

NN Group

Lard Friese, CEO

Bank of America Merrill Lynch conference

London, 29 September 2015



Leading Dutch insurer with strong businesses in European insurance, investment management and Japan

Geographical reach



Some facts and figures

- History dating back to 1845
- Strong business positions
- Market positions were built organically
- Unified international culture with shared best practices
- 15 million customers
- Around 12,000 employees
- Successful IPO on 2 July 2014
- Shareholders' equity of EUR 19.6 bln at 30 June 2015
- Businesses rebranded to "NN" in 2015
- Credit ratings: A-, stable (S&P) / Baa2, stable (Moody's)

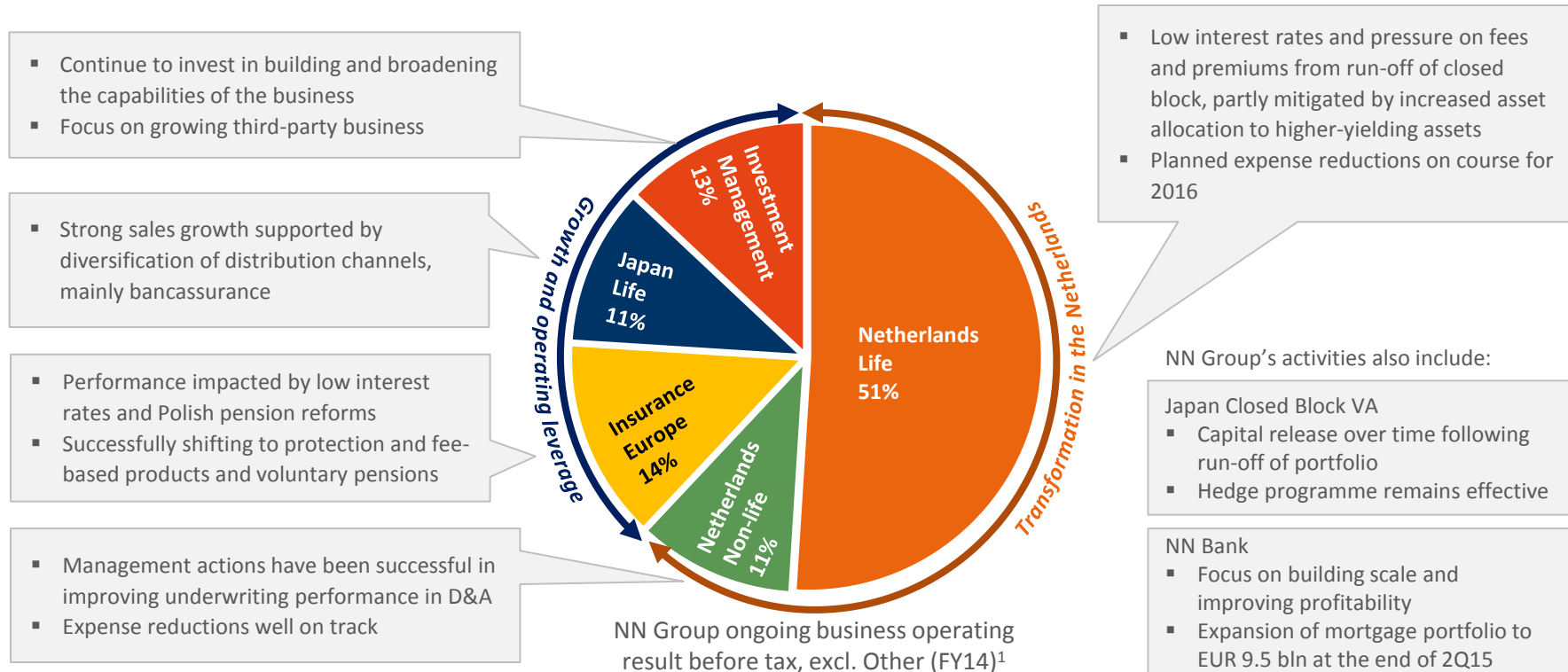


1. By GWP (2013), source: DNB

2. By APE (2012/13), source: internal estimate NN Group

3. By APE (2013); CEE includes Poland, Czech Republic, Bulgaria, Hungary, Romania, Slovakia, Turkey, Russia, Ukraine, the Baltics and the Balkans; Insurance Europe operates in all of these countries except for Russia, Ukraine, the Baltics and the Balkans, source: NN Group

Diversified businesses in Europe and Japan



Investment proposition focused on cash generation

Strong business positions and balance sheet

- Committed management team
- Strong positions with international presence
- Strong balance sheet and conservative regulatory liabilities
- Operationally separate from ING Group¹

Transformation in Netherlands

- Large closed book of individual life
- Scale player in pensions
- Continued focus on cost reductions
- Gradually move to higher yielding assets
- Release capital and de-risk liabilities
- Actions to restore non-life profitability

Profitable growth and operating leverage in other segments

- Primarily fee and premium-based businesses
- Growth in Insurance Europe, Investment Management and Japan
- Drive operating leverage across segments through scale
- Self-funded, high margin, cash generative

Focus on generating capital and improving earnings

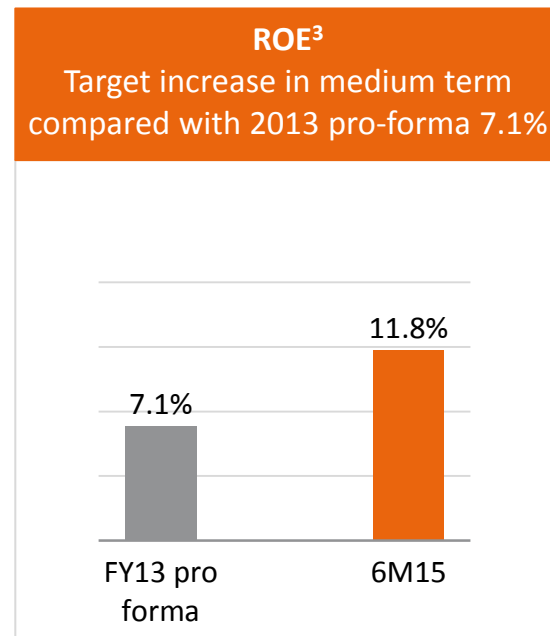
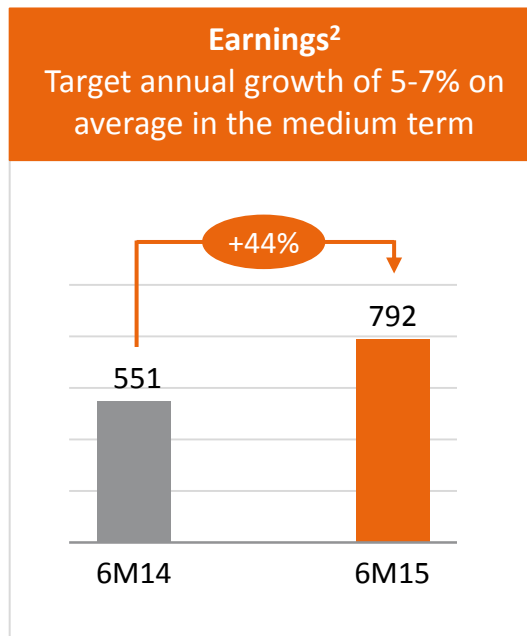
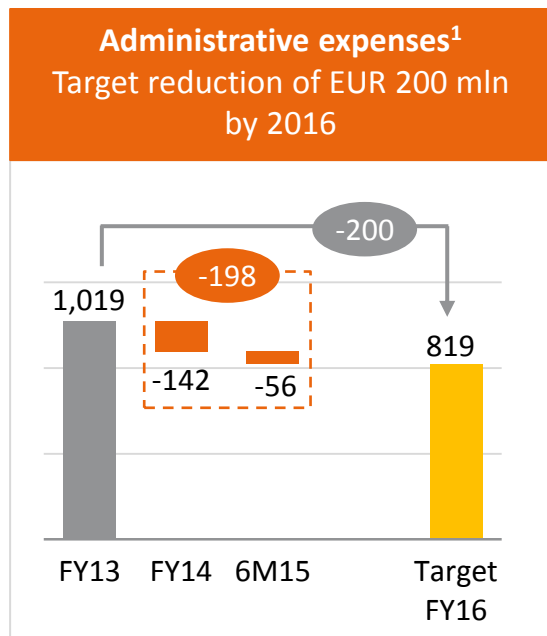
- Significant cumulative cash generation expected in 2014-2018
- Medium-term goal to increase earnings and recurring cash flows
- Ordinary dividend of 40-50% of net operating result ongoing business
- Base case of returning capital in excess of capital ambition to shareholders²



1. Belgium is the last business unit of NN Group to disentangle from ING Bank (full operations disentanglement to be completed by 2017)

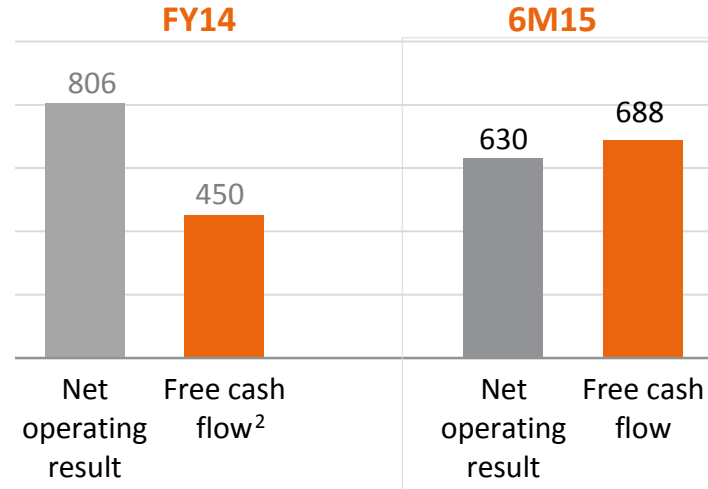
2. To be returned in the most efficient form. Capital generated in excess of the NN Group's capital ambition (which may change over time), is expected to be returned to Shareholders unless it can be used for any other appropriate corporate purpose, including investments in value creating corporate opportunities

Delivering on our financial targets ...

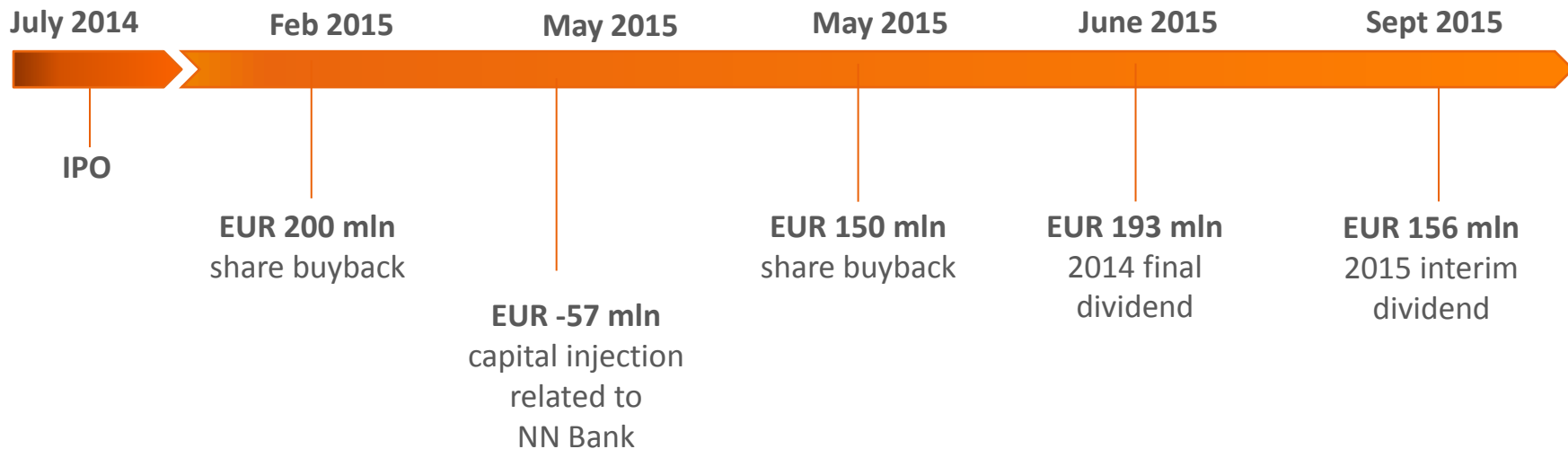


... and generating free cash

Over time NN Group expects to generate free cash available to shareholders in a range around the Group's net operating result of the ongoing business¹



Track record of returning capital to shareholders



- Total capital returned to shareholders – in the form of dividends and share buybacks – to date of EUR 699 mln
- EUR 57 mln capital injection from ING Group to fulfill EC commitment pertaining to the capitalisation of NN Bank
- Total outstanding NN Group shares (net of treasury shares) at 30 June 2015 was 338,576,478

Strong solvency and disciplined capital framework

Commercial capital at operating units

- Intention to manage the operating units to their commercial capital levels
- All surplus capital above commercial levels to be returned from operating units to holding, subject to regulatory restrictions

**NN Life solvency
of 281%¹**

Cash capital at holding

- Seek to hold cash capital in the holding to cover stress events and to fund 18 months of holding costs (incl. interest and other holding expenses)

**Cash capital at holding
of EUR 1.6 bln**

Leverage

- Aim to maintain leverage and fixed charge cover ratios consistent with single 'A' financial strength rating

- **LTM fixed charge coverage ratio 12.9x**
- **Leverage ratio 22.1%**
- **Gross financial leverage EUR 3.7 bln**

Resulting in

IGD ratio 306%²

Solvency II capital ratio (Standard Formula) estimated to be in a range around 200%³



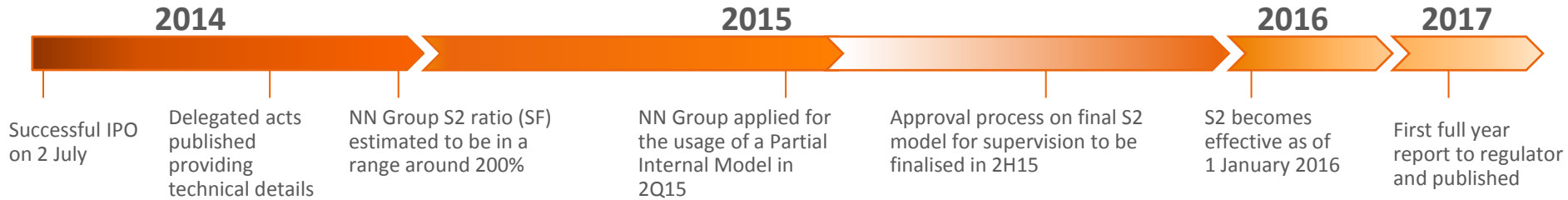
All figures at 2Q15 end of period, except Solvency II estimate

1. Reflects the EUR 125 mln dividend paid by NN Life to NN Group in July 2015

2. Reflects 2015 interim dividend to shareholders of EUR 156 mln

3. At 4Q14, subject to significant uncertainties, including final interpretations of Solvency II regulations and regulatory approval process

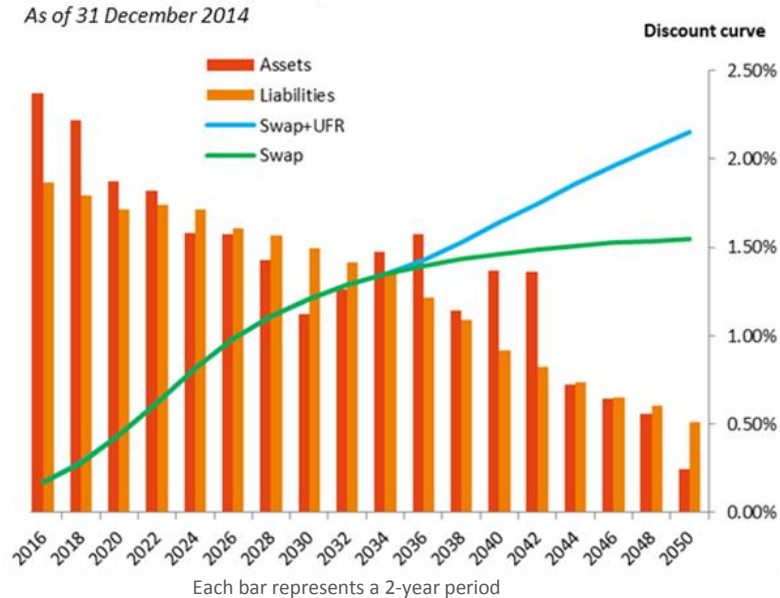
Solvency II



- NN Group Solvency II capital ratio – based on our current interpretation of the Standard Formula – estimated to be in a range around 200% as at 31 December 2014
- NN Group has applied for the usage of a Partial Internal Model for NN Group and the insurance entities in the Netherlands
- Significant uncertainties remain, including the final interpretations of Solvency II regulations and the regulatory approval process

Impact of low interest rates on capital actively managed

Netherlands Life asset and liability cash flows



Limited interest rate sensitivity across all segments

- Limited impact of interest rate shocks on regulatory capital due to hedging on an economic basis by cash flow matching of assets and liabilities
- Dutch regulatory balance sheets marked-to-market; capital position reflects impact of low interest rates and application of UFR
- High sensitivity to credit spreads; Solvency II discount curve likely to be more stable than current Dutch regulatory curve

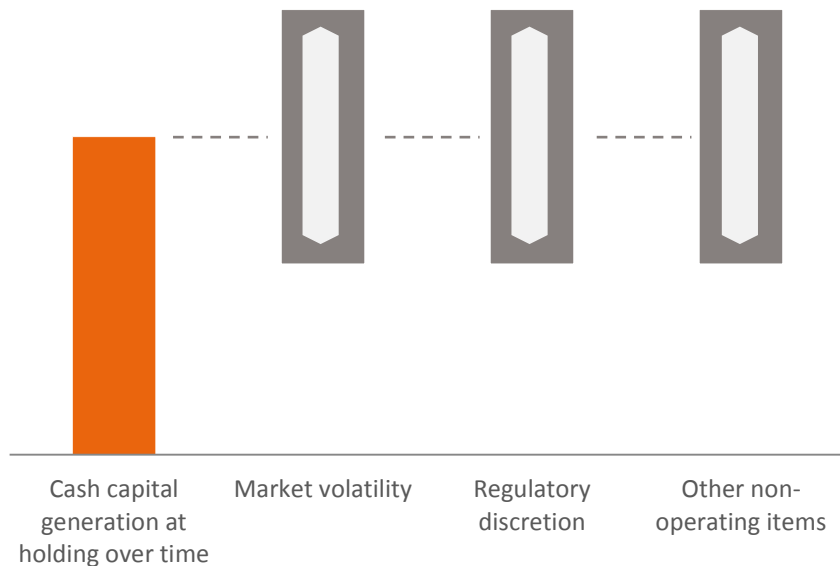
Over time, NN Group expects to receive remittances from all segments

	Over time, remittance vs. net operating result	Drivers
Netherlands Life	>	<ul style="list-style-type: none"> Regulatory liabilities more conservative than IFRS, realisation of investment spreads over swap incl. gains/losses on real estate and equities to drive cash generation Remittances currently lower than net operating result
Netherlands Non-life	≈	<ul style="list-style-type: none"> Relatively higher level of alignment between IFRS results and cash generation Recovery in profitability to feed through into cash
Insurance Europe	<	<ul style="list-style-type: none"> New business focused on capital light products but strain exists due to growth focus Back book producing cash
Japan Life	<	<ul style="list-style-type: none"> Remittances based on JGAAP earnings High new business strain
Investment Management	≈	<ul style="list-style-type: none"> Relatively higher level of alignment between IFRS results and cash generation Limited capital required and scalable platform allow growth without significant capex
Japan Closed Block VA	>	<ul style="list-style-type: none"> Significant amount of capital expected to be returned over the next five years as book runs off
Other		<ul style="list-style-type: none"> (-) Holding interest expenses (-) holding expenses, (+/-) FX movements, (+/-) other holding flows (-) NN Bank (investment in growth of NN Bank)

Over time and assuming normal markets, current regulatory framework and no material special items, NN Group expects to generate free cash available to shareholders in a range around the Group's net operating result of the ongoing business

Annual cash capital generation at holding will be significantly more volatile than operating result

Cash flow volatility



Drivers of volatility

Market volatility	<ul style="list-style-type: none">High sensitivity to credit spread movements (incl. government spreads vs. swaps); movement temporary as assets held to maturityLimited sensitivity to interest rate movements due to well-matched cash flowsSeparate account pension guaranteesJapan Closed Block VA results can be volatile
Regulatory discretion	<ul style="list-style-type: none">Remittances dependent on local regulatory frameworksSolvency II still subject to significant uncertainties
Other non-operating items	<ul style="list-style-type: none">Capital gains/losses, impairments, revaluationsPotential costs related to legal claimsRestructuring costs, rebranding costs and other

NN Group has strong capital base to withstand a degree of market volatility

Dividend policy of returning cash to shareholders

NN Group aims to pay a dividend of 40-50% of IFRS net operating result ongoing business

- ✓ Dividend of EUR 0.57 per ordinary share over second half of 2014, representing a pay-out ratio of around 50% of net operating result of the ongoing business for half-year 2014
- ✓ Dividend to be paid in cash or ordinary shares at the election of the shareholders
- ✓ NN Group intends to pay interim dividends at approximately 40% of the prior year's full year dividend

NN Group is committed to distributing excess capital, unless it can be used for any other appropriate corporate purposes, including investments in value creating corporate opportunities, in a form which is most appropriate and efficient for shareholders at that specific point in time, such as special dividends or share buybacks which may include a repurchase of part of ING's shareholding in NN Group

- ✓ Share buyback in February 2015 for an amount of EUR 200 mln
- ✓ Share buyback in May 2015 for an amount of EUR 150 mln

Over the medium term, NN Group expects to ...

1

Deliver significant cash to shareholders

2

Increase exposure to growth markets and fee business

3

Improve efficiency and profitability of all segments

4

Maintain a strong capital base and de-risk liabilities

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 on the Dutch Civil Code.

In preparing the financial information in this document, the same accounting principles are applied as in NN Group N.V. condensed consolidated interim financial information for the period ended 30 June 2015.

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, (4) the implementation of the EC Restructuring Plan, (5) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets generally, (6) the frequency and severity of insured loss events, (7) changes affecting mortality and morbidity levels and trends, (8) changes affecting persistency levels, (9) changes affecting interest rate levels, (10) changes affecting currency exchange rates, (11) changes in investor, customer and policyholder behaviour, (12) changes in general competitive factors, (13) changes in laws and regulations, (14) changes in the policies of governments and/or regulatory authorities, (15) conclusions with regard to accounting assumptions and methodologies, (16) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (17) changes in credit and financial strength ratings, (18) NN Group's ability to achieve projected operational synergies and (19) the other risks and uncertainties contained in recent public disclosures made by NN Group and/or related to NN Group.

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