



# Third quarter 2019 results

14 November 2019

# Highlights

David Knibbe, CEO

# Highlights 3Q19

## Financial results

### Operating result

**EUR 453m**

(3Q18: EUR 463m)

### Net result

**EUR 515m**

(3Q18: EUR 788m)

### Expense savings<sup>1</sup>

**EUR 323m**

(2Q19: EUR 306m)

## Capital

### Solvency II ratio

**217%**

(2Q19: 210%)

### Holdco cash capital

**EUR 1.9bn**

(2Q19: EUR 2.2bn)

### Free cash flow

**EUR 224m**

(3Q18: EUR 293m)

## Commercial performance

### New sales (APE)

**EUR 290m**

(3Q18: EUR 328m)

# Creating value for our stakeholders



## **Developing relevant products and services for our customers...**

- NN Bank introduced a new risk-based pricing system for mortgages
- NNIP partnered with Irish Life Investment Managers to expand its Enhanced Index Sustainable Equity fund range



## **... while continuing to focus on attracting new business...**

- Increased volume of mortgage origination at NN Bank of EUR 2bn
- Net inflow of third-party assets at NNIP, contributing to an increase of AuM to EUR 287bn



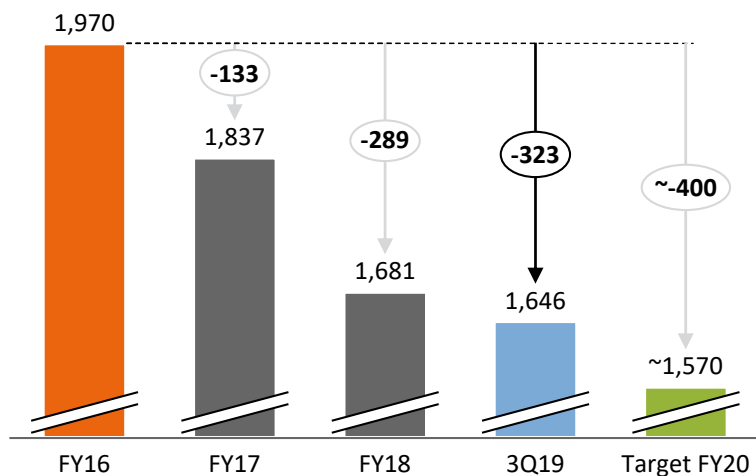
## **... and remaining committed to our leadership as a responsible financial institution**

- BeFrank offers customers a sustainable pension scheme, whereby companies can choose to make it CO<sub>2</sub>-neutral through a tree planting scheme
- NN Group included in Dow Jones Sustainability Indices (Europe and World) for third consecutive year

# Cost reductions achieved to date of EUR 323m

## Administrative expense base<sup>1,2</sup>

(EURm)



## Total administrative expense savings

by segment<sup>1,2</sup> (EURm)

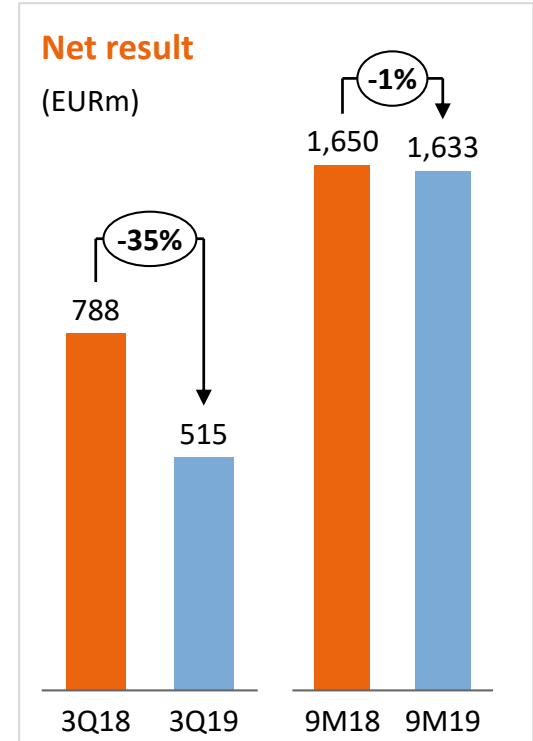
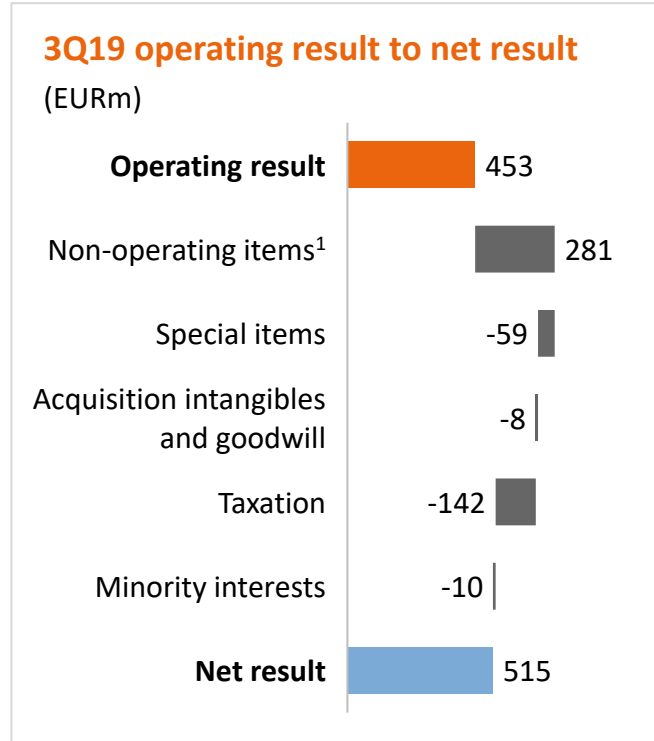
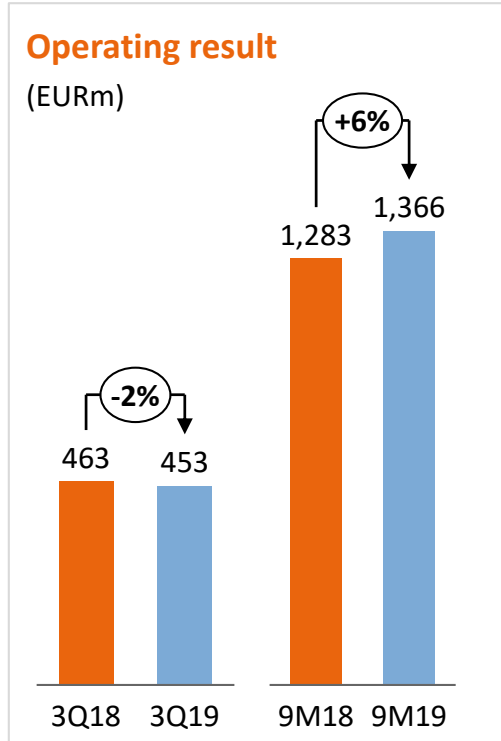
3Q19

Netherlands Life	116
Netherlands Non-life	96
Belgium	19
Asset Management	37
Banking	26
Corporate/holding	30
<b>Total</b>	<b>323</b>

# 3Q19 results

Delfin Rueda, CFO

# Operating result and net result

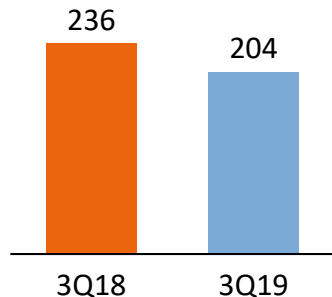


1. Includes realised capital gains/losses and impairments, revaluations and market & other impacts

# 3Q19 operating result by segment

## Netherlands Life

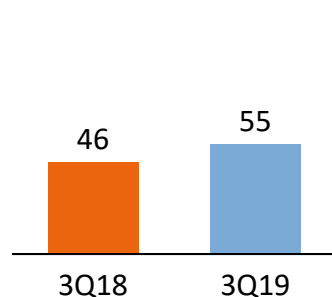
(EURm)



- 3Q19 reflects lower private equity and special dividends

## Netherlands Non-life

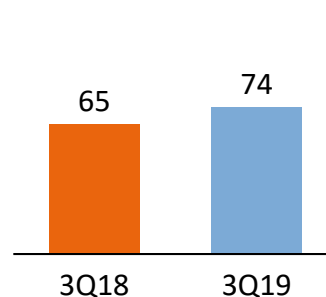
(EURm)



- 3Q19 includes a higher underwriting result in D&A
- Combined ratio improved to 94.2%

## Insurance Europe

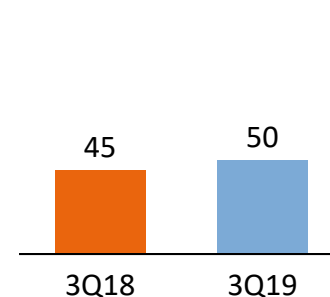
(EURm)



- 3Q19 driven by an improved investment margin, growth of the protection portfolio across the region and higher performance fees

## Japan Life

(EURm)



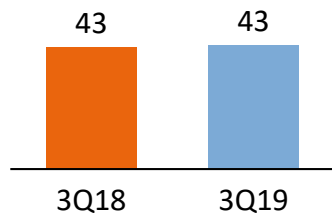
- Excluding currency effects, 3Q19 reflects a higher technical margin and lower DAC amortisation and trail commissions, partly offset by lower fees and premium-based revenues



# 3Q19 operating result by segment

## Asset Management

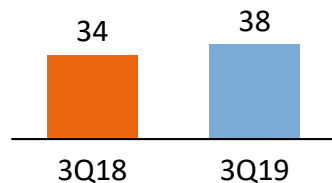
(EURm)



- Stable result in 3Q19 as lower fees were offset by a decrease in administrative expenses
- AuM up at EUR 287bn, driven by positive market performance and net inflows

## Banking

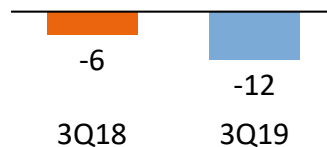
(EURm)



- 3Q19 mainly driven by higher fees and other income, partly offset by higher operating expenses

## Other

(EURm)

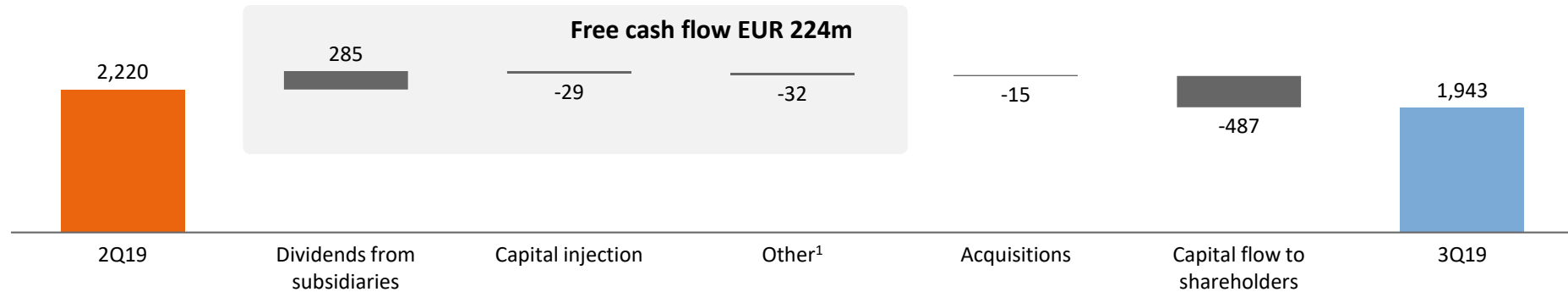


- 3Q19 result down, reflecting a lower operating result of the reinsurance business, partly compensated by lower holding expenses

# Free cash flow 3Q19

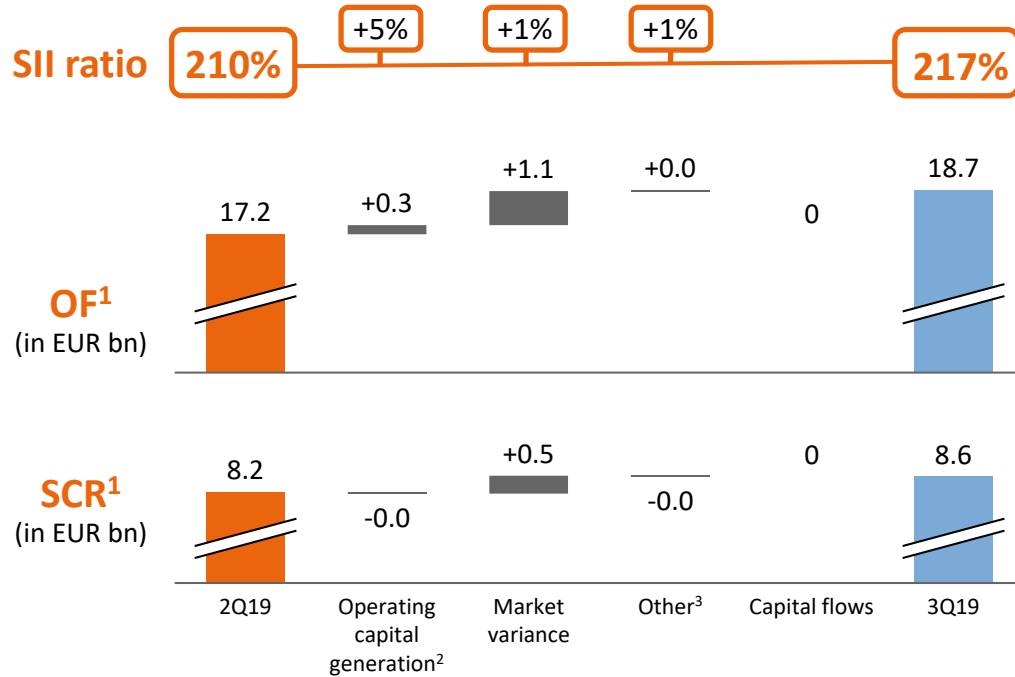
## Movement in holding company cash capital

(EURm)



- Capital flow to shareholders reflects the cash part of the 2019 interim dividend of EUR 144m and shares repurchased under the share buyback programmes for an amount of EUR 343m

# Solvency II movement 3Q19



- Solvency II ratio increased to 217% driven by operating capital generation
- Market variance reflects the impact of lower interest rates and positive real estate revaluations

# Wrap up

David Knibbe, CEO

# Key takeaways

1

Strong 3Q19 operating result of EUR 453m

2

Administrative expense reductions achieved to date of EUR 323m

3

Solvency II ratio of 217%; holding company cash capital of EUR 1.9bn

# Q&A

**David Knibbe, Delfin Rueda, Jan-Hendrik Erasmus**

# Appendices

# Dividends upstreamed

## Dividends upstreamed by segments/subsidiaries

(EURm)

	3Q19	2Q19	1Q19	2018	2017
Netherlands Life <sup>1</sup>	200	210	200	837	1,035
Netherlands Non-life <sup>1</sup>	1	33	1	108	100
Insurance Europe <sup>1,2</sup>	13	125	2	299	230
NN Japan Life	-	79	-	-	57
Asset Management	44	44	44	177	96
Banking <sup>1</sup>	27	56	20	10	2
NN Re Netherlands	-	10	-	150	200
Other	-	-	2	12	98
<b>Total</b>	<b>285</b>	<b>558</b>	<b>269</b>	<b>1,593</b>	<b>1,818</b>

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 accounts for the period ended 30 September 2019.

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