843	1,788	1,822	1,803
Deferred tax assets	100	126	131	118	119	117
Other assets	5,149	4,962	4,708	4,725	5,841	5,360
Total assets	246,132	236,578	224,246	224,792	227,795	227,547

1.1 CONSOLIDATED BALANCE SHEET: EQUITY AND LIABILITIES

In EUR million	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018
Shareholders' equity (parent)	30,385	26,695	22,850	23,014	23,568	23,345
Minority interests	255	252	234	269	267	315
Undated subordinated notes	1,764	1,764	1,764	1,764	1,764	1,764
Total equity	32,404	28,711	24,848	25,047	25,599	25,424
Subordinated debt	2,433	2,439	2,445	2,451	2,457	2,463
Debt securities issued	1,991	1,990	1,990	1,989	1,989	1,988
Other borrowed funds	6,605	6,125	5,717	5,467	5,567	5,409
Insurance and investment contracts						
- life insurance liabilities	126,686	125,803	123,936	123,050	124,196	124,504
- non-life insurance liabilities	6,416	6,476	5,955	6,132	6,312	6,382
- liabilities for life insurance for risk of policyholders	31,824	31,138	29,231	31,059	31,227	31,347
- investment contract liabilities	2,106	2,049	1,996	1,960	1,948	1,883
Customer deposits and other funds on deposit	15,047	14,901	14,729	14,949	14,942	14,725
Financial liabilities at fair value through profit or loss						
- non-trading derivatives	3,809	2,693	2,163	2,458	2,428	2,413
Deferred tax liabilities	3,794	2,768	1,809	1,740	1,973	1,940
Other liabilities	13,017	11,485	9,427	8,490	9,157	9,069
Total liabilities	213,728	207,867	199,398	199,745	202,196	202,123
Total equity and liabilities	246,132	236,578	224,246	224,792	227,795	227,547

1.2 TOTAL EQUITY

In EUR million	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018
Share capital	41	40	41	41	41	41
Share premium	12,572	12,573	12,572	12,572	12,572	12,572
Revaluation reserve available-for sale investments Debt securities	11,803	9,648	7,592	7,059	8,237	8,508
Revaluation reserve available-for sale investments Equity securities	1,589	1,531	1,072	1,609	1,585	1,519
Revaluation reserve crediting to life policyholders	-6,721	-5,840	-5,014	-4,592	-4,951	-5,030
Other revaluations	33	37	34	31	29	26
Cashflow hedge reserve	8,373	6,281	4,514	3,596	3,928	3,760
Currency translation reserve	4	-27	-34	-134	-97	-95
Net defined benefit asset/liability remeasurement reserve	-143	-127	-106	-99	-107	-106
Retained earnings and other reserves	2,834	2,579	2,179	2,931	2,331	2,150
Shareholders' equity (parent)	30,385	26,695	22,850	23,014	23,568	23,345
Minority interests	255	252	234	269	267	315
Undated subordinated notes	1,764	1,764	1,764	1,764	1,764	1,764
Total equity	32,404	28,711	24,848	25,047	25,599	25,424
Shares outstanding in the market (in million)	335	334	335	338	338	334

1.3 SHAREHOLDERS' EQUITY RECONCILIATION

30 June 2019

In EUR million

	(Allocated) Shareholders' equity	Less: Revaluation reserves and other adjustments ¹⁾	Plus: Minority interest	Adjusted (allocated) equity
Netherlands Life	23,538	13,154	190	10,574
Netherlands Non-life	1,005	377	63	691
Insurance Europe	2,647	567	-	2,080
Japan Life	2,673	910	-	1,763
Asset Management	340	-0	-	340
Banking	757	12	-	745
Other ²⁾	-735	514	2	-1,247
of which reinsurance business	319	78	-	241
of which other	-1,054	436	2	-1,488
NN Group excluding Japan Closed Block VA	30,224	15,533	255	14,946
Japan Closed Block VA	161	1	-	160
NN Group	30,385	15,534	255	15,106

1.4 CAPITAL BASE - SOLVENCY II

In EUR million	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018
Solvency II ³⁾						
IFRS Shareholders' equity	30,385	26,695	22,850	23,014	23,568	23,345
Minority interest	255	252	234	269	267	315
Elimination of deferred acquisition costs and intangible assets	-1,627	-1,629	-1,441	-2,349	-2,405	-2,446
Valuation differences on assets	2,516	1,918	833	1,292	1,423	1,530
Valuation differences on liabilities, including insurance and investment contracts	-17,697	-12,934	-7,677	-7,058	-8,405	-8,890
Deferred tax effect on valuation differences	3,332	2,499	1,571	1,713	2,036	2,134
Difference in treatment of non-solvency II regulated entities	-1,485	-1,528	-1,242	-1,109	-1,221	-1,237
Excess of assets over liabilities	15,679	15,273	15,129	15,772	15,263	14,751
Deduction of participation in Bank	-911	-907	-905	-905	-890	-874
Qualifying subordinated debt	4,506	4,480	4,417	4,319	4,386	4,388
Foreseeable dividends and distributions	-865	-1,031	-541	-221	-454	-486
Basic Own Funds	18,409	17,815	18,100	18,965	18,305	17,779
Non-available Own Funds	1,164	1,095	1,373	1,482	1,412	1,404
Non-eligible Own Funds	-	-	-	-	74	212
Eligible Own Funds (a)	17,245	16,720	16,727	17,483	16,819	16,163
of which Tier 1 Unrestricted	10,984	10,258	10,513	11,228	10,375	9,650
of which Tier 1 Restricted	1,946	1,937	1,895	1,854	1,894	1,896
of which Tier 2	2,470	2,454	2,433	2,377	2,404	2,405
of which Tier 3	701	862	755	933	1,042	1,067
of which non-solvency II regulated entities	1,144	1,209	1,132	1,091	1,104	1,145
Solvency Capital Requirement (b)	8,203	7,845	7,274	7,304	7,429	7,606
of which non-solvency II regulated entities	551	519	507	495	483	489
NN Group Solvency II ratio (a/b)	210%	213%	230%	239%	226%	213%

1.5 CASH CAPITAL POSITION AT THE HOLDING COMPANY

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Cash capital position - beginning of period	2,048	2,005	1,899	1,799	1,631	1,434	2,005	1,434	1,434
Cash divestment proceeds	-	4	-	-	-	-	4	-	-
Dividends from subsidiaries ⁴⁾	558	269	463	338	536	256	827	792	1,593
Capital injections into subsidiaries ⁵⁾	-8	-1	-55	-19	-0	-4	-9	-4	-78
Other ⁶⁾	-4	-88	-79	-26	-139	-54	-92	-193	-298
Free cash flow to the holding ⁷⁾	546	183	329	293	397	198	729	595	1,216
Acquisition	-	-102	-	-	-	-	-102	-	-
Capital flows from / (to) shareholders	-373	-38	-223	-193	-229	-	-412	-229	-645
Increase / (decrease) in debt and loans	-	-	-	-	-	-	-	-	-
Cash capital position - end of period ⁸⁾	2,220	2,048	2,005	1,899	1,799	1,631	2,220	1,799	2,005

1.6 INVESTMENTS PER ASSET TYPE

30 June 2019

In EUR million	Asset-backed securities	Financial institutions and Covered bonds	Corporate bonds	Government bonds	Total debt securities	Public equity	Real estate equity	Private equity	Other equity securities	Total equity securities	Real estate	Mortgage	Deposits and other Loans	Other	Investments for risk of policyholders	Total
IFRS classification																
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	11,131	-	11,131
Financial assets at fair value through profit or loss																
- investments for risk of policyholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,934	32,934
- non-trading derivatives	-	-	-	-	-	-	-	-	-	-	-	-	10,026	-	-	10,026
- designated as at fair value through profit or loss	-	-	29	11	40	-	-	-	1,166	1,166	-	-	-	-	-	1,206
Available-for-sale investments																
- debt securities	2,076	11,304	17,413	74,514	105,308	-	-	-	-	-	-	-	-	-	-	105,308
- equity securities	-	-	-	-	-	4,005	916	134	2,217	7,272	-	-	-	-	-	7,272
Loans	1,369	-	-	-	1,369	-	-	-	-	-	-	47,480	12,050	-	-	60,898
Associates and joint ventures	-	-	-	-	-	2	-	606	-	608	4,458	-	142	19	-	5,227
Real estate investments	-	-	-	-	-	-	-	-	-	-	2,482	-	-	-	-	2,482
Other assets ⁹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	9,647	-	9,647
Total	3,445	11,304	17,442	74,525	106,717	4,007	916	740	3,383	9,046	6,940	47,480	12,192	30,823	32,934	246,132

1.7 PRO FORMA DEVELOPMENT OF ADMINISTRATIVE EXPENSES AFTER DELTA LLOYD ACQUISITION

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018	FY2017	FY2016
Pro forma development of administrative expenses after Delta Lloyd acquisition ²⁶⁾											
Netherlands Life ¹⁰⁾	114	116	133	117	115	129	230	244	494	551	591
Netherlands Non-life ¹¹⁾	97	94	103	94	94	102	191	196	393	450	481
Belgium	30	31	29	31	31	31	62	62	122	121	137
Asset Management	70	71	80	73	71	75	141	146	298	328	327
Banking	51	51	57	47	50	53	102	103	206	232	237
Corporate/holding (including reinsurance business)	40	44	51	40	38	38	84	76	167	154	196
Total	403	408	452	401	399	428	810	828	1,681	1,837	1,970

1.8 EARNINGS PER ORDINARY SHARE

	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Basic earnings per ordinary share ¹²⁾									
Net result (in EUR million)	606	512	-533	788	463	399	1,118	862	1,117
Coupon on undated subordinated notes (in EUR million)	-15	-15	-15	-15	-15	-15	-29	-29	-58
Basic earnings (in EUR million)	591	498	-548	774	449	384	1,089	833	1,059
Weighted average number of ordinary shares (in million)	332.9	334.3	336.5	337.4	334.6	334.2	333.6	334.4	335.5
Basic earnings per ordinary share (in EUR)	1.78	1.49	-1.63	2.29	1.34	1.15	3.26	2.49	3.15
Diluted earnings per ordinary share ¹³⁾									
Basic earnings (in EUR million)	591	498	-548	774	449	384	1,089	833	1,059
Weighted average number of ordinary shares (in million)	332.9	334.3	336.5	337.4	334.6	334.2	333.6	334.4	335.5
Dilutive instruments: Stock option and share plans (in million)	0.4	0.6	0.6	0.6	0.6	0.8	0.4	0.6	0.6
Weighted average number of ordinary shares (including dilutive instruments in million)	333.3	334.9	337.0	338.0	335.1	335.0	334.1	334.9	336.1
Diluted earnings per ordinary share (in EUR)	1.77	1.49	-1.63	2.29	1.34	1.15	3.26	2.49	3.15

1.9 NEW BUSINESS

In EUR million	1H2019	2H2018	1H2018	FY2018
NN Group				
Value of new business (VNB)	236	186	205	391
Present value of new business premiums	7,798	4,847	5,721	10,567
New business margin ²⁸⁾	3.0%	3.8%	3.6%	3.7%
In EUR million	1H2019	2H2018	1H2018	FY2018
Netherlands Life				
Value of new business (VNB)	1	4	5	9
Present value of new business premiums	1,926	574	1,300	1,874
New business margin ²⁸⁾	0.0%	0.7%	0.4%	0.5%
In EUR million	1H2019	2H2018	1H2018	FY2018
Insurance Europe				
Value of new business (VNB)	108	85	83	168
Present value of new business premiums	2,750	2,262	2,382	4,644
New business margin ²⁸⁾	3.9%	3.8%	3.5%	3.6%
In EUR million	1H2019	2H2018	1H2018	FY2018
Japan Life				
Value of new business (VNB)	128	97	117	214
Present value of new business premiums	3,122	2,011	2,038	4,049
New business margin ²⁸⁾	4.1%	4.8%	5.8%	5.3%

2.1 ANALYSIS OF RESULTS: TOTAL

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Analysis of results									
Netherlands Life	257	268	192	236	332	212	524	544	972
Netherlands Non-life	56	29	40	46	40	-32	84	8	94
Insurance Europe	82	58	72	65	63	71	140	134	271
Japan Life	33	84	29	45	27	66	118	93	167
Asset Management	40	36	30	43	41	41	76	82	155
Banking	30	30	28	34	36	33	60	69	130
Other	-52	-36	-48	-6	-32	-78	-88	-110	-164
Operating result	445	468	343	463	508	313	914	821	1,626
Non-operating items	367	225	257	525	223	272	593	494	1,276
of which gains/losses and impairments	89	5	206	457	342	28	94	370	1,034
of which revaluations	316	257	210	12	-18	222	573	204	427
of which market & other impacts	-38	-36	-160	55	-101	21	-75	-80	-185
Special items	-55	-52	-99	-57	-86	-79	-108	-165	-321
Acquisition intangibles and goodwill	-8	25	-885	-33	-33	-33	17	-66	-984
Result on divestments	-0	9	-	56	0	4	8	4	60
Result before tax	749	675	-384	953	611	477	1,424	1,088	1,657
Taxation	139	157	141	160	145	78	296	222	524
Minority interests	5	5	8	5	4	-0	10	3	16
Net result	606	512	-533	788	463	399	1,118	862	1,117
Shares outstanding in the market (in million)	335	334	335	338	338	334	335	338	335
Basic earnings per ordinary share in EUR ¹²⁾	1.78	1.49	-1.63	2.29	1.34	1.15	3.26	2.49	3.15
Diluted earnings per ordinary share in EUR ¹³⁾	1.77	1.49	-1.63	2.29	1.34	1.15	3.26	2.49	3.15
New business									
Single premiums	411	510	487	331	389	428	922	817	1,634
Regular premiums	202	894	358	295	318	505	1,096	823	1,476
New sales life insurance (APE)	243	945	407	328	357	547	1,188	904	1,640
Value of new business (VNB)							236	205	391

2.1 ANALYSIS OF RESULTS: TOTAL

In EUR million

	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Key figures									
Gross premium income	2,922	4,897	2,880	2,949	2,952	4,491	7,819	7,443	13,272
Total administrative expenses	512	518	569	510	505	533	1,030	1,037	2,116
Cost/income ratio (Administrative expenses/Operating income)	28.3%	27.4%	32.2%	28.5%	28.0%	29.7%	27.8%	28.8%	29.6%
Combined ratio (Netherlands Non-life) ¹⁴⁾	95.8%	97.9%	96.4%	97.1%	97.9%	106.3%	96.8%	102.2%	99.4%
Asset Management Assets under Management ¹⁵⁾	268	260	246	238	240	240	268	240	246
Life general account invested assets ¹⁵⁾	142	140	138	137	136	136	142	136	138
Investment margin/Life general account invested assets (bps) ¹⁶⁾	70	74	70	72	69	68			
Total provisions for insurance and investment contracts ¹⁵⁾	167	165	161	162	164	164	167	164	161
of which for risk policyholder ¹⁵⁾	33	32	30	32	32	32	33	32	30
NN Life Solvency II ratio ³⁾	212%	217%	255%	253%	239%	219%	212%	239%	255%
CET1 ratio ²⁴⁾	16.0%	16.3%	16.3%	16.4%	16.2%	15.6%	16.0%	16.2%	16.3%
Net operating result ¹⁷⁾	326	358	244	339	387	236	685	623	1,206
Adjusted allocated equity (end of period) ¹⁸⁾	14,946	14,661	14,218	14,004	13,385	13,139	14,946	13,385	14,218
Net operating ROE ¹⁹⁾	8.8%	9.9%	6.9%	9.9%	11.7%	7.3%	9.4%	9.5%	8.9%
Solvency II ratio ³⁾	210%	213%	230%	239%	226%	213%	210%	226%	230%
Total assets ¹⁵⁾	246	237	224	225	228	228	246	228	224
Shareholders' equity	30,385	26,695	22,850	23,014	23,568	23,345	30,385	23,568	22,850
Employees (internal FTEs, end of period)	14,227	14,221	14,122	14,200	14,031	14,191	14,227	14,031	14,122

2.1 ANALYSIS OF RESULTS: TOTAL - EXCLUDING CURRENCY EFFECTS

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Analysis of results									
Netherlands Life	257	268	192	236	332	212	524	544	972
Netherlands Non-life	56	29	40	46	40	-32	84	8	94
Insurance Europe	82	58	72	65	63	70	140	133	270
Japan Life	33	87	30	47	29	71	120	99	177
Asset Management	40	36	30	43	41	41	76	82	155
Banking	30	30	28	34	36	33	60	69	130
Other	-52	-37	-48	-5	-32	-78	-89	-110	-164
Operating result	445	470	344	466	509	317	915	826	1,636
Non-operating items	367	225	257	525	223	271	592	494	1,275
of which gains/losses and impairments	89	5	206	457	342	28	94	370	1,034
of which revaluations	316	257	210	12	-19	222	573	203	426
of which market & other impacts	-38	-36	-160	55	-100	21	-75	-80	-184
Special items	-55	-52	-99	-57	-86	-79	-108	-165	-321
Acquisition intangibles and goodwill	-8	25	-885	-33	-33	-33	17	-66	-984
Result on divestments	-0	9	-	56	0	4	8	4	60
Result before tax	749	677	-383	956	612	480	1,426	1,093	1,666
Taxation	139	158	142	161	145	79	297	224	527
Minority interests	5	5	8	5	4	-0	10	3	16
Net result	606	513	-533	790	464	402	1,119	866	1,123
Shares outstanding in the market (in million)	335	334	335	338	338	334	335	338	335
Basic earnings per ordinary share in EUR ¹²⁾	1.78	1.49	-1.63	2.30	1.34	1.16	3.27	2.50	3.17
Diluted earnings per ordinary share in EUR ¹³⁾	1.77	1.49	-1.62	2.29	1.34	1.16	3.26	2.50	3.17
New business									
New sales life insurance (APE)	243	953	414	338	361	554	1,197	914	1,667
Key figures									
Gross premium income	2,922	4,923	2,910	2,999	2,984	4,555	7,845	7,539	13,447
Total administrative expenses	512	518	570	512	505	532	1,030	1,037	2,120
Total assets ¹⁵⁾	246	237	225	226	229	229	246	229	225

2.2.1 ANALYSIS OF RESULTS: NETHERLANDS LIFE

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Analysis of results									
Investment margin	240	242	184	215	292	181	482	473	872
Fees and premium-based revenues	100	109	106	102	111	125	209	236	444
Technical margin	39	42	44	44	54	46	81	100	188
Operating income non-modelled business	-0	0	-0	0	0	0	-0	0	-0
Operating income	379	393	334	361	457	352	772	809	1,504
Administrative expenses	114	116	133	117	115	129	230	244	494
DAC amortisation and trail commissions	8	9	9	9	9	11	17	21	38
Expenses	122	126	142	125	125	140	248	265	532
Operating result	257	268	192	236	332	212	524	544	972
Non-operating items	310	254	324	499	237	251	564	487	1,310
of which gains/losses and impairments	18	-4	223	453	317	28	15	346	1,022
of which revaluations	331	282	222	-3	-7	217	614	210	428
of which market & other impacts	-40	-25	-121	49	-74	6	-64	-68	-140
Special items	-6	-14	-18	-19	-12	-14	-20	-27	-63
Result on divestments	-0	5	-	56	-	-	5	-	56
Result before tax	561	512	498	772	557	448	1,073	1,005	2,275
Taxation	98	126	107	116	129	78	224	207	430
Minority interests	2	3	5	2	2	1	5	4	10
Net result	461	383	386	654	426	369	844	794	1,835
New business									
Single premiums	98	132	137	117	101	123	230	224	479
Regular premiums	44	261	21	24	38	131	305	169	214
New sales life insurance (APE)	54	274	35	36	48	143	328	191	262
Value of new business (VNB)							1	5	9
Key figures									
Gross premium income	771	1,351	760	724	775	1,343	2,121	2,118	3,602
Total administrative expenses	114	116	133	117	115	129	230	244	494
Cost/income ratio (Administrative expenses/Operating income)	30.0%	29.6%	39.8%	32.3%	25.2%	36.7%	29.8%	30.2%	32.8%
Life general account invested assets ¹⁵⁾	107	105	103	103	102	102	107	102	103
Investment margin/Life general account invested assets (bps) ¹⁶⁾	85	90	85	88	83	81			
Total provisions for insurance and investment contracts ¹⁵⁾	115	114	112	113	114	114	115	114	112
of which for risk policyholder ¹⁵⁾	23	22	21	22	21	21	23	21	21
Allocated equity (end of period) ²⁰⁾	23,538	20,096	16,892	16,322	16,776	16,481	23,538	16,776	16,892
NN Life Solvency II ratio ³⁾	212%	217%	255%	253%	239%	219%	212%	239%	255%
Net operating result	200	222	143	182	266	171	422	437	762
Adjusted allocated equity (end of period)	10,574	10,299	10,189	10,035	9,558	9,384	10,574	9,558	10,189
Net operating ROE ²⁰⁾	7.7%	8.7%	5.6%	7.4%	11.2%	7.4%	8.2%	9.3%	7.9%
Employees (internal FTEs, end of period)	2,375	2,396	2,450	2,498	2,499	2,535	2,375	2,499	2,450

2.2.2 NETHERLANDS LIFE - PROVISIONS FOR LIFE INSURANCE AND INVESTMENT CONTRACTS

In EUR billion	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Provisions for life insurance and investment contracts for risk of company - roll forward									
Beginning of period	92.0	91.2	91.5	92.3	92.7	92.5	91.2	92.5	92.5
Deposits	0.3	1.0	0.4	0.4	0.4	1.0	1.4	1.3	2.1
Withdrawals / Benefits	-1.3	-1.4	-1.4	-1.3	-1.3	-1.3	-2.7	-2.5	-5.2
Net production	-1.0	-0.4	-0.9	-0.9	-0.9	-0.3	-1.3	-1.2	-3.0
Acquisition / Divestments / Transfers	-	0.0	-	-	-0.0	0.0	0.0	-	-
Market performance / Interest credited	1.3	1.1	0.7	0.1	0.5	0.5	2.4	1.0	1.7
FX impact and other	-	-	-	-	-	-	-	-	-
End of period	92.3	92.0	91.2	91.5	92.3	92.7	92.3	92.3	91.2
In EUR billion	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Provisions for life insurance and investment contracts for risk of policyholders - roll forward									
Beginning of period	22.2	20.6	21.7	21.4	20.9	21.4	20.6	21.4	21.4
Deposits	0.3	0.4	0.3	0.3	0.3	0.4	0.7	0.7	1.4
Withdrawals / Benefits	-0.3	-0.6	-0.4	-0.3	-0.4	-0.6	-0.9	-1.0	-1.7
Net production	0.0	-0.2	-0.1	0.0	-0.1	-0.2	-0.1	-0.2	-0.3
Acquisition / Divestments / Transfers	-0.0	0.0	-	-	0.0	-0.0	-0.0	-	-
Market performance / Interest credited	0.6	1.7	-1.0	0.2	0.6	-0.4	2.4	0.2	-0.5
FX impact and other	-	-	-	-	-	-	-	-	-
End of period	22.8	22.2	20.6	21.7	21.4	20.9	22.8	21.4	20.6

2.3.1 ANALYSIS OF RESULTS: NETHERLANDS NON-LIFE

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Analysis of results									
Earned premiums	753	724	786	741	692	735	1,477	1,427	2,954
Investment income	35	21	26	31	38	24	55	62	118
Other income	-2	1	-4	3	-3	-0	-1	-3	-4
Operating income	786	745	807	775	727	759	1,531	1,486	3,068
Claims incurred, net of reinsurance	526	519	544	525	497	585	1,045	1,082	2,151
Acquisition costs	133	129	147	136	121	130	262	251	534
Administrative expenses	78	76	83	75	76	82	154	158	316
Acquisition costs and administrative expenses	211	205	230	211	196	213	416	409	850
Expenditure	737	724	773	736	693	798	1,461	1,492	3,001
Operating result insurance businesses	49	21	34	39	34	-39	70	-6	67
Operating result health business and broker business	7	7	6	7	6	8	14	14	27
Total operating result	56	29	40	46	40	-32	84	8	94
Non-operating items	9	2	-19	5	3	8	12	12	-2
of which gains/losses and impairments	5	3	-1	1	7	4	8	11	11
of which revaluations	5	-1	-4	4	-3	4	4	2	2
of which market & other impacts	-	-	-14	-0	-1	-	-	-1	-15
Special items	-15	-11	-31	-8	-29	-22	-26	-52	-91
Result on divestments	-	-	-	-	-	-	-	-	-
Result before tax	50	20	-10	43	14	-46	70	-32	1
Taxation	11	4	-1	9	4	-14	15	-10	-2
Minority interests	3	3	3	3	1	-1	5	-0	6
Net result	37	13	-12	30	9	-30	50	-21	-3
Key figures									
Gross premium income	676	1,279	553	590	678	1,262	1,956	1,940	3,083
Total administrative expenses ¹¹⁾	97	94	103	94	94	102	191	196	393
Combined ratio ¹⁴⁾	95.8%	97.9%	96.4%	97.1%	97.9%	106.3%	96.8%	102.2%	99.4%
of which Claims ratio ¹⁴⁾	67.8%	69.6%	67.1%	68.7%	69.5%	77.4%	68.7%	73.6%	70.6%
of which Expense ratio ¹⁴⁾	28.0%	28.3%	29.3%	28.5%	28.4%	28.9%	28.2%	28.7%	28.8%
Total insurance provisions ¹⁵⁾	6	6	6	6	6	6	6	6	6
Allocated equity (end of period) ²⁰⁾	1,005	949	855	915	920	936	1,005	920	855
Net operating result	42	22	33	34	30	-22	64	8	75
Adjusted allocated equity (end of period)	691	682	663	702	676	699	691	676	663
Net operating ROE ²⁰⁾	24.6%	13.2%	19.2%	19.9%	17.4%	-12.3%	19.0%	2.3%	10.8%
Employees (internal FTEs, end of period)	2,718	2,738	2,804	2,802	2,609	2,672	2,718	2,609	2,804

2.3.2 NETHERLANDS NON-LIFE - KEY FIGURES BY LINE OF BUSINESS

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Gross premium income by line of business									
Disability & Accident	174	635	99	144	178	613	809	791	1,034
Fire	219	270	186	180	220	269	489	489	855
Marine & Aviation	19	24	13	15	20	23	42	42	70
Motor	173	217	172	170	175	218	389	393	734
Miscellaneous	92	133	83	82	88	139	225	227	392
Indirect business	1	0	-0	0	-3	0	1	-2	-2
Property & Casualty	503	644	454	446	500	649	1,147	1,149	2,049
Total	676	1,279	553	590	678	1,262	1,956	1,940	3,083

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Operating result by line of business									
Disability & Accident	33	7	17	21	29	13	39	41	79
Fire	6	5	30	13	6	-53	12	-47	-4
Marine & Aviation	2	1	4	2	0	2	3	2	8
Motor	6	5	-3	1	-0	-7	12	-7	-8
Miscellaneous	2	3	-13	2	-1	7	5	6	-5
Indirect business	-0	0	-1	-1	-0	-1	-0	-1	-3
Property & Casualty	16	15	17	18	5	-52	31	-47	-12
Health business and broker business	7	7	6	7	6	8	14	14	27
Total	56	29	40	46	40	-32	84	8	94

	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Combined ratios Disability & Accident and Property & Casualty ¹⁴⁾									
Disability & Accident									
Combined ratio	91.4%	96.2%	93.7%	94.3%	93.1%	94.9%	93.7%	94.0%	94.0%
of which Claims ratio	72.6%	76.5%	71.9%	74.1%	74.2%	73.7%	74.5%	73.9%	73.5%
of which Expense ratio	18.8%	19.7%	21.9%	20.1%	18.9%	21.1%	19.3%	20.0%	20.5%
Property & Casualty									
Combined ratio	98.3%	98.8%	97.6%	98.6%	100.9%	112.4%	98.5%	106.9%	102.3%
of which Claims ratio	65.2%	65.9%	64.8%	65.9%	66.6%	79.3%	65.6%	73.3%	69.1%
of which Expense ratio	33.1%	32.8%	32.8%	32.8%	34.2%	33.1%	33.0%	33.6%	33.2%
Total									
Combined ratio	95.8%	97.9%	96.4%	97.1%	97.9%	106.3%	96.8%	102.2%	99.4%
of which Claims ratio	67.8%	69.6%	67.1%	68.7%	69.5%	77.4%	68.7%	73.6%	70.6%
of which Expense ratio	28.0%	28.3%	29.3%	28.5%	28.4%	28.9%	28.2%	28.7%	28.8%

2.4.1 ANALYSIS OF RESULTS: INSURANCE EUROPE

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Analysis of results									
Investment margin	25	25	30	17	23	23	49	46	93
Fees and premium-based revenues	183	177	177	171	173	181	360	354	703
Technical margin	63	57	47	59	46	55	120	101	207
Operating income non-modelled business	0	0	0	0	1	0	1	1	1
Operating income Life Insurance	270	260	255	247	243	260	530	503	1,005
Administrative expenses	103	104	98	101	98	100	206	198	398
DAC amortisation and trail commissions	93	97	81	80	80	88	189	167	328
Expenses Life Insurance	195	200	179	181	177	188	396	365	725
Operating result Life Insurance	75	59	76	66	66	72	134	138	280
Operating result Non-life	6	-1	-4	-1	-3	-1	5	-4	-8
Operating result	82	58	72	65	63	71	140	134	271
Non-operating items	49	-13	-26	19	10	-0	36	10	4
of which gains/losses and impairments	61	4	-16	3	18	-7	65	11	-2
of which revaluations	-11	-17	1	16	-2	7	-28	5	22
of which market & other impacts	-1	0	-11	0	-6	0	-1	-5	-16
Special items	-11	-7	-10	-6	-7	-5	-17	-13	-28
Acquisition intangibles and goodwill	-	33	-	-	-	-	33	-	-
Result on divestments	-	-	-	-	-	-	-	-	-
Result before tax	120	71	37	78	67	65	191	132	247
Taxation	27	9	7	20	16	13	36	29	55
Minority interests	-	-	-	-	-	-	-	-	-
Net result	93	62	30	59	50	53	156	103	191
New business									
Single premiums	314	378	350	213	288	305	692	592	1,156
Regular premiums	126	153	131	107	117	156	279	273	512
New sales life insurance (APE)	158	191	166	129	146	186	348	332	627
Value of new business (VNB)							108	83	168
Key figures									
Gross premium income	756	777	762	673	724	772	1,533	1,496	2,931
Total administrative expenses (Life & Non-life)	105	108	105	105	104	103	213	207	418
Cost/income ratio (Administrative expenses/Operating income)	37.0%	40.3%	40.0%	41.2%	41.3%	38.8%	38.6%	40.0%	40.3%
Life general account invested assets ¹⁵⁾	18	18	18	18	19	19	18	19	18
Investment margin/Life general account invested assets (bps) ¹⁶⁾	52	51	50	49	52	52			
Total provisions for insurance and investment contracts ¹⁵⁾	27	26	25	25	25	26	27	25	25
of which for risk policyholder ¹⁵⁾	8	8	7	7	7	7	8	7	7
Assets under Management Pensions ¹⁵⁾²²⁾	21	20	18	19	18	19	21	18	18
Allocated equity (end of period) ²⁰⁾	2,647	2,598	2,307	2,273	2,328	2,530	2,647	2,328	2,307
Net operating result	61	44	55	50	51	56	105	108	212
Adjusted allocated equity (end of period)	2,080	2,115	1,907	1,872	1,907	2,069	2,080	1,907	1,907
Net operating ROE ²⁰⁾	11.6%	8.8%	11.6%	10.6%	10.3%	11.0%	10.2%	10.6%	10.9%
Employees (internal FTEs, end of period)	4,834	4,767	4,562	4,558	4,518	4,519	4,834	4,518	4,562

2.4.1 ANALYSIS OF RESULTS: INSURANCE EUROPE - EXCLUDING CURRENCY EFFECTS

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Analysis of results									
Investment margin	25	24	30	17	23	23	49	46	93
Fees and premium-based revenues	183	177	177	171	171	176	359	348	696
Technical margin	63	57	47	59	46	54	120	100	206
Operating income non-modelled business	0	0	0	0	1	0	1	1	1
Operating income Life Insurance	270	259	255	247	240	254	529	494	996
Administrative expenses	103	103	98	101	96	97	206	194	393
DAC amortisation and trail commissions	93	96	81	80	78	86	189	164	324
Expenses Life Insurance	195	200	179	181	175	183	395	358	717
Operating result Life Insurance	75	59	76	66	66	71	134	136	279
Operating result Non-life	6	-1	-4	-1	-2	-1	6	-3	-8
Operating result	82	58	72	65	63	70	140	133	270
Non-operating items	49	-13	-26	19	10	-0	36	10	4
of which gains/losses and impairments	61	4	-16	3	18	-7	65	11	-2
of which revaluations	-11	-17	1	16	-2	7	-28	5	22
of which market & other impacts	-1	0	-11	0	-6	0	-1	-5	-16
Special items	-11	-7	-9	-6	-7	-5	-17	-13	-28
Acquisition intangibles and goodwill	-	33	-	-	-	-	33	-	-
Result on divestments	-	-	-	-	-	-	-	-	-
Result before tax	120	71	37	78	66	65	191	131	246
Taxation	27	9	7	20	17	13	36	29	55
Minority interests	-	-	-	-	-	-	-	-	-
Net result	93	63	30	59	50	52	156	102	191
New business									
New sales life insurance (APE)	158	188	165	129	141	176	346	317	611
Key figures									
Gross premium income	756	776	762	672	720	763	1,532	1,483	2,918
Total administrative expenses (Life & Non-life)	105	108	105	105	102	101	212	202	412

2.4.2 INSURANCE EUROPE - KEY FIGURES BY COUNTRY

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Gross premium income by country									
Belgium	244	258	260	212	221	251	502	472	945
Poland	91	89	93	90	89	93	181	183	365
Spain	127	152	138	117	134	153	279	287	541
Other	294	278	271	255	280	274	572	554	1,080
Insurance Europe	756	777	762	673	724	772	1,533	1,496	2,931

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Operating result by country									
Belgium	20	7	15	17	13	9	28	23	55
Poland	22	23	25	22	23	25	45	48	95
Spain	9	8	14	7	6	9	17	15	36
Other	30	20	18	20	21	27	50	49	86
Insurance Europe	82	58	72	65	63	71	140	134	271

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
New sales (APE) by country									
Belgium	30	29	35	21	27	32	59	59	115
Poland	26	25	38	23	24	24	52	48	108
Spain	20	35	23	18	23	35	55	58	99
Other	80	102	71	66	73	95	182	168	305
Insurance Europe	158	191	166	129	146	186	348	332	627

2.4.2 INSURANCE EUROPE - KEY FIGURES BY COUNTRY - EXCLUDING CURRENCY EFFECTS

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Gross premium income by country									
Belgium	244	258	260	212	221	251	502	472	945
Poland	91	89	93	90	89	91	181	180	364
Spain	127	152	138	117	134	153	279	287	541
Other	294	277	271	253	276	267	571	544	1,068
Insurance Europe	756	776	762	672	720	763	1,532	1,483	2,918

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Operating result by country									
Belgium	20	7	15	17	13	9	28	23	55
Poland	22	23	25	22	23	24	45	47	95
Spain	9	8	14	7	6	9	17	15	36
Other	30	20	18	20	21	27	50	48	86
Insurance Europe	82	58	72	65	63	70	140	133	270

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
New sales (APE) by country									
Belgium	30	29	35	21	27	32	59	59	115
Poland	26	25	38	23	24	23	52	47	108
Spain	20	35	23	18	23	35	55	58	99
Other	80	100	69	66	68	86	180	153	289
Insurance Europe	158	188	165	129	141	176	346	317	611

2.4.3 INSURANCE EUROPE - PROVISIONS FOR LIFE INSURANCE AND INVESTMENT CONTRACTS AND ASSETS UNDER MANAGEMENT PENSIONS

In EUR billion	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Provisions for life insurance and investment contracts for risk of company - roll forward									
Beginning of period	18.1	17.9	17.9	18.2	18.5	18.7	17.9	18.7	18.7
Deposits	0.3	0.3	0.5	0.3	0.3	0.3	0.6	0.6	1.4
Withdrawals / Benefits	-0.5	-0.5	-0.7	-0.5	-0.5	-0.5	-1.0	-1.0	-2.3
Net production	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.4	-0.4	-0.8
Acquisition / Divestments / Transfers	-0.0	0.0	-0.0	0.0	-0.0	-0.0	0.0	-0.0	-0.0
Market performance / Interest credited	0.4	0.4	0.2	-0.1	-0.0	0.0	0.9	0.0	0.1
FX impact and other	0.0	-0.0	0.0	0.0	-0.1	-0.0	0.0	-0.1	-0.0
End of period	18.4	18.1	17.9	17.9	18.2	18.5	18.4	18.2	17.9
In EUR billion	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Provisions for life insurance and investment contracts for risk of policyholders - roll forward									
Beginning of period	7.8	7.1	7.4	7.1	7.1	7.0	7.1	7.0	7.0
Deposits	0.2	0.3	0.5	0.2	0.3	0.3	0.5	0.5	1.2
Withdrawals / Benefits	-0.1	-0.2	-0.3	-0.1	-0.2	-0.1	-0.3	-0.3	-0.7
Net production	0.1	0.1	0.2	0.1	0.1	0.1	0.2	0.3	0.5
Acquisition / Divestments / Transfers	0.0	0.2	-	-	0.0	0.0	0.2	0.0	0.0
Market performance / Interest credited	0.2	0.4	-0.4	0.1	0.0	-0.1	0.6	-0.1	-0.4
FX impact and other	0.0	-0.0	0.0	0.0	-0.1	-0.0	0.0	-0.1	-0.1
End of period	8.1	7.8	7.1	7.4	7.1	7.1	8.1	7.1	7.1
In EUR billion	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Assets under management pensions - roll forward									
Beginning of period	19.9	18.4	18.7	17.8	18.5	19.2	18.4	19.2	19.2
Deposits	0.5	0.5	0.4	0.4	0.4	0.4	1.0	0.8	1.6
Withdrawals / Benefits	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.4	-0.5	-0.9
Net production	0.2	0.3	0.2	0.2	0.2	0.2	0.6	0.3	0.7
Acquisition / Divestments / Transfers	0.0	0.7	-	-	-	-	0.7	-	-
Market performance / Interest credited	0.3	0.6	-0.5	0.6	-0.4	-0.7	0.9	-1.1	-1.0
FX impact and other	0.2	-0.2	0.0	0.1	-0.4	-0.1	0.0	-0.6	-0.5
End of period	20.6	19.9	18.4	18.7	17.8	18.5	20.6	17.8	18.4

2.5.1 ANALYSIS OF RESULTS: JAPAN LIFE

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Analysis of results									
Investment margin	-4	-3	-3	-1	-2	-3	-7	-5	-9
Fees and premium-based revenues	124	241	130	157	130	187	366	318	605
Technical margin	8	-1	1	-0	-1	-1	7	-2	-1
Operating income non-modelled business	-0	0	0	0	-0	0	-0	-0	-0
Operating income	128	237	128	156	127	184	365	311	594
Administrative expenses	35	33	40	35	33	32	69	65	140
DAC amortisation and trail commissions	60	119	58	76	67	85	179	152	287
Expenses	95	152	98	111	100	118	247	217	427
Operating result	33	84	29	45	27	66	118	93	167
Non-operating items	-10	-8	-9	-3	-8	-5	-18	-13	-25
of which gains/losses and impairments	-4	-0	-0	-0	-4	1	-4	-3	-3
of which revaluations	-6	-7	-9	-3	-4	-6	-14	-10	-22
of which market & other impacts	-	-	-	-	-	-	-	-	-
Special items	-1	-1	-1	-1	-0	-0	-2	-1	-3
Result on divestments	-	-	-	-	-	-	-	-	-
Result before tax	22	75	19	40	19	60	98	79	139
Taxation	6	21	8	14	3	16	28	19	41
Minority interests	-	-	-	-	-	-	-	-	-
Net result	16	54	12	26	16	44	70	60	97
New business									
Single premiums	-	-	-	-	-	-	-	-	-
Regular premiums	32	480	206	164	163	218	512	381	751
New sales life insurance (APE)	32	480	206	164	163	218	512	381	751
Value of new business (VNB)	-	-	-	-	-	-	128	117	214
Key figures									
Gross premium income	712	1,483	797	956	767	1,108	2,195	1,875	3,628
Total administrative expenses	35	33	40	35	33	32	69	65	140
Cost/income ratio (Administrative expenses/Operating income)	27.5%	14.1%	31.4%	22.3%	25.7%	17.7%	18.8%	21.0%	23.6%
Life general account invested assets ¹⁵⁾	17	17	16	16	15	15	17	15	16
Total provisions for insurance and investment contracts ¹⁵⁾	16	16	15	14	14	14	16	14	15
of which for risk policyholder ¹⁵⁾	0	0	0	0	0	0	0	0	0
Allocated equity (end of period) ²⁰⁾	2,673	2,592	2,358	2,124	2,265	2,231	2,673	2,265	2,358
Net operating result	23	48	20	32	15	44	71	59	111
Adjusted allocated equity (end of period)	1,763	1,783	1,725	1,631	1,634	1,607	1,763	1,634	1,725
Net operating ROE ^{20) 27)}	5.3%	10.9%	4.7%	7.9%	3.7%	11.4%	8.1%	7.5%	6.8%
Employees (internal FTEs, end of period)	847	830	829	830	839	804	847	839	829

2.5.1 ANALYSIS OF RESULTS: JAPAN LIFE - EXCLUDING CURRENCY EFFECTS

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Analysis of results									
Investment margin	-4	-4	-3	-1	-2	-3	-7	-5	-10
Fees and premium-based revenues	124	247	135	167	137	202	371	339	641
Technical margin	8	-1	1	-0	-1	-1	7	-2	-2
Operating income non-modelled business	-0	0	0	0	-0	0	0	-0	-0
Operating income	128	243	133	165	134	197	371	331	629
Administrative expenses	35	34	42	37	34	35	69	69	148
DAC amortisation and trail commissions	60	122	61	81	71	92	182	162	304
Expenses	95	156	102	118	105	127	251	232	452
Operating result	33	87	30	47	29	71	120	99	177
Non-operating items	-10	-8	-9	-4	-8	-6	-18	-14	-27
of which gains/losses and impairments	-4	-0	-0	-0	-4	1	-4	-3	-3
of which revaluations	-6	-7	-9	-3	-4	-7	-14	-11	-23
of which market & other impacts	-	-	-	-	-	-	-	-	-
Special items	-1	-1	-1	-1	-0	-1	-2	-1	-3
Result on divestments	-	-	-	-	-	-	-	-	-
Result before tax	22	77	20	43	20	65	100	85	147
Taxation	6	22	8	15	4	17	28	21	44
Minority interests	-	-	-	-	-	-	-	-	-
Net result	16	56	12	27	16	47	72	64	103
New business									
New sales life insurance (APE)	32	491	215	173	171	235	523	406	794
Key figures									
Gross premium income	712	1,520	831	1,013	808	1,191	2,232	1,999	3,843
Total administrative expenses	35	34	42	37	34	35	69	69	148

2.5.2 JAPAN LIFE - PROVISIONS FOR LIFE INSURANCE AND INVESTMENT CONTRACTS

In EUR billion	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Provisions for life insurance and investment contracts for risk of company - roll forward									
Beginning of period	15.8	14.9	14.0	13.9	13.5	12.5	14.9	12.5	12.5
Deposits	0.7	1.3	0.7	0.9	0.7	1.0	2.0	1.7	3.3
Withdrawals / Benefits	-0.6	-0.6	-0.5	-0.5	-0.5	-0.5	-1.2	-1.0	-2.1
Net production	0.1	0.7	0.2	0.3	0.2	0.5	0.8	0.7	1.2
Acquisition / Divestments / Transfers	-	-	-	-	-	-	-	-	-
Market performance / Interest credited	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2
FX impact and other	0.2	0.1	0.7	-0.3	0.2	0.4	0.3	0.6	1.0
End of period	16.2	15.8	14.9	14.0	13.9	13.5	16.2	13.9	14.9

2.6.1 ANALYSIS OF RESULTS: ASSET MANAGEMENT

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Analysis of results									
Investment income	2	-0	-0	-0	-0	-0	1	-0	-1
Fees	108	107	110	115	112	116	215	228	454
Operating income	110	107	110	115	112	116	217	228	453
Administrative expenses	70	71	80	73	71	75	141	146	298
Operating result	40	36	30	43	41	41	76	82	155
Non-operating items	0	0	-0	0	0	-0	0	-0	-0
Special items	-4	-2	-15	-1	-11	-5	-6	-16	-31
Result on divestments	-	-	-	-	-	-	-	-	-
Result before tax	36	34	15	42	30	36	70	66	123
Taxation	9	7	4	10	7	8	16	15	29
Minority interests	-	-	-	-	-	-	-	-	-
Net result	27	26	11	32	23	27	53	51	94
Key figures									
Total administrative expenses	70	71	80	73	71	75	141	146	298
Cost/income ratio (Administrative expenses/Operating income)	63.5%	66.4%	72.7%	63.0%	63.3%	64.7%	64.9%	64.0%	65.9%
Net inflow Assets under Management (in EUR billion)	-2	1	0	-1	-3	-2	-2	-5	-6
Assets under Management ¹⁵⁾	268	260	246	238	240	240	268	240	246
Fees/average Assets under Management (bps)	16	17	18	19	19	19	17	19	19
Allocated equity (end of period) ²⁰⁾	340	356	371	409	427	454	340	427	371
Net operating result	30	28	22	32	31	31	57	63	117
Adjusted allocated equity (end of period)	340	356	372	410	428	454	340	428	372
Net operating ROE ²⁰⁾	34.0%	30.7%	22.8%	30.9%	28.4%	27.8%	32.3%	28.1%	27.6%
Employees (internal FTEs, end of period)	942	983	982	1,030	1,066	1,080	942	1,066	982

2.6.1 ANALYSIS OF RESULTS: ASSET MANAGEMENT - EXCLUDING CURRENCY EFFECTS

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Analysis of results									
Investment income	2	-0	-0	-0	-0	-0	1	-0	-1
Fees	108	107	110	116	113	117	215	230	456
Operating income	110	107	110	116	113	117	217	229	455
Administrative expenses	70	71	80	73	71	75	141	147	300
Operating result	40	36	30	43	41	41	76	82	155
Non-operating items	0	0	-0	0	0	-0	0	-0	-0
Special items	-4	-2	-15	-1	-11	-5	-6	-16	-31
Result on divestments	-	-	-	-	-	-	-	-	-
Result before tax	36	34	16	42	31	36	70	66	124
Taxation	9	7	4	10	7	8	16	15	30
Minority interests	-	-	-	-	-	-	-	-	-
Net result	27	26	11	32	23	27	53	51	94
Key figures									
Total administrative expenses	70	71	80	73	71	75	141	147	300

2.6.2 ASSET MANAGEMENT - ASSETS UNDER MANAGEMENT AND ASSETS UNDER ADMINISTRATION

In EUR billion	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018
Assets under Management (AuM) and Assets under Advice and Administration (AuA)						
Affiliates	181	173	165	154	158	156
Proprietary (general account assets)	157	151	143	130	133	131
Other affiliates business	23	23	22	24	25	25
Third parties	87	87	81	84	82	84
Institutional customers	46	44	42	41	40	41
Retail customers home markets	30	30	28	31	29	31
Retail customers others	11	12	11	13	12	13
Total Assets under Management	268	260	246	238	240	240
Assets under Advice and Administration	51	49	46	48	48	47

In EUR billion	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018
AuM by investment						
Equity	23	25	23	26	28	28
Fixed income	207	200	192	180	181	180
Multi asset	37	35	31	32	32	32
Total	268	260	246	238	240	240

30 June 2019	Affiliates	Proprietary	Other	Third Parties	Institutional	Retail home markets	Retail Others	Total
In EUR billion								
AuM roll forward								
Beginning of period	173	151	23	87	44	30	12	260
Net inflow	0	0	-0	-2	0	-1	-1	-2
Acquisition / Divestments / Transfers	-	-	-	-	-	-	-	-
Market performance (incl. FX Impact) and Other	7	7	1	3	2	1	0	10
End of period	181	157	23	87	46	30	11	268

In EUR billion	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018
AuM roll forward						
Beginning of period	260	246	238	240	240	246
Net inflow	-2	1	0	-1	-3	-2
Acquisition / Divestments / Transfers	-	-	10	-	-	-3
Market performance (incl. FX Impact) and Other	10	13	-2	-0	2	-1
End of period	268	260	246	238	240	240

2.7.1 ANALYSIS OF RESULTS: BANKING

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Analysis of results									
Interest result	64	63	62	65	64	67	127	132	259
Commission income	9	9	11	8	9	8	17	17	36
Total investment and other income	10	9	8	6	10	10	20	20	35
Operating income	82	81	81	80	84	85	164	169	330
Operating expenses	46	46	53	44	44	48	92	92	189
Regulatory levies	5	5	3	3	6	4	10	10	17
Addition to loan loss provision	1	1	-3	-1	-2	-0	2	-3	-7
Total expenses	52	51	53	46	48	52	104	100	200
Operating result	30	30	28	34	36	33	60	69	130
Non-operating items	-1	-2	-1	-4	-12	2	-3	-10	-15
of which gains/losses and impairments	4	1	-0	-0	1	0	4	1	0
of which revaluations	-	-	3	-1	-3	1	-	-1	-
of which market & other impacts	-5	-3	-3	-3	-9	-	-7	-9	-15
Special items	-6	-2	-3	-6	-4	-4	-8	-8	-17
Result before tax	23	25	24	23	20	31	49	51	99
Taxation	6	7	14	6	5	8	13	13	32
Minority interests	-	-	-	-	-	-	-	-	-
Net result	17	18	11	17	15	23	35	38	66
Key figures									
Total administrative expenses ²¹⁾	51	51	57	47	50	53	102	103	206
Cost/income ratio (Operating expenses/Operating income)	56.4%	56.4%	65.6%	54.8%	52.5%	56.7%	56.4%	54.6%	57.3%
CET1 ratio ²⁴⁾	16.0%	16.3%	16.3%	16.4%	16.2%	15.6%	16.0%	16.2%	16.3%
Total Capital ratio ²⁴⁾	17.5%	17.8%	17.9%	18.0%	17.8%	17.1%	17.5%	17.8%	17.9%
Risk Weighted Assets (RWA) ²⁴⁾	6	6	6	6	5	6	6	5	6
Net Interest Margin (NIM) ¹⁶⁾	1.1%	1.2%	1.2%	1.3%	1.4%	1.4%	1.1%	1.4%	
Savings & deposits ¹⁵⁾	15	15	14	15	15	14	15	15	14
Mortgages ¹⁵⁾	19	18	18	18	18	18	19	18	18
Total assets ¹⁵⁾	23	22	22	22	22	21	23	22	22
Allocated equity (end of period) ²⁰⁾	757	792	789	776	762	754	757	762	789
Net operating result	22	22	21	25	27	25	45	52	98
Adjusted allocated equity (end of period)	745	784	785	774	757	750	745	757	785
Net operating ROE ²⁰⁾	11.7%	11.4%	10.8%	13.2%	14.3%	13.4%	11.6%	13.9%	12.9%
Employees (internal FTEs, end of period)	842	831	814	821	839	846	842	839	814

2.7.2 BANKING - SAVINGS AND DEPOSITS AND MORTGAGES

In EUR billion	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Savings & Deposits - roll forward									
Beginning of period	14.7	14.5	14.7	14.7	14.4	14.1	14.5	14.1	14.1
Deposits	1.0	1.0	0.8	0.8	1.0	1.3	2.0	2.3	3.9
Withdrawals / Benefits	-0.7	-0.8	-1.1	-0.7	-0.7	-1.0	-1.5	-1.7	-3.5
Net production	0.3	0.2	-0.2	0.0	0.2	0.4	0.5	0.6	0.4
Acquisition / Divestments / Transfers	-	-	-	-	-	-	-	-	-
Market performance / Interest credited	-	-	-	-	-	-	-	-	-
FX impact and other	-	-	-	-	-	-	-	-	-
End of period	14.9	14.7	14.5	14.7	14.7	14.4	14.9	14.7	14.5
In EUR billion	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Mortgages - roll forward									
Beginning of period	18.3	18.1	17.9	17.7	17.7	17.9	18.1	17.9	17.9
Production	1.9	1.8	2.2	1.2	1.4	2.0	3.7	3.4	6.8
Redemptions	-0.4	-0.4	-0.5	-0.4	-0.4	-0.4	-0.8	-0.7	-1.6
Net production	1.5	1.4	1.7	0.8	1.0	1.6	2.9	2.6	5.2
Acquisition / Divestments / Transfers	-1.2	-1.1	-1.6	-0.7	-1.0	-1.8	-2.3	-2.8	-5.0
Market performance / Interest credited	-	-	-	-	-	-	-	-	-
FX impact and other	-	-	-	-	-	-	-	-	-
End of period	18.6	18.3	18.1	17.9	17.7	17.7	18.6	17.7	18.1

2.8 ANALYSIS OF RESULTS: OTHER

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Analysis of results									
Interest on hybrids and debt ²³⁾	-27	-27	-27	-27	-27	-27	-54	-54	-108
Investment income and fees	27	25	24	25	24	23	51	47	96
Holding expenses	-39	-42	-49	-37	-36	-35	-81	-71	-156
Amortisation of intangible assets	-0	-0	-0	-0	-0	-0	-0	-1	-1
Holding result	-39	-44	-52	-40	-39	-39	-83	-78	-170
Operating result reinsurance business	-14	8	2	19	7	-39	-5	-33	-12
Other results	0	-0	2	15	1	0	0	1	18
Operating result	-52	-36	-48	-6	-32	-78	-88	-110	-164
Non-operating items	9	-8	-13	9	-8	16	1	8	5
of which gains/losses and impairments	5	1	1	1	3	2	6	5	7
of which revaluations	-3	-0	-2	0	-1	-1	-3	-1	-3
of which market & other impacts	7	-9	-11	8	-11	15	-2	4	1
Special items	-12	-15	-22	-15	-23	-27	-27	-49	-87
Acquisition intangibles and goodwill	-8	-8	-885	-33	-33	-33	-16	-66	-984
Result on divestments	-0	4	-	-	0	4	4	4	4
Result before tax	-63	-63	-968	-45	-95	-118	-126	-213	-1,226
Taxation	-18	-18	3	-14	-20	-31	-36	-51	-63
Minority interests	-0	-0	0	0	-0	0	-0	0	0
Net result	-45	-45	-971	-30	-75	-87	-90	-162	-1,163
Key figures									
Gross premium income	7	6	7	6	7	7	13	14	27
Total administrative expenses	40	44	51	40	38	38	84	76	167
of which reinsurance business	2	2	2	2	2	3	3	5	9
of which corporate/holding	39	42	48	38	36	36	81	71	158
Total provisions for insurance and investment contracts ¹⁵⁾	3	3	4	4	5	5	3	5	4
Allocated equity (end of period) ²⁰⁾	-735	-880	-920	-48	-186	-364	-735	-186	-920
Net operating result ²⁵⁾	-52	-28	-50	-18	-33	-70	-80	-104	-171
Adjusted allocated equity (end of period) ¹⁸⁾	-1,247	-1,358	-1,423	-1,420	-1,575	-1,823	-1,247	-1,575	-1,423
Employees (internal FTEs, end of period)	1,669	1,677	1,680	1,661	1,661	1,735	1,669	1,661	1,680
Key figures Japan Closed Block VA									
Account value	1,885	2,116	2,355	2,853	3,466	4,074	1,885	3,466	2,355
Net Amount at Risk	92	88	175	38	80	106	92	80	175
IFRS Reserves	228	224	285	157	218	256	228	218	285
Number of policies	22,721	27,242	34,436	41,224	54,587	68,462	22,721	54,587	34,436

2.8 ANALYSIS OF RESULTS: OTHER - EXCLUDING CURRENCY EFFECTS

In EUR million	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	6M2019	6M2018	FY2018
Analysis of results									
Interest on hybrids and debt ²³⁾	-27	-27	-27	-27	-27	-27	-54	-54	-108
Investment income and fees	27	25	24	25	24	23	51	47	96
Holding expenses	-39	-42	-49	-37	-36	-35	-81	-71	-156
Amortisation of intangible assets	-0	-0	-0	-0	-0	-0	-0	-1	-1
Holding result	-39	-44	-52	-40	-39	-39	-83	-78	-170
Operating result reinsurance business	-14	8	2	19	6	-40	-6	-33	-12
Other results	0	-0	2	16	1	1	0	1	19
Operating result	-52	-37	-48	-5	-32	-78	-89	-110	-164
Non-operating items	9	-8	-13	9	-8	16	1	8	5
of which gains/losses and impairments	5	1	1	1	3	2	6	5	7
of which revaluations	-3	-0	-2	0	-1	-1	-3	-1	-3
of which market & other impacts	7	-9	-11	8	-10	15	-2	5	2
Special items	-12	-15	-22	-15	-23	-27	-27	-49	-87
Acquisition intangibles and goodwill	-8	-8	-885	-33	-33	-33	-16	-66	-984
Result on divestments	-0	4	-	-	0	4	4	4	4
Result before tax	-63	-63	-968	-44	-96	-118	-127	-213	-1,226
Taxation	-18	-18	3	-14	-20	-31	-36	-51	-63
Minority interests	-0	-0	0	0	-0	0	-0	0	0
Net result	-45	-45	-971	-30	-76	-87	-91	-162	-1,163
Key figures									
Gross premium income	7	-2	3	-1	2	-4	4	-2	0
Total administrative expenses	40	44	51	40	38	38	84	76	167
of which reinsurance business	2	2	2	2	2	3	3	5	9
of which corporate/holding	39	42	48	38	36	36	81	71	158

NOTES

- 1) Revaluation reserves for debt securities, equity securities and property in own use, the cash flow hedge reserve, the related crediting to policyholders, the coupon on undated subordinated notes recognised in equity as well as the goodwill and intangible assets recognised as a result of the Delta Lloyd acquisition.
- 2) The segment 'Other' comprises of the allocated equity of reinsurance business and the cash capital position, other assets and debt of the holding company.
- 3) The solvency ratios are not final until filed with the regulators. The Solvency II ratios for NN Group and NN Life are based on the partial internal model.
- 4) Includes interest on subordinated loans provided to subsidiaries by the holding company.
- 5) Includes the change of subordinated loans provided to subsidiaries by the holding company.
- 6) Includes interest on subordinated loans and debt, holding company expenses and other cash flows.
- 7) Free cash flow to the holding company is defined as the change in cash capital position of the holding company over the period, excluding acquisitions, capital transactions with shareholders and debtholders.
- 8) Cash capital is defined as net current assets available at the holding company.
- 9) Other assets contain Reinsurance contracts, Property and equipment, Intangible assets, and Deferred acquisition costs.
- 10) Including AZL.
- 11) Including health business and broker business.
- 12) Basic earnings per ordinary share is calculated as the net result, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity, divided by the weighted average number of ordinary shares outstanding (net of treasury shares).
- 13) Diluted earnings per share is calculated as if the share plans and warrants outstanding at the end of the period had been exercised at the beginning of the period and assuming that the cash received from exercised share plans and warrants was used to buy own shares against the average market price during the period. The net decrease in the number of shares results from the cancellation of shares following the share buy back programme.
- 14) Excluding health business and broker business.
- 15) End of period, in EUR billion.
- 16) Four-quarter rolling average.
- 17) Net operating result, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity.
- 18) Allocated equity, adjusted for revaluation reserves and excluding undated subordinated notes classified in equity as well as the goodwill and intangible assets recognised as a result of the Delta Lloyd acquisition. The adjusted allocated equity numbers are excluding Japan Closed Block VA.
- 19) Net operating ROE is calculated as the (annualised) net operating result, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity, divided by (average) adjusted allocated equity. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves, the undated subordinated notes classified as equity as well as the goodwill and intangible assets recognised as a result of the Delta Lloyd acquisition. Reference is made to the section 'Alternative Performance Measures (Non-GAAP Measures)' in the NN Group N.V. 2018 Consolidated Annual Accounts.
- 20) Net operating ROE is calculated as the (annualised) net operating result of the segment, divided by (average) adjusted allocated equity. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves. Reference is made to the section 'Alternative Performance measures (Non-GAAP measures)' in the NN Group N.V. 2018 Consolidated Annual Accounts.
- 21) Operating expenses plus regulatory levies.
- 22) The numbers shown under AuM are client balances which exclude IFRS shareholders' equity related to the respective pension businesses and include the assets under administration.
- 23) Does not include interest costs on subordinated debt treated as equity.
- 24) The Common Equity Tier 1 (CET1) ratio, Total Capital ratio and Risk Weighted Assets (RWA) are not final until filed with the regulators.
- 25) Net operating result is adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity.
- 26) The original 2016 cost base of EUR 2,024m and target FY20 cost base of EUR 1,625m have been adjusted for the reclassification of the Fixed Service Fee expenses from Administrative expenses to Fees within Asset Management and the transfer of certain investment administrative activities from Asset Management to segment Other.
- 27) Net operating result and adjusted allocated equity used to calculate the Net operating ROE of Japan Life are adjusted for the impact of internal reinsurance ceded to NN Group's reinsurance business.
- 28) Value of new business (VNB) as a percentage of Present value of new business premiums.

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.

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.

Any forward-looking statements made by or on behalf of NN Group speak only as of the date they are made, and, NN Group assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

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