

NN Group

Lard Friese, CEO

Goldman Sachs European Financials conference

5 June 2019



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

Some facts and figures

- History dating back to 1845
- Strong business positions
- Active in 18 countries
- Unified international culture with shared best practices
- Approx. 17 million customers
- Successful IPO on Euronext Amsterdam on 2 July 2014
- Acquisition of Delta Lloyd completed in April 2017
- NN Group includes Nationale-Nederlanden, NN, NN Investment Partners, ABN AMRO Insurance, Movir, AZL, BeFrank and OHRA
- Committed and experienced Management Board
- Shareholders' equity of EUR 26.7bn at 31 March 2019
- Credit ratings¹: A/stable (S&P), A+/stable (Fitch)

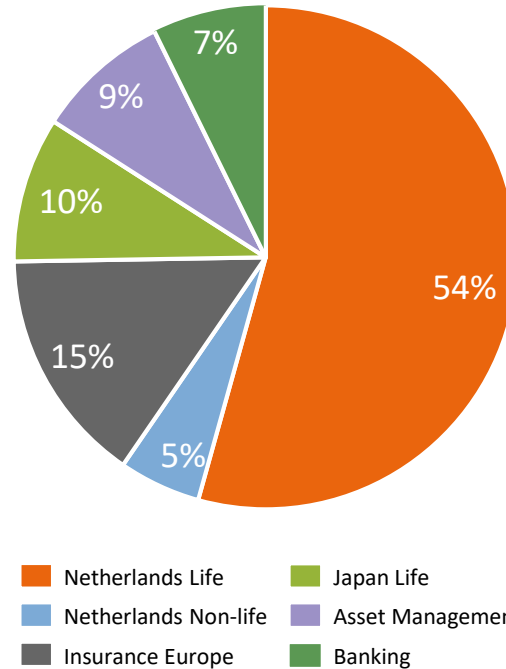
Our brand promise 'You matter'



You matter

Diversified businesses in Europe and Japan

NN Group operating result before tax¹



Asset Management

- International asset manager
- EUR 260bn AuM at 1Q19
- Offers a wide variety of actively managed investment products and advisory services; also manages the assets of NN's insurance businesses

Japan Life

- Top 3 player² in corporate-owned life insurance (COLI) products in Japan

Insurance Europe

- Top 3 player in CEE focused on life and voluntary pensions
- Serving 12m customers in 10 countries
- Large and diverse footprint, mainly built organically

Netherlands Life

- #1 position: 41% market share³ in group pensions and 22% market share³ in individual life
- Offers a range of pension and individual life insurance products in the Netherlands
- Run-off blocks; significant contributor to remittances

Netherlands Non-life

- 28% market share³ in D&A (#1) and 21% market share³ in P&C (#2)
- Offers a broad range of non-life insurance products in the Netherlands, including income protection, fire and motor

Banking

- Complementary product range, offering mortgages and savings in the Netherlands

1. Percentages based on total operating result (EUR 1,626m) excluding the segment Other (EUR -164m) for 2018

2. By APE (2017), source: internal estimate NN Group

3. By GWP (2017, for NN and Delta Lloyd combined), only Dutch insurers that are subject to DNB supervision; source: DNB and CVS

Highlights 1Q19

Financial results

Operating result

EUR 468m

(1Q18: EUR 313m)

Net result

EUR 512m

(1Q18: EUR 399m)

Expense savings¹

EUR 310m

(4Q18: EUR 289m)

Capital

Solvency II ratio

213%

(4Q18: 230%)

Holdco cash capital

EUR 2.0bn

(4Q18: EUR 2.0bn)

Free cash flow

EUR 183m

(1Q18: EUR 198m)

Commercial performance

New sales (APE)

EUR 945m

(1Q18: EUR 547m)

Continuing to improve the business



Commercial momentum in the Netherlands

- Higher volume of group pension contracts at Netherlands Life
- Premium increases and strict pricing discipline on active renewals in Motor and Fire
- Stricter acceptance, pricing and claims handling in D&A



New products launched in Europe

- NN Romania launched new protection products offering financial protection in the event of critical illness or permanent disability
- NN Belgium launched a new tax-efficient unit-linked product for the affluent/high net worth segment



Responsible investing

- NNIP 2018 Responsible Investment Report published detailing engagement and voting results and how ESG factors are integrated into NNIP's investment strategies
- NNIP to jointly manage a range of sustainable enhanced equity index strategies with Irish Life Investment Managers



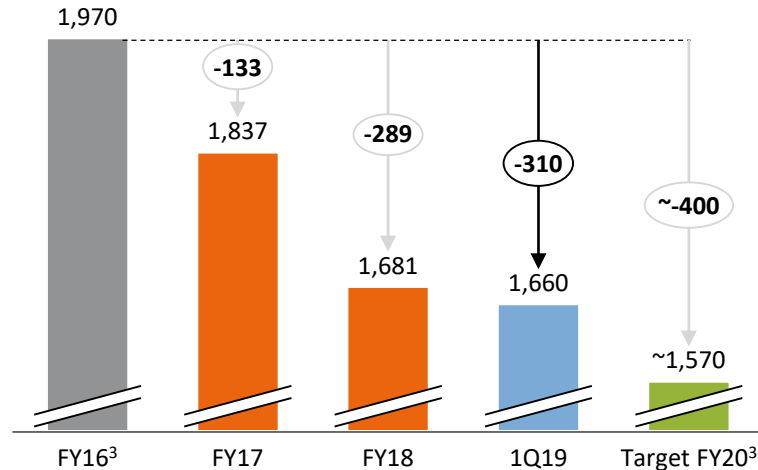
Regulatory changes

- Japanese National Tax Agency published a proposal for a revision of the tax treatment of certain COLI products
- Pension system reforms announced in Romania and Poland

Integration of Delta Lloyd on track

Administrative expense base^{1,2}

(EURm)



Achieved so far

- Integration of management teams
- EUR ~350m capital synergies
- Legal mergers completed:
 - Banking businesses and asset management businesses on 1 January 2018
 - Belgium life businesses on 30 March 2018
 - Life and Non-life businesses on 1 January 2019
- Integration of asset management businesses and head office completed
- Delta Lloyd migrated to PIM effective 31 December 2018
- All Delta Lloyd business rebranded to NN
- Office locations vacated and sub-let
- System decommissioning
- Total cost savings to date of EUR 310m¹



1. Netherlands Life, Netherlands Non-life, Belgium, Asset Management, Banking and Corporate/holding entities (including NN Re)

2. Cost reductions calculated on a last 12-month basis

3. 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

Our priorities going forward

1. Deliver on the Delta Lloyd transaction

- Clear roadmap to deliver on the financial and non-financial benefits within the expected timeline
- Strengthened competitive positions delivering sustainable cash flow

2. Improve performance further

- Improve profitability of underperforming units
- Capture growth opportunities in a disciplined manner

3. Accelerate the transformation of the business model

- Create the customer experience of tomorrow
- Use technology to make the company more agile and efficient

4. Continue to allocate capital rationally

- Generate cash flow in all business segments and upstream to holding
- Excess capital to be returned to shareholders unless it can be used for value-creating opportunities

... to achieve our medium-term targets

NN Group financial targets

- EUR ~400m cost reduction¹ by 2020, reflecting cost synergies from Delta Lloyd acquisition and existing standalone cost reduction plans
- Annual earnings growth of 5-7% on average in the medium term²
- Over time, generate free cash available to shareholders in a range around the net operating result³



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1. In total for the following units: Netherlands Life, Netherlands Non-life, Belgium, Asset Management, Banking and Corporate/Holding entities
 2. Annual growth rate of operating result before tax on average in the medium term; based on 2017 operating result
 3. Net operating result, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity; assuming normal markets, no material regulatory changes and no material special items other than restructuring charges

Disciplined capital framework

Operating units

- Manage operating units to commercial capital levels
- Surplus capital to be returned to holding subject to regulatory restrictions

Cash capital at holding

- Hold cash capital to cover stress events and to fund holding costs
- Target cash capital position within a range of EUR 0.5-1.5bn

Financial leverage

- Maintain financial leverage and fixed-cost cover ratios consistent with a Single 'A' financial strength rating

NN Life Solvency II ratio 217%

Cash capital at holding EUR 2.0bn

LTM fixed charge coverage ratio 13.8x

Leverage ratio 26.9%

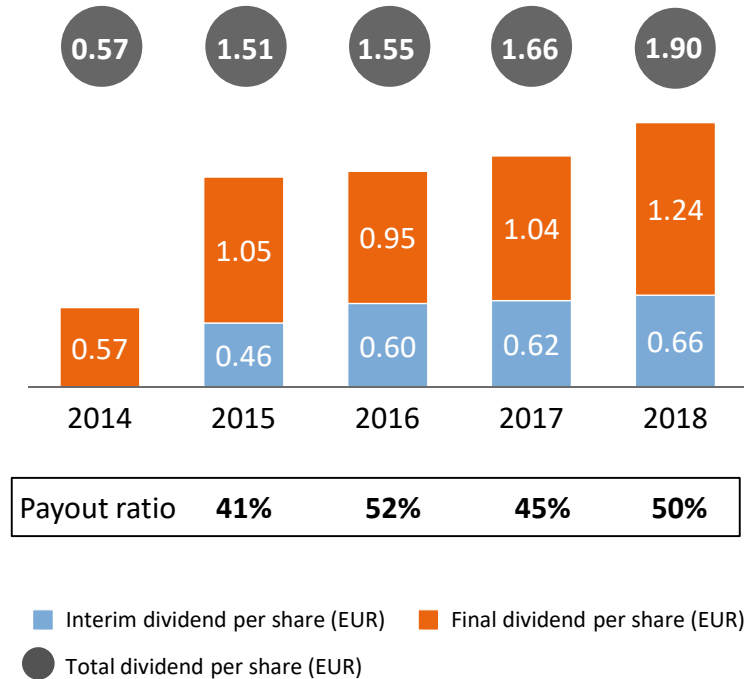
Gross financial leverage¹ EUR 6.1bn

NN Group Solvency II ratio 213%



All figures at 1Q19 end of period
1. Notional financial leverage

Committed to our dividend policy



- Priority is a sustainable ordinary dividend per share
- NN Group intends to pay an ordinary dividend in line with its medium term financial performance and envisages an ordinary dividend pay-out ratio of 40-50% of the net operating result
- Double-digit increase in full-year dividend per share for 2018 versus 2017, reflecting first full year of incremental free cash flows from the Delta Lloyd transaction
- Excess capital returned to shareholders unless it can be used for value creating opportunities; EUR 500m share buyback programme commenced on 1 March 2019
- Interim dividend at 40% of prior year's full-year dividend

Our capital allocation decisions focus on creating value

Invest to realise our ambitions and strategy

- Innovation
- Agility
- Value discipline



Innovate to transform the business model and deliver excellent customer experience

Invest to strengthen current position of our business units

- Hurdle rates
- Market and business position
- Readiness



Focus on driving efficiency, writing profitable new business and disciplined capital allocation

Invest in value-creating opportunities

- Best owner concept
- Risk versus return
- Readiness and deliverability



Deploy capital based on clear principles around return, risk and understanding of the opportunity; otherwise return capital to shareholders in most efficient form

NN Group's investment proposition

Strong business positions and balance sheet

- Leading market player
- Competitive positions strengthened
- Solvency II ratio of 213%¹

Transformation in the Netherlands

- Continued focus on cost reductions
- Scale player with growth in pensions
- Large closed books releasing capital
- Continued risk return optimisation of investment portfolio
- Actions to restore non-life profitability

Profitable growth in other segments

- VNB growth in Insurance Europe and Japan Life
- Continued expense discipline resulting in operating leverage
- Focused asset manager (AuM EUR 260bn¹)

Focus on generating capital and improving earnings

- Since IPO, EUR 3.8bn² of cumulative dividends and share buybacks
- EUR 2.4bn of cash deployed in acquisition of Delta Lloyd
- Free cash flow has been in a range around the net operating result

1. Figures at 1Q19 end of period

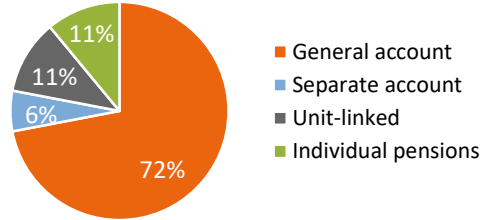
2. Including proposed 2018 final dividend and EUR 500m share buyback that commenced on 1 March 2019

Appendices

Netherlands Life

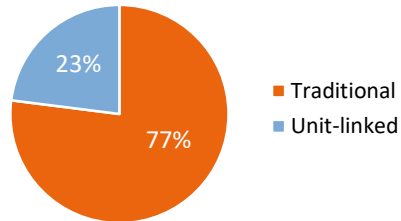
Pensions

(technical reserves 4Q18: EUR 79bn)



Individual Life Closed Blocks

(technical reserves 4Q18: EUR 32bn)



Driving efficiency and optimising asset portfolio

- ~20% cost reduction by 2020
- Optimising risk return of investment portfolio by increasing net allocations to mortgages and loans, corporate bonds and real estate and reducing government bonds

Delivering significant and reliable cash flows over time

- Remittances from operating capital generation and surplus capital
- Capturing opportunities in changing pension market
- Managing run-off of closed books
 - Expected SCR release of EUR ~1.5bn by 2028
 - Transition from capital intense DB to capital light DC pensions over long term

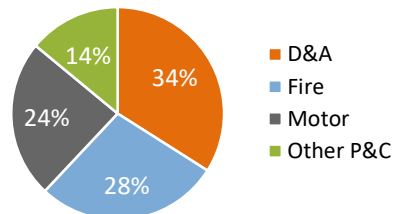
Target: Maintain operating result before tax broadly stable over the medium term¹

1. Annual growth rate of operating result before tax on average in the medium term; based on 2017 operating result

Netherlands Non-life

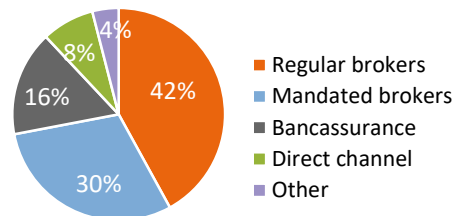
Product mix

(by GWP FY18: EUR 3.1bn)



Distribution channel

(by GWP FY18: EUR 3.1bn)



Combined ratio by business line

	1Q19	2018	2017 ¹	2016
D&A ²	96%	94%	97%	90%
P&C ²	99%	102%	105%	108%
Total	98%	99%	102%	100%

- Excluding the impact of the January storm, 2018 combined ratio is 97.5%

Implementing multiple initiatives to improve combined ratio

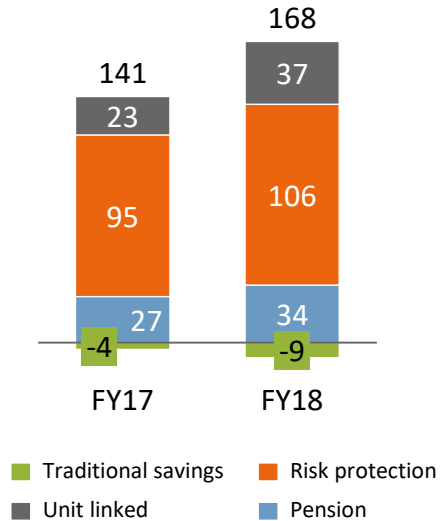
- Improving underwriting performance
 - Optimise portfolios
 - Premium adjustments
- Acquisition of Delta Lloyd created large player with scale benefits
 - ~20-25% cost reduction by 2020
- Leveraging distribution through ABN Amro and ING banking channels and OHRA direct channel

Target: Combined ratio of 97% or below

Insurance Europe

Focus on profitable new business

(VNB¹ by product line, EURm)

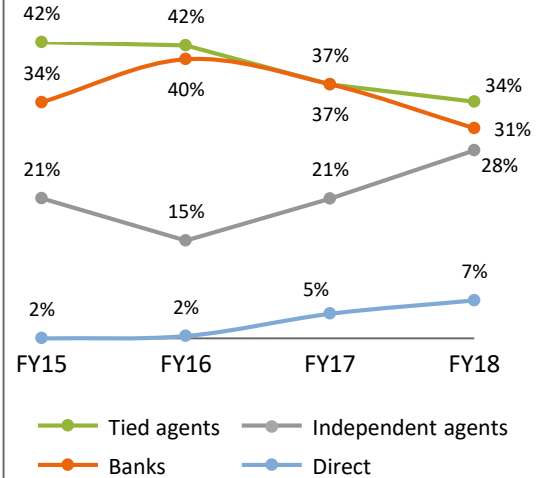


Market leading life and pensions player across CEE

- Markets with low insurance coverage
- Strong growth potential given increases in GDP, disposable income, savings and health gap
- Growing VNB through focusing on protection products
- Innovative propositions and digitalised customer engagement
- Acquisition of Czech and Slovak Aegon businesses

Continuing to deepen and diversify distribution

(New sales APE by distribution channel)



Target: Mid to high-single digit growth²



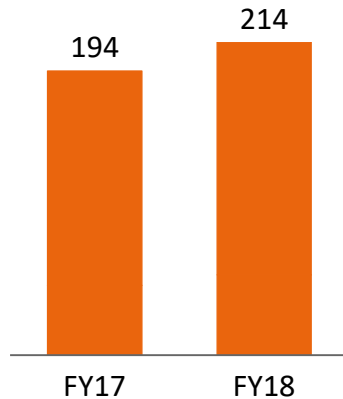
1. VNB = Value of New Business

2. Annual growth rate of operating result before tax on average in the medium term; based on 2017 operating result

Japan Life

Focus on profitable new business

(VNB¹, EURm)

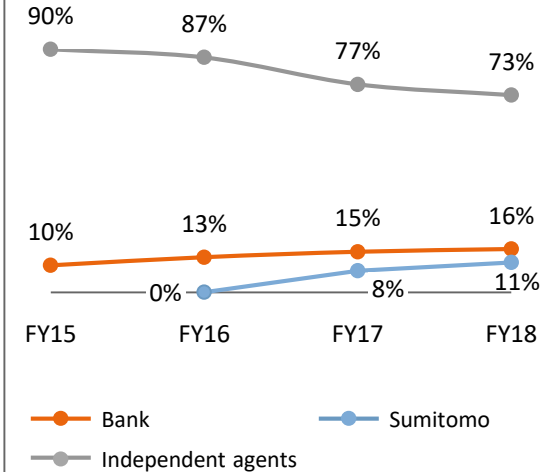


Active in COLI² market

- Japan is second largest life insurance market in the world
- Top 3 player in COLI segment which accounts for 30% of total life insurance market³
- Business started by NN in 1986 and organically built
- Proposed revision of the tax treatment of certain COLI products
- Broad range of products with track record of innovation

Continuing to expand and diversify distribution

(New sales APE by distribution channel)



Target: Mid to high-single digit growth⁴



1. VNB = Value of New Business

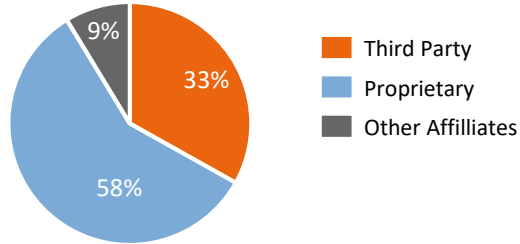
2. COLI = Corporate Owned Life Insurance

3. Size of total life insurance market in Japan of EUR 21.6bn by APE (2018)

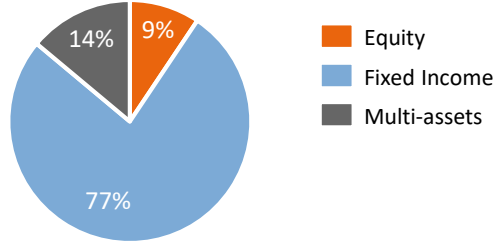
4. Annual growth rate of operating result before tax on average in the medium term; based on 2017 operating result

Asset Management

AuM¹ by client type



AuM¹ by asset class



Diversified active asset manager with a distinctive identity

- EUR 260bn AuM at 1Q19
- Third party franchise generates over 60% of revenues
- Increased focus on core investment capabilities, such as specialised fixed income, multi-asset, distinct equity and ESG
- Adding value to NN's insurance and pension business

Combined entity to benefit from economies of scale

- ~10% cost reduction by 2020
- Leveraging on state-of-the-art infrastructure
- Integration of DLAM into NNIP completed in 2Q18

Target: Mid-single digit growth²

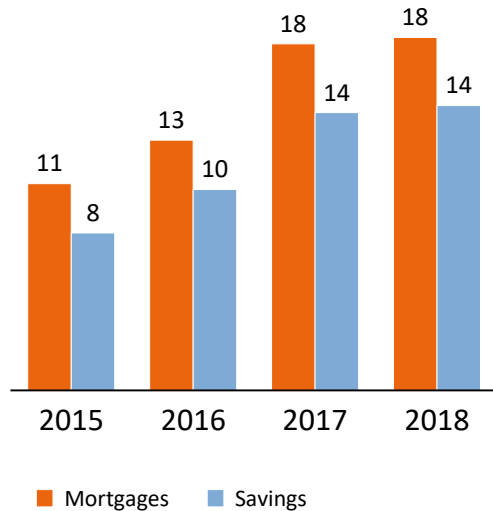


1. Total Assets under Management (AuM) at 1Q19 of EUR 260bn
2. Annual growth rate of operating result before tax on average in the medium term; based on 2017 operating result

Banking

Steady growth in mortgages and savings¹

(EURbn)



Complementary products to NN's insurance offering

- Facilitating the long-term savings need in the Netherlands
- Offering frequent points of contact with customers and cross-selling opportunities
- Strong new production of bank savings products
- Originating mortgages at attractive spreads
- Top 7 mortgage originator, with 5% market share

Combined bank to benefit from economies of scale

- ~10-15% cost reduction by 2020
- Self-funded growth
- RoE 12.9% in 2018

Target: Net operating RoE of 10% or higher

1. 2015 and 2016 numbers for NN Bank; from 2017, numbers for NN Bank including Delta Lloyd Bank

Dividends upstreamed by segments / subsidiaries

(EURm)	1Q19	2018	2017
Netherlands Life ¹	200	837	1,035
Netherlands Non-life ¹	1	108	100
Insurance Europe ^{1,2}	2	299	230
NN Japan Life	-	-	57
Asset Management	44	177	96
Banking ¹	20	10	2
NN Re Netherlands	-	150	200
Other	2	12	98
Total	269	1,593	1,818

Remittances largely driven by own funds generation

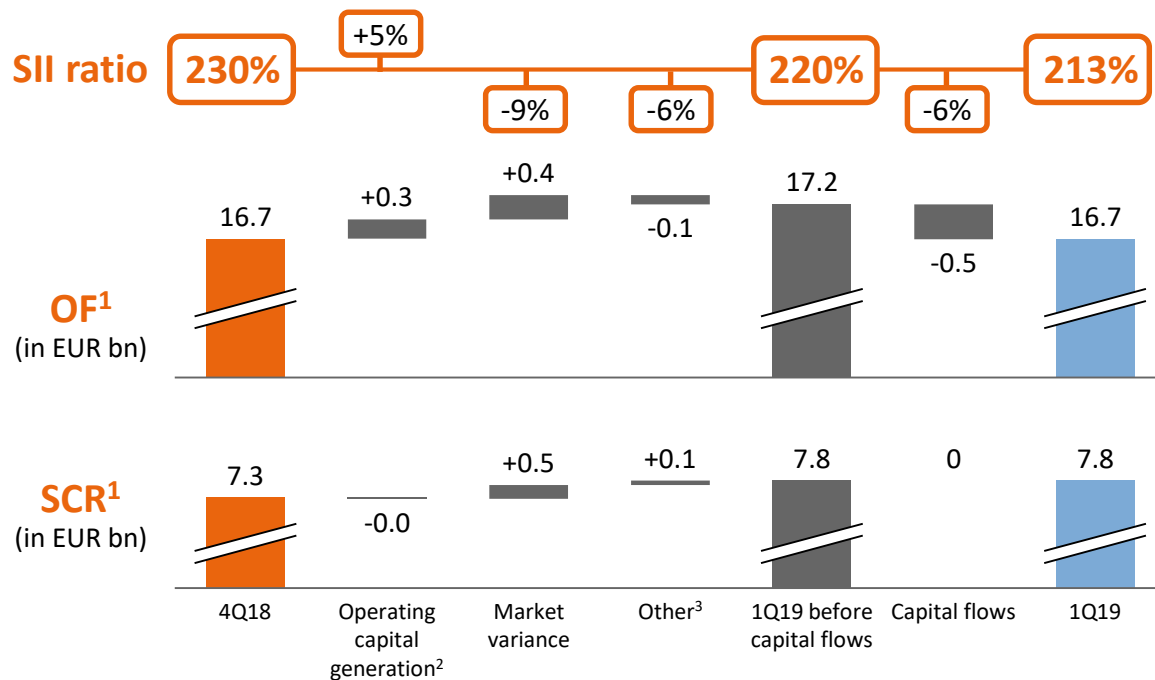
Segment	Own Funds generation	Capital requirements	Capital levels	Drivers remittances	Remittances vs Net operating result
Netherlands Life	+	+	+	Excess return, UFR unwind, release of risk margin, expense reduction Limited new business and large closed blocks releasing SCR Surplus capital above commercial level	>
Netherlands Non-life	+			Profitable new business and expense reduction	=
Insurance Europe	+			Excess return and profitable new business Capital light new business and some SCR release from closed blocks	=
Japan Life ¹	+	-		Contribution on JGAAP basis meaning high new business strain	<
Asset Management	+			IFRS earnings	=
Japan Closed Block VA ²		+	+	Estimated dividend of EUR 50m plus or minus hedge results in 2019	>
Banking ³				Contribution to Own Funds driven by remittances	
Other – holding	-			Holding expenses, debt costs and restructuring charges	

Over time, generate free cash available to shareholders in a range around the net operating result⁴



1. Remittances equal 5/6th of JGAAP retained earnings with adjustments
2. Expected capital release from NN Re Netherlands
3. As NN Group is designated as a Financial Conglomerate, regulatory Solvency II operating capital generation does not include banking
4. Net operating result, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity; assuming normal markets, no material regulatory changes and no material special items other than restructuring charges

Solvency II movement 1Q19



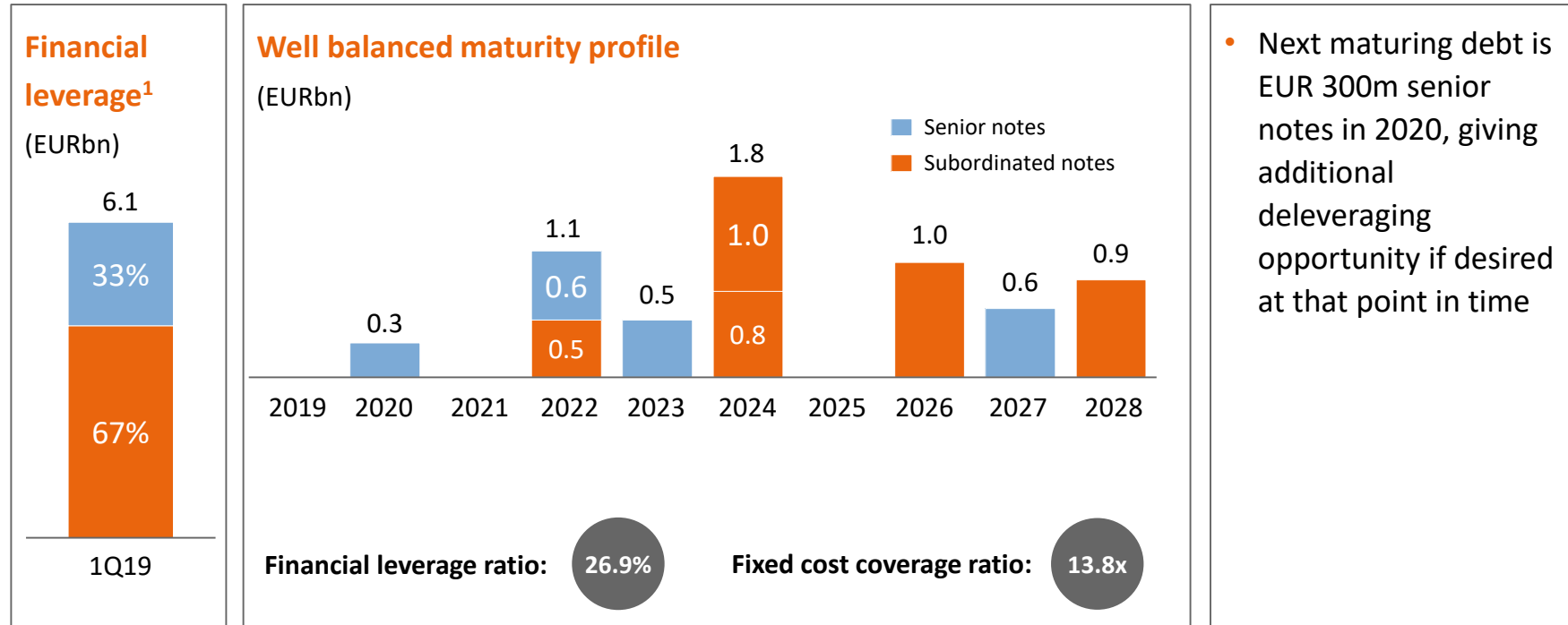
- Solvency II ratio of 213% reflects operating capital generation offset by market variance and the EUR 500m share buyback
- As of this quarter, operating capital generation includes the accruals of qualifying debt
- Market variance mainly driven by movements in credit spreads and interest rates, offset by positive equity revaluations
- Other includes the impact of the UFR reduction from 4.05% to 3.90% and the update of the reference portfolio

Sensitivities of the NN Group Solvency II ratio to specified shocks

Sensitivities to shocks¹ at 4Q18	Δ OF (in EURbn)	Δ SCR (in EURbn)	Δ Solvency II ratio (in %-points)
Interest rate: Parallel shock +50bps	-0.6	-0.5	+8%
Interest rate: Parallel shock -50bps	+0.7	+0.6	-7%
Interest rate: 10bps steepening between 20y–30y	-0.5	+0.0	-6%
Credit spread: Parallel shock for AAA-rated government bonds +50bps	-0.8	-0.0	-10%
Credit spread: Parallel shock for AA and lower-rated government bonds +50bps	-0.6	-0.1	-5%
Credit spread: Parallel shock corporates +50bps	+0.1	-0.1	+6%
Equity: Downward shock -25%	-1.1	-0.2	-9%
Real estate: Downward shock -10%	-0.7	-0.0	-8%
UFR: Downward adjustment to 3.90%	-0.2	+0.0	-4%

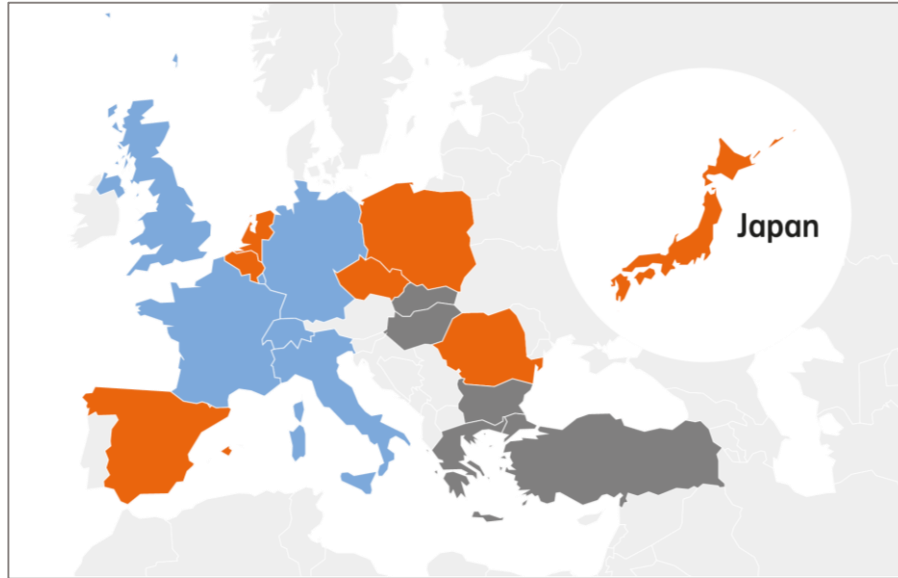
1. Sensitivities are performed for Solvency II entities and NN Life Japan, based on expanded Partial Internal Model

Financial leverage position and maturity profile



1. Notional financial leverage

International footprint

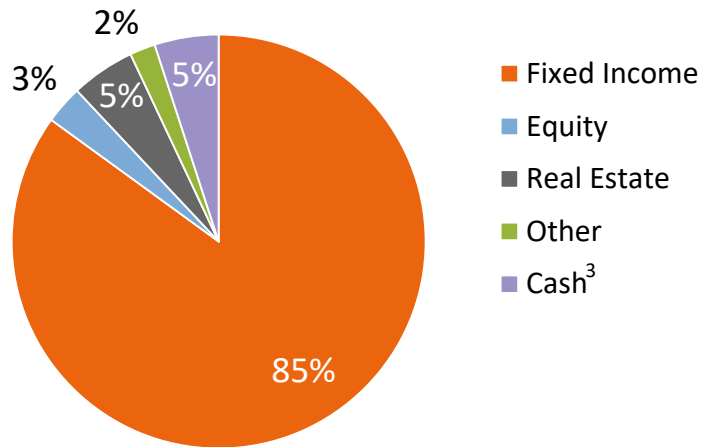


■ Insurance and Asset Management ■ Insurance ■ Asset Management¹

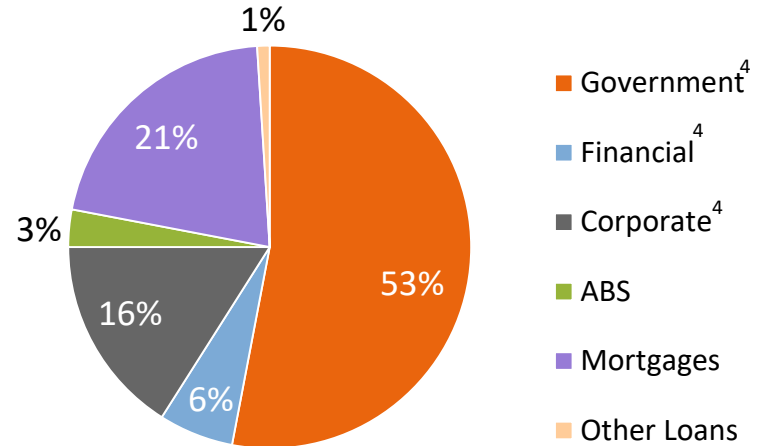
- **Netherlands:** No need for large scale M&A given leading market position; integrate and drive up Return on Capital
- **Insurance Europe:** Strongly positioned in most markets; open to bolt-on acquisitions and portfolio optimisation
- **Japan:** Strong niche position, organically built and performing well
- **Asset Management:** Diversified active asset manager with focused investment capabilities

Breakdown of asset portfolio (1)

Assets (NN Group excl. Banking)
(4Q18, total EUR 157bn)¹

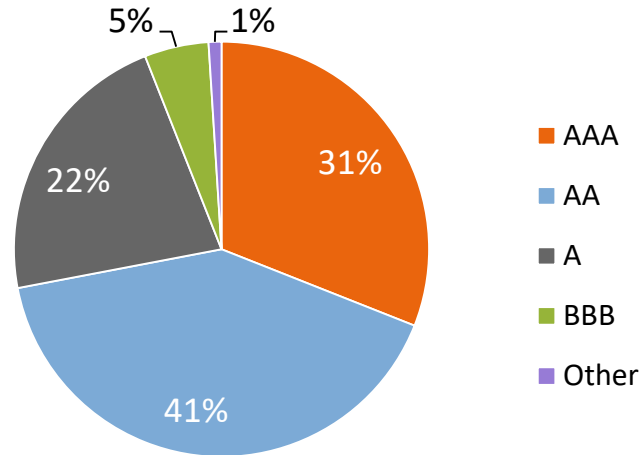


Fixed income portfolio
(4Q18, total EUR 134bn)²

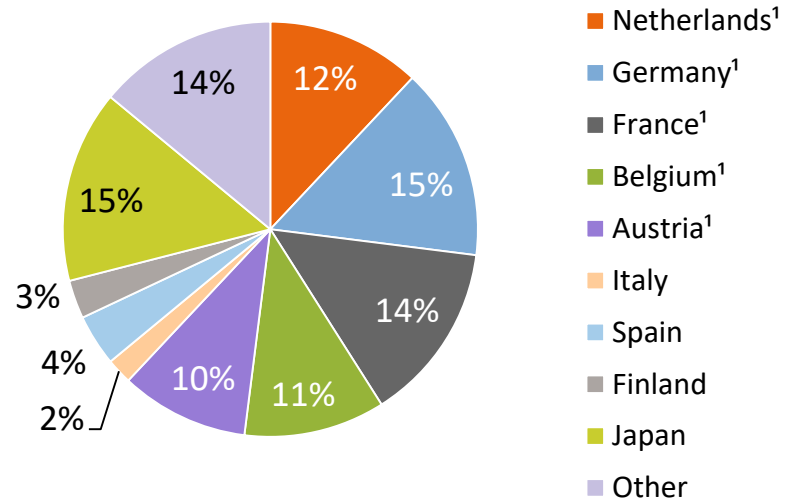


Breakdown of asset portfolio (2)

Government bonds by rating
(4Q18, total EUR 71bn)



Government bonds by country
(4Q18, total EUR 71bn)



1. Before impact of credit spread locks

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 31 March 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.

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