



Third quarter 2018 results

15 November 2018



Highlights

Lard Friese, CEO

Highlights 3Q18

Operating result

EUR 463m

(3Q17: EUR 431m)

Net result

EUR 788m

(3Q17: EUR 734m)

Solvency II ratio

239%

(2Q18: 226%)

Holdco cash capital

EUR 1.9bn

(2Q18: EUR 1.8bn)

- Operating result of the ongoing business up 7% from 3Q17 reflecting improved underwriting performance at Netherlands Non-life, higher dividends at Netherlands Life, as well as lower expenses
- Cost reductions at business units in scope of the integration of EUR 33m in 3Q18; total cost reductions to date of EUR 269m¹
- New sales (APE) down 14.5% from 3Q17 on a constant currency basis due to lower sales at Netherlands Life and Japan Life
- Solvency II ratio at 239%; holding company cash capital at EUR 1,899m

We continue to enhance customer experience



- In the **Netherlands**, NN Bank launched new products, including the Senior Citizens Residence mortgage and Expat mortgage
- OHRA introduced an insurance solution for self-employed workers



- Within **International Insurance**, the non-life business in Belgium introduced the service 'My Advisor@Home' to support the claims handling process
- NN in Poland launched an accidental health insurance for children



- **NN IP** in Poland launched a risk-profiling tool with robo-matching module to support customers buying mutual funds online
- NN IP Japan and Rakuten Securities announced 'Target Year Wrap', an investment service geared to retail investors in Japan

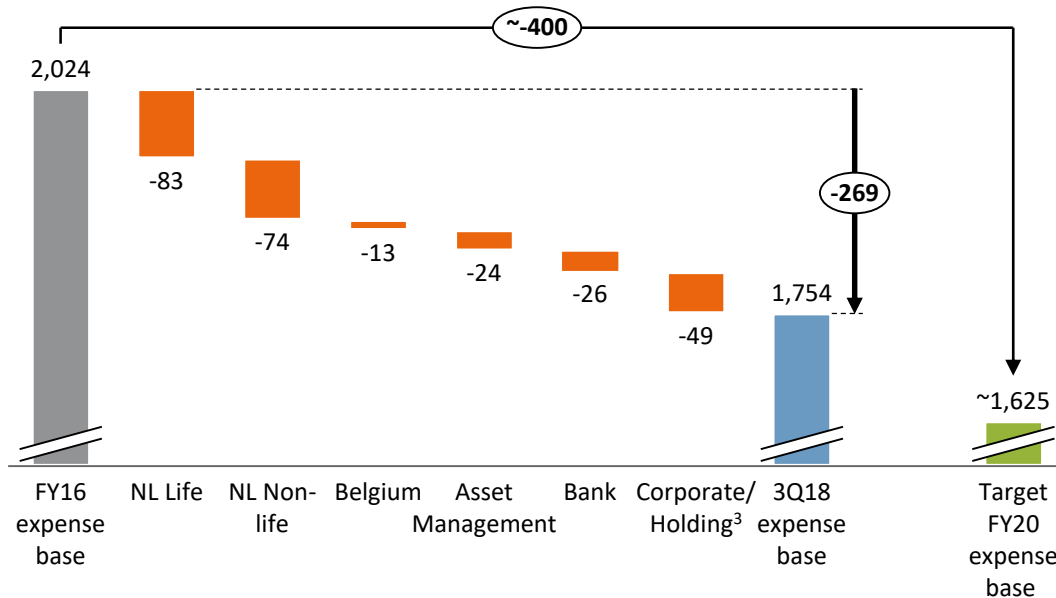


- BeFrank introduced a Sustainable Impact Dashboard for pension clients
- **ESG** aspects are integrated in investment decision-making process and active ownership practices; e.g. exclusion of investments in oil sands production and controversial pipelines

Integration of Delta Lloyd progressing well

Administrative expense base^{1,2}

(EURm)

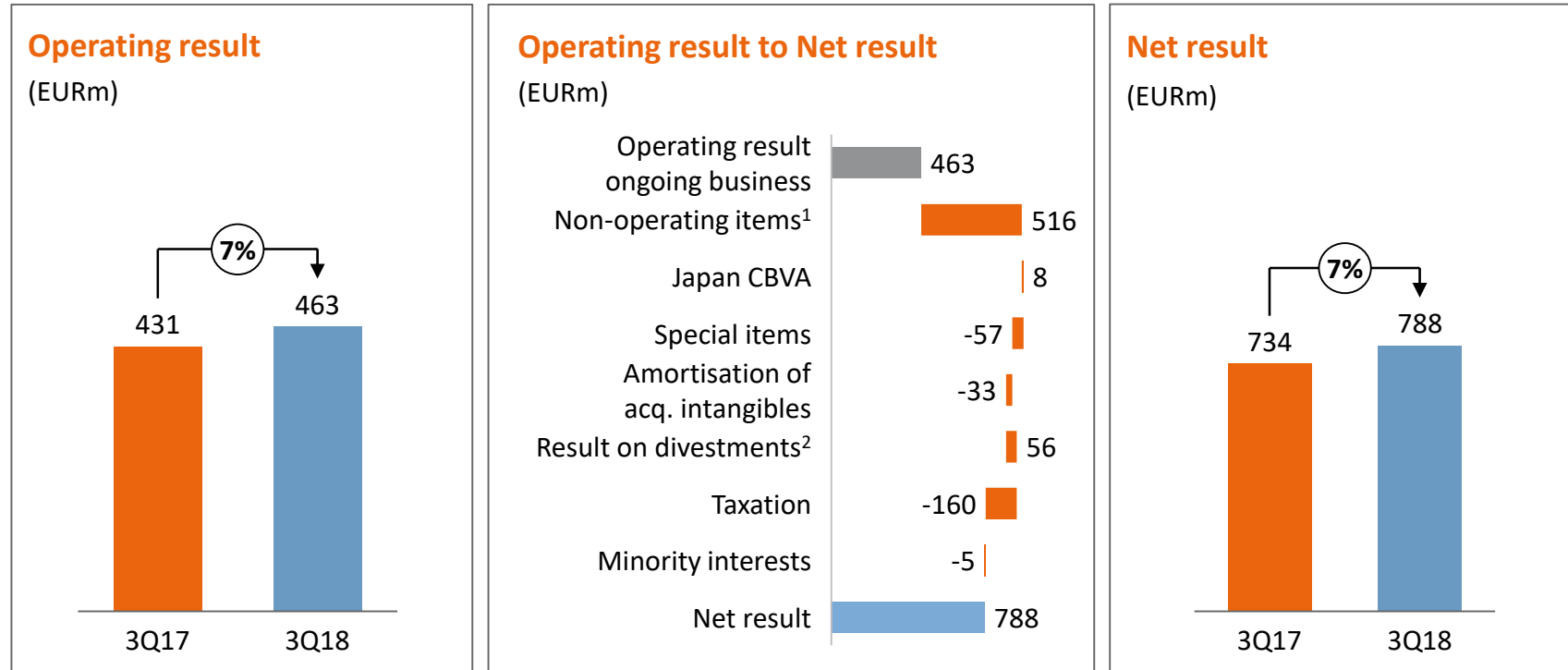


- Administrative expense base of the business units in scope of the cost reduction target reduced by EUR 33m in 3Q18; total cost reductions achieved to date of EUR 269m
- On track to include Delta Lloyd entities in the Partial Internal Model by the end of 2018 and to complete legal mergers of Life and Non-life entities in the Netherlands in 2019, subject to regulatory approvals

3Q18 results

Delfin Rueda, CFO

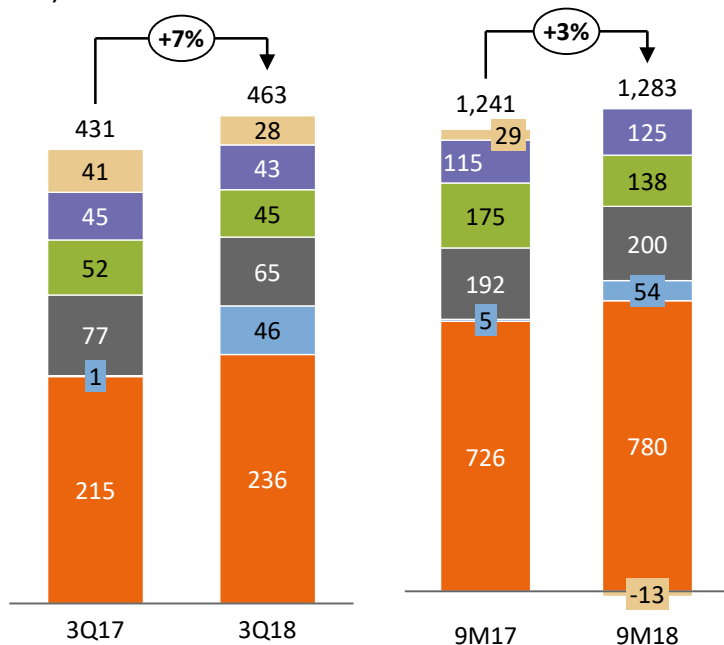
3Q18 operating result and net result



Operating result ongoing business by segment

Operating result of the ongoing business

(EURm)



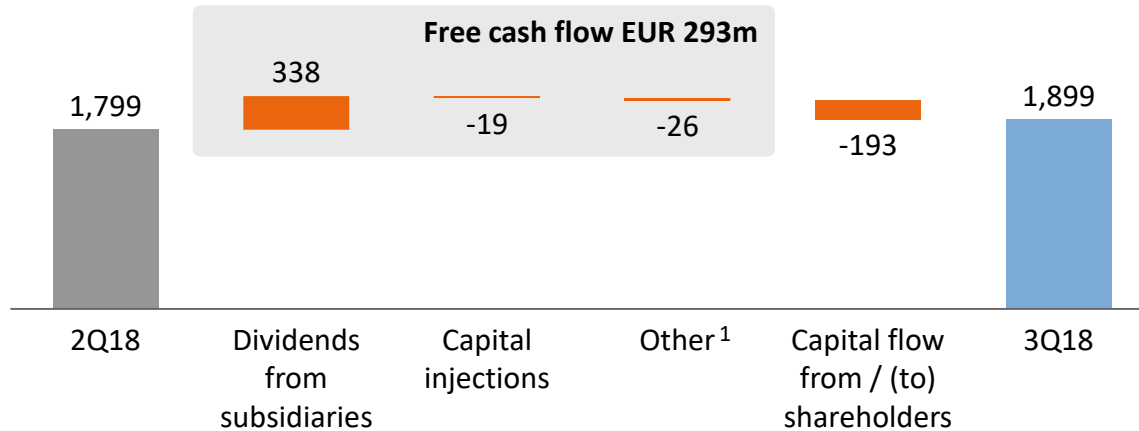
- **Netherlands Life:** Operating result up, reflecting higher private equity and special dividends and lower administrative expenses, partly offset by a lower technical margin
- **Netherlands Non-life:** Operating result up, mainly driven by an improved underwriting performance in both D&A and P&C and lower administrative expenses; current quarter also benefited from favourable claims experience and private equity dividends; combined ratio of 97.1%
- **Insurance Europe:** Operating result down, due to EUR 5m non-recurring benefits in 3Q17 and lower investment margin
- **Japan Life:** Operating result down 15% excluding currency effects, reflecting higher DAC amortisation on surrenders, partly offset by higher fees and premium-based revenues
- **Asset Management:** Operating result down, reflecting lower fees, partly compensated by expense reductions
- **Other:** Operating result down, due to lower non-recurring benefits (EUR 38m in 3Q17 versus EUR 14m in 3Q18), a lower operating result at the banking business, partly offset by higher results at the reinsurance business



Free cash flow 3Q18

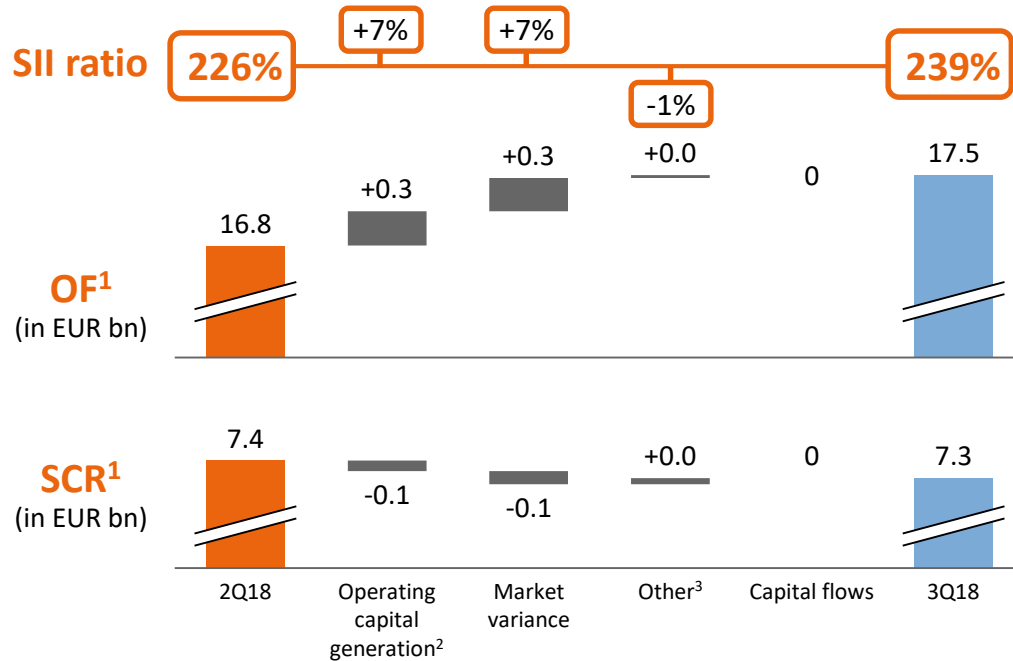
Movement in holding company cash capital

(EURm)



- Free cash flow to the holding in 3Q18 of EUR 293m, driven by EUR 338m of dividends from subsidiaries
- Capital flow to shareholders reflects EUR 127m cash part of 2018 interim dividend and EUR 66m share buybacks to neutralise dilutive effect of stock dividends

Solvency II movement 3Q18



- Solvency II ratio increased to 239% driven by operating capital generation and market variance
- Market variance reflects the favourable impact from movements in credit spreads, positive real estate revaluations and higher interest rates

Wrap up

Lard Friese, CEO

Key takeaways

1 3Q18 operating result of the ongoing business up 7% on 3Q17

2 Integration of Delta Lloyd well on track; cost reductions of EUR 33m in 3Q18; total cost reductions achieved to date of EUR 269m

3 Solvency II ratio of 239%; holding company cash capital of EUR 1.9bn

Q&A

Lard Friese, Delfin Rueda, Jan-Hendrik Erasmus

Appendix

Dividends upstreamed

Dividends upstreamed by segments/subsidiaries

(EURm)

	3Q18	2Q18	1Q18	2017	2016
Netherlands Life ¹	190	233	190	1,035	642
Netherlands Non-life ¹	8	20	1	100	154
Insurance Europe ^{1,2}	47	180	2	230	251
NN Japan Life ³	-	-	-	57	80
Asset Management	52	52	22	96	93
NN Re Netherlands	40	40	40	200	250
Other ^{1,4}	1	11	1	100	142
Total	338	536	256	1,818	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)
3. Cash flow from NN Japan Life was zero in 2018 following a JGAAP reserve revision
4. Includes dividend from NN Bank in 2Q18

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 2018.

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