

Third quarter 2017 results

16 November 2017



Highlights

Lard Friese, CEO



Highlights 3Q17

Operating result

EUR 431m

(3Q16: EUR 319m)

Net result

EUR 734m

(3Q16: EUR 436m)

Net Operating ROE

10.6%

(3Q16: 8.1%)

Holdco cash capital

EUR 1.8bn

(2Q17: EUR 1.7bn)

Solvency II ratio

204%

(2Q17: 196%)

Financial leverage¹

28.1%

(2Q17: 30.8%)

- Higher operating result ongoing business driven by improved results at most segments, the contribution of Delta Lloyd of EUR 51m and non-recurring benefits in the segment Other, partly offset by lower results at Netherlands Non-life
- Net result up at EUR 734m reflecting improved operating result and higher capital gains
- APE up 33% from 3Q16 at constant currencies, driven by higher sales in Netherlands Life, Insurance Europe and Japan Life
- Strong capital position: Solvency II ratio increased to 204%; holding company cash capital at EUR 1,789m, driven by EUR 332m of dividends from subsidiaries

Progressing on integration while retaining our focus on our customers and business



Integration

- Brand transformation from Delta Lloyd to NN started
- Agreements reached with trade unions and Works Councils in the Netherlands on Reorganisation Framework



Multi-access distribution

- Higher Bancassurance COLI sales for Japan Life driven by further expansion of the bank distribution network and the Sumitomo partnership which started in April 2017
- NN Hellas renewed its bancassurance agreement with Pireaus Bank for another 10 years



Capturing growth

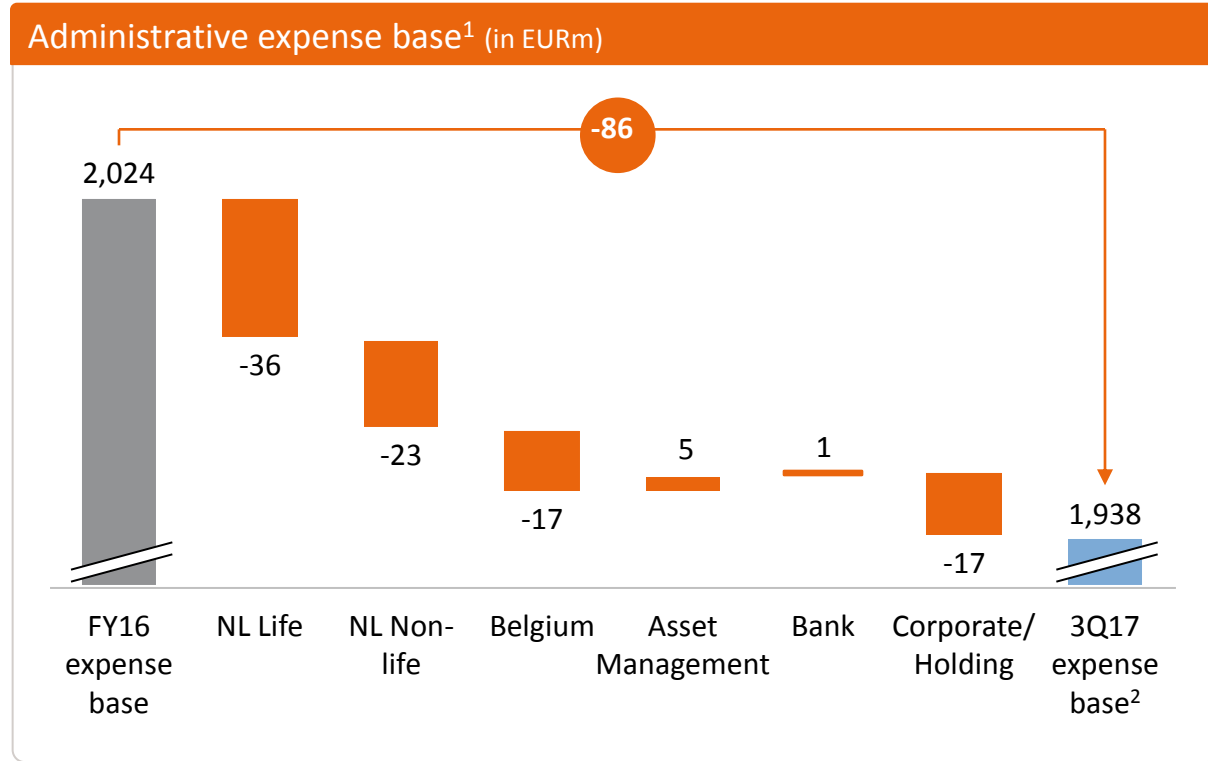
- NN Hayat ve Emeklilik in Turkey introduced a pension product to capture demand following new legislation
- NN Bank issued a EUR 500m conditional pass-through covered bond to support funding of further growth



Innovation

- Smart Agent Mobile App, a tool to support sales agents in their daily activities, currently being piloted in Greece
- Netherlands Non-life introduced a new car insurance, 'Roxo', using machine learning to calculate risk premiums

Further reduction of the expense base



- Continued focus on cost synergies at Netherlands Life, Netherlands Non-life, Asset Management, the segment Other and Belgium
- Administrative expenses reduced by EUR 64m in 3Q17, or EUR 86m in 9M17, bringing the expense base down to EUR 1,938m
- New cost reduction target to be announced at Capital Markets Day on 30 November

3Q17 results

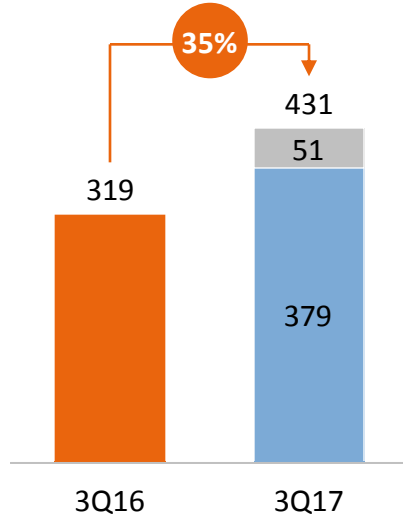
Delfin Rueda, CFO



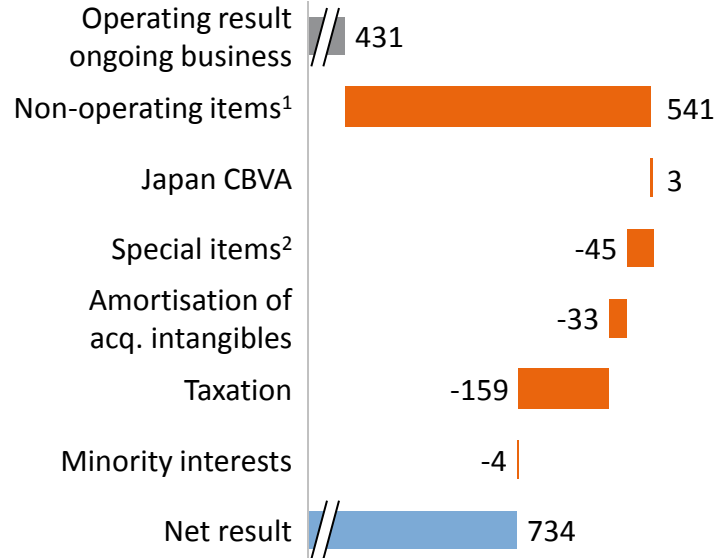
3Q17 Operating result and Net result

Operating result ongoing business (in EURm)

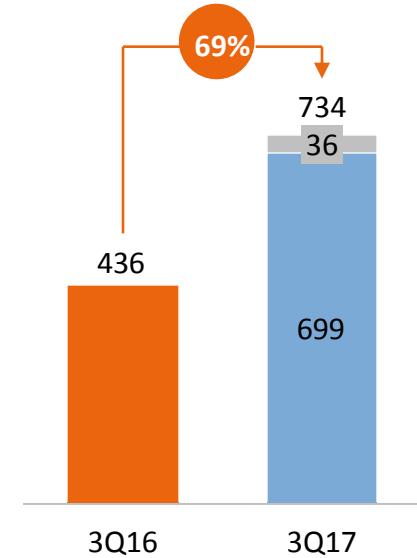
■ NN
■ Delta Lloyd



Operating result to Net result (in EURm)

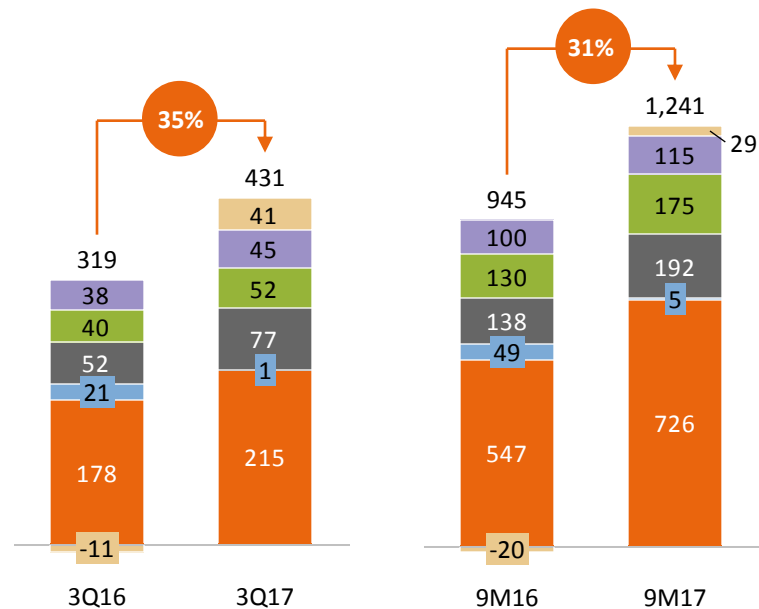


Net result (in EURm)



Operating result ongoing business by segment

Operating result ongoing business (in EURm)



Operating result 3Q17 EUR 431m up 35% on 3Q16

Netherlands Life: Operating result up on higher technical margin, lower expenses and the contribution of Delta Lloyd, partly offset by lower fees and premium-based revenues

Netherlands Non-life: Operating result down reflecting an unfavourable claims experience at Individual disability and a negative operating result for Delta Lloyd; combined ratio 102.5%

Insurance Europe: Operating result up reflecting higher fees and premium-based revenues partly offset by higher expenses

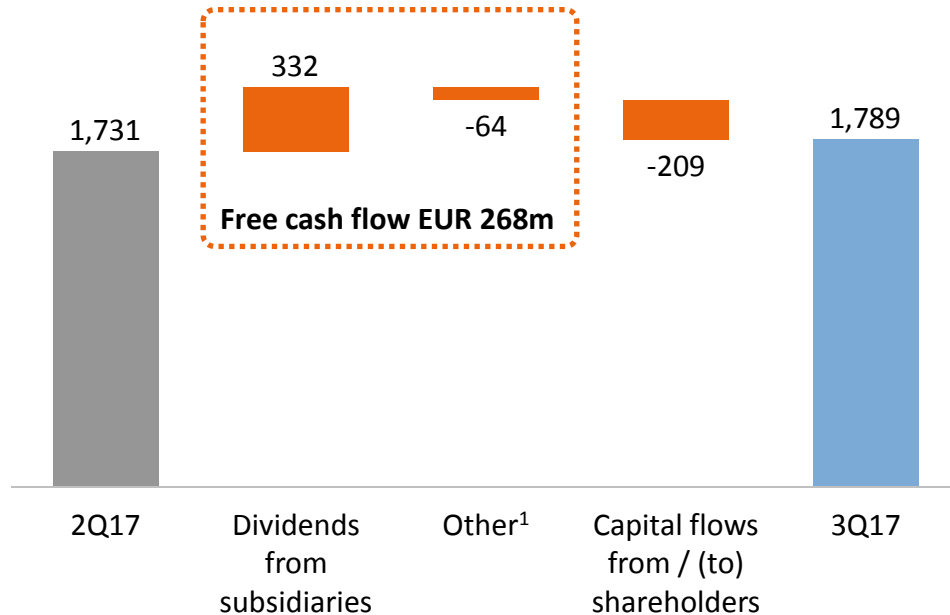
Japan Life: Operating result up on higher fees and premium-based revenues, an improvement in the technical and investment margin, partly offset by higher expenses

Asset management: Operating result up reflecting higher fees partly offset by higher expenses

Other: Operating result up supported by EUR 32m of non-recurring benefits, as well as a higher operating result at the banking business

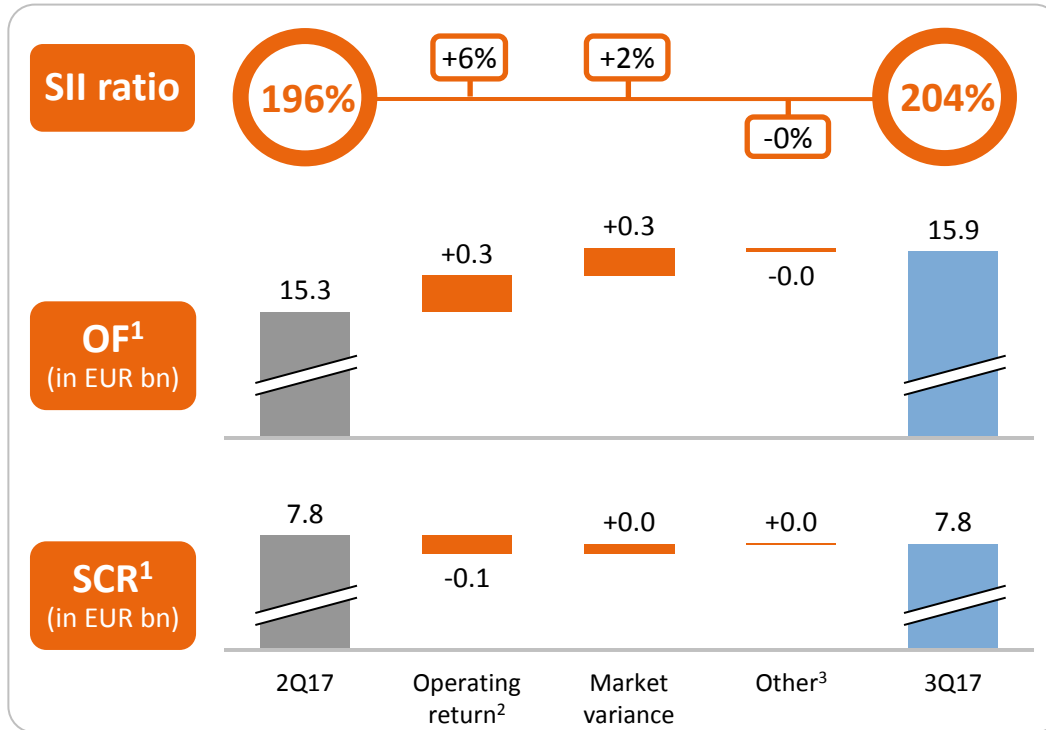
Free cash flow 3Q17

Movement in holding company cash capital (EURm)



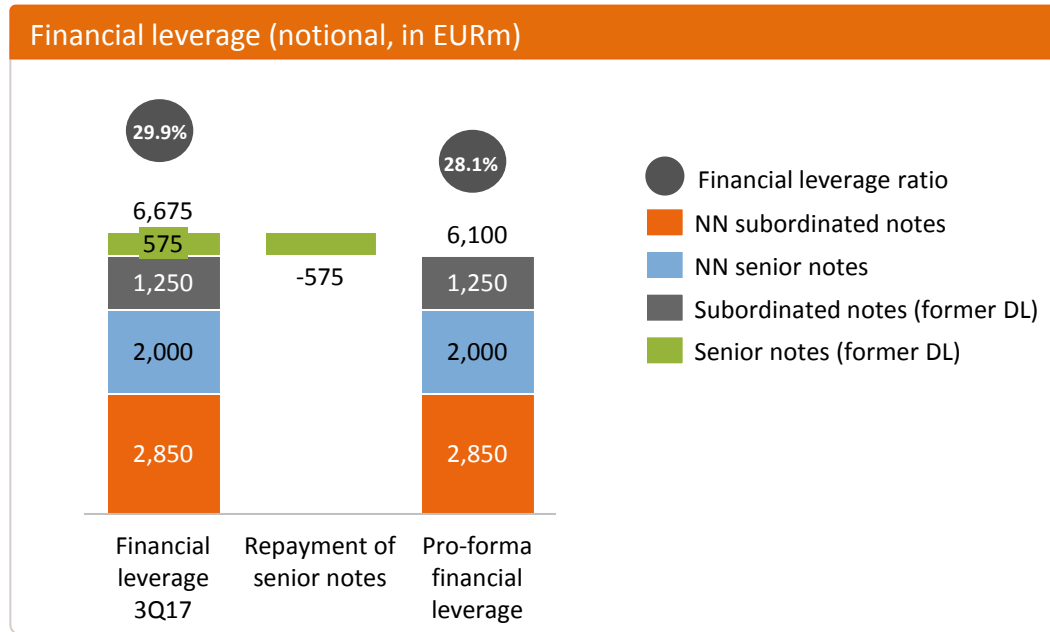
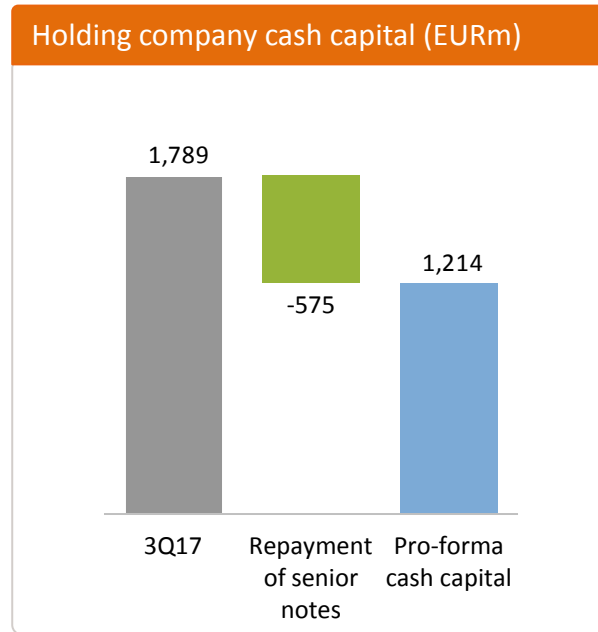
- Free cash flow of EUR 268m driven by EUR 332m of dividends received mainly from the Dutch units
- Capital flows to shareholders reflect cash part of the 2017 interim dividend (EUR 130m) and the amount of shares repurchased in 3Q17 (EUR 79m)

Solvency II movement 3Q17



- Solvency II ratio increased reflecting operating return and market variance
- Operating return includes a contribution from Delta Lloyd of EUR ~60m to Own Funds
- Market variance mainly due to tightening of credit spreads on government bonds and positive equity and real estate revaluations

Maturity of senior notes on 17 November 2017



- Maturity of EUR 575m Delta Lloyd senior notes reduces financial leverage ratio to 28.1%
- Cash capital position at the holding company at a comfortable level of EUR 1.2bn

Wrap up

Lard Friese, CEO

Key takeaways

- 1 Strong operating performance and commercial performance of the combined group
- 2 Ongoing focus on efficiency: further expense reduction in business units in scope of integration of EUR 64m in 3Q17
- 3 Strong capital position: Solvency II ratio of 204%; holding company cash capital at EUR 1.8bn

Q&A

Lard Friese, Delfin Rueda, Jan-Hendrik Erasmus

Appendices

Breakdown of operating result between NN Group and Delta Lloyd

3Q17 operating result before tax (EURm)

| | 3Q17 total | NN Group | Delta Lloyd |
|------------------------------------------|------------|------------|-------------|
| Netherlands Life | 215 | 187 | 29 |
| Netherlands Non-life | 1 | 7 | -6 |
| Insurance Europe | 77 | 70 | 7 |
| Japan Life | 52 | 52 | |
| Asset Management | 45 | 40 | 5 |
| Other | 41 | 24 | 17 |
| Operating result ongoing business | 431 | 379 | 51 |

Dividends upstreamed

Dividends upstreamed by segments/subsidiaries (EURm)

| | 3Q17 | 2Q17 | 1Q17 | 2016 |
|-----------------------------------|------------|------------|------------|--------------|
| Netherlands Life ¹ | 168 | 501 | 160 | 642 |
| Netherlands Non-life ¹ | 49 | 5 | - | 154 |
| Insurance Europe ^{1,2} | 15 | 172 | 13 | 251 |
| NN Japan Life | - | 57 | - | 80 |
| Asset Management | 33 | 31 | - | 93 |
| NN Re Netherlands | 50 | 50 | 50 | 250 |
| Other ¹ | 17 | 3 | 73 | 140 |
| Total | 332 | 820 | 296 | 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)

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 the NN Group N.V. condensed consolidated interim accounts for the period ended 30 September 2017.

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