

A photograph of a modern building facade with a large blue sign that reads "delta lloyd". The building has a glass and stone exterior. The image is overlaid with a semi-transparent blue filter. The text "Focusing on capital, performance and customer" is written in white, bold, sans-serif font across the middle. Below it, "FY 2016 results" is written in a smaller white font. In the bottom left corner, the date "23 February 2017" is displayed. In the bottom right corner, the "delta lloyd" logo is shown in white.

Focusing on capital, performance and customer

FY 2016 results

23 February 2017

delta lloyd

Clear progress on management priorities

Mixed results; business model is sound and will deliver value over time

Combination with NN Group in best interest of our stakeholders

Clear progress on management priorities



- Capital plan executed; Solvency II in target range, albeit towards lower end
- Underlying net capital generation satisfactory at €202m
- Holding company cash structurally improved



- Net IFRS result increased to €231m (FY 2015: €128 million)
- 2016 cost target outperformed by €21m; cost target for 2018 lowered
- Actions taken to structurally improve GI and Life technical margins



- #1 Group Life IFA satisfaction reconfirmed¹; strong rating in other segments retained
- Increasing use of online OHRA portal; 76% of sales completed online
- APF license received

1. Source: IG&H consultants (January 2017)

Capital plan executed; solvency remains key priority



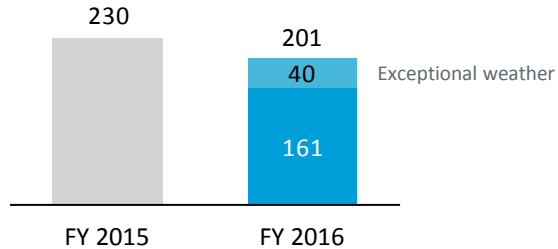
- Announced capital plan executed
 - *ALM actions*
 - *sale of Van Lanschot*
 - *own pension fund restructuring*
- FY 2016 solvency ratio of 143%, towards lower end of target range
 - *reflecting adverse longevity development, DNB guidance on LAC DT to the industry and substantial ineligible own funds*
- Ongoing initiatives to strengthen capital position
 - *merger of Belgium and Dutch life entities on hold pending NN Group offer (+7pp¹)*
 - *PIM implementation well on track; based on industry review among peers potential uplift 10-15pp²*

1. Pro forma estimate at FY 2016 of +7pp greater than +5pp pro forma at H1 2016 announced in October reflecting largely greater contribution from non eligible capital
2. Based on analysis of comparable peer group during 2015, and not necessarily indicative of uplift for Delta Lloyd. Subject to regulatory approval

Improving business performance continues to be a priority

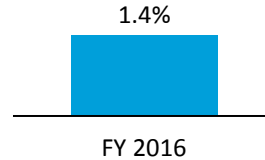


Operational tech. result (€m)



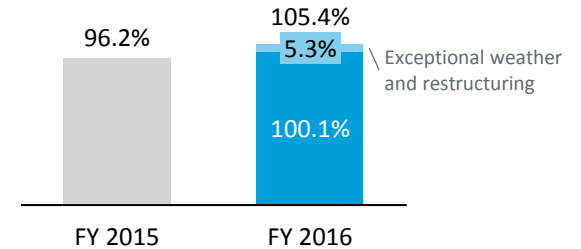
- Strong result on expenses in Life
- GI impacted by exceptional weather, large fire claims and prior year impact
- Lower Asset Management fee income
- Delivering on cost reduction

Life new business margin¹



- Low margins in DC pensions in The Netherlands
- Strong margins in protection in Belgium
- Improving pricing and life product design

Combined ratio (COR)²



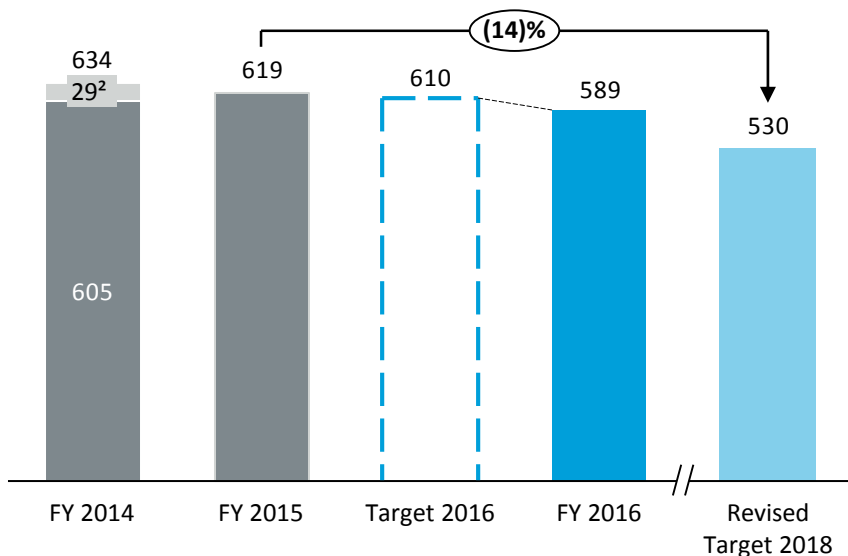
- Elevated P&C COR due to exceptional weather, large fire claims and prior year impact
- Good performance in Income Protection
- Taking action on pricing and underwriting
- Active portfolio management

1. SII New business margin
2. Excluding terminated and run off activities and market interest movements

Cost target outperformed



Operational expenses¹ (€m)



- Ongoing cost reduction critical to improve competitive position and support profitability
- Extensive review of cost base completed; target to reduce operational expenses revised down to €530m by 2018 (vs. €560m)
- Reduction from key business areas:
 - *streamlining of IT organisation*
 - *announced actions in Life and GI*
 - *reductions in corporate staff functions*
 - *discipline in project spend*
- Considerable amount of non-operational expenses, that includes €121m for projects

1. Restated for sale of Delta Lloyd Bank Belgium and Delta Lloyd Deutschland
2. Extraordinary pension benefit (negative past service expenses of €(29)m in 2014)

Continued focus on customers

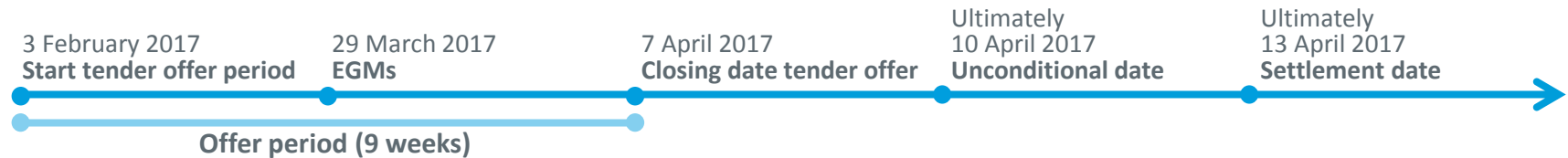


- For 5th consecutive year ranked #1 in Group Life in January 2017 IFA satisfaction survey¹; strong rating in other product segments retained
- Strategic partnership with Voogd & Voogd launched to improve service in personal general insurance distribution, whilst achieving further process efficiencies at lower costs
- High adoption rate of online portal among OHRA customers and IFAs; 76% of OHRA sales completed online
- APF license received
- Sustainable business conduct underpinned by DJSI index inclusion for 3rd year running
- New Delta Lloyd ESG Fund voted best ESG fund globally²

1. Source: IG&H consultants
2. Source: AF Advisors

Recommended offer by NN Group

- Combination with NN Group will create a leading insurance and pension company in the Dutch market, with strong presence in Belgium and an attractive proposition in asset management and banking
 - *best interest of our stakeholders*
 - *offer provides a certain cash premium for shareholders and also a secure future for policyholders*
- Work underway to achieve regulatory and antitrust approvals
- Expected completion in Q2 2017
- Considering NN Group's offer to acquire Delta Lloyd, we have decided not to pay a final dividend for 2016



Timeline is subject to fulfillment of the offer conditions, which include having obtained all the necessary regulatory approvals

Progress on capital plan and cash



Current status

Ongoing initiatives

Solvency ratio

- Announced capital plan executed
- Solvency ratio towards lower end of target range, reflecting longevity and LAC DT



143%
FY 2015: 131%
Target Range of 140-180%

- Merger of Belgium and Dutch Life entities on hold pending offer from NN Group
- Well on track for PIM implementation by 2018

Net capital generation

- Headwinds from derisking and low rates
- 2016 cost target outperformed



€202m¹
Target of €200-250m p.a. over time

- Further action on insurance margins
- Further expense reduction
- Strategic asset allocation

Cash

- Holding company cash structurally improved
- Strong remittances in 2016



€510m
vs. €(319)m at FY 2015

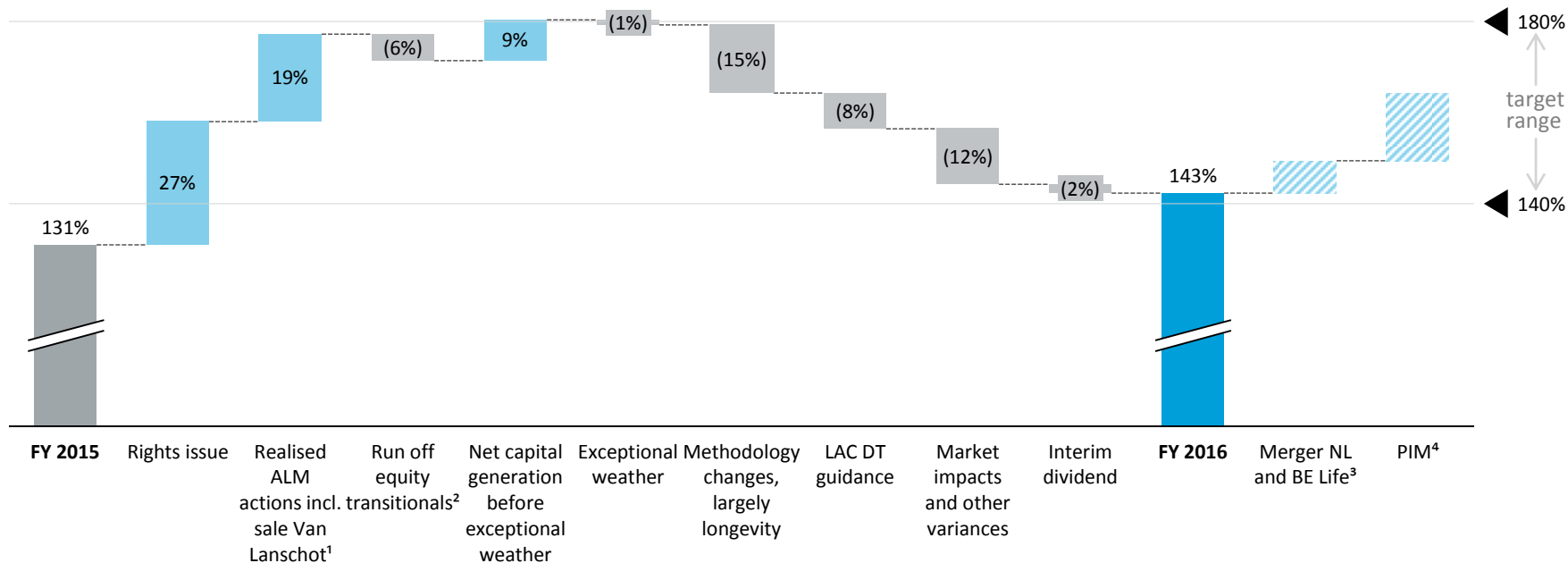
- Maintain appropriate cash buffer
- Focus on refinancing senior loan due in 2017

1. Capital generation for FY 2016 before net exceptional weather impact of €30m, reflecting year start assumptions for excess spread and UFR drag

Solvency ratio towards lower end of target range



Solvency II SF ratio development during 2016



1. Includes adverse impact of the exclusion of the risk margin benefit from the longevity hedge (-7pp); 2. Remaining equity transitionals contribute 1pp at FY 2016; 3. On hold pending NN Group offer. Pro forma estimate at FY 2016 of +7pp greater than +5pp pro forma at H1 2016 announced in October reflecting largely greater contribution from non eligible capital; 4. Based on analysis of comparable peer group during 2015, and not necessarily indicative of uplift for Delta Lloyd. Subject to regulatory approval

Impact from longevity and LAC DT guidance



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Methodology changes, largely longevity: (15)pp

- New industry mortality table 'AG 2016'
- Aligning better to industry practice
- Update of mortality experience assumptions reflecting our own portfolio
- Mortality experience factors increasingly influenced by the effect of large buy-out contracts sold between 2008 and 2013

LAC DT guidance: (8)pp

- LAC DT approach agreed with DNB in February 2016 for 2016 (excluding year end)
- Ongoing dialogue with DNB during the year
- DNB undertook industry review of LAC DT approaches, resulting in Q&A
- Delta Lloyd has adopted the latest guidance from Q&A per FY 2016
 - *tax recovery model updated to reflect increased prudence in Q&A*
 - *deduction from SCR in respect of LAC DT reduced to €387m (FY 2015: €524m) representing 47% of potential maximum (FY 2015: 58%)*

Underlying net capital generation satisfactory



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(€m)	Target run rate ^{1,2}	FY 2016 ¹
Excess spread over VA	c.160	149
Unwind UFR	c.(80)	(80)
Life new business (net of strain)	c.0	(24)
Unwind of risk margin	c.30	48
Unwind of SCR	c.80	82
Technical results	c.20 ³	(3)
Total	200-250	172
Exceptional weather impact		30
Underlying net capital generation		202

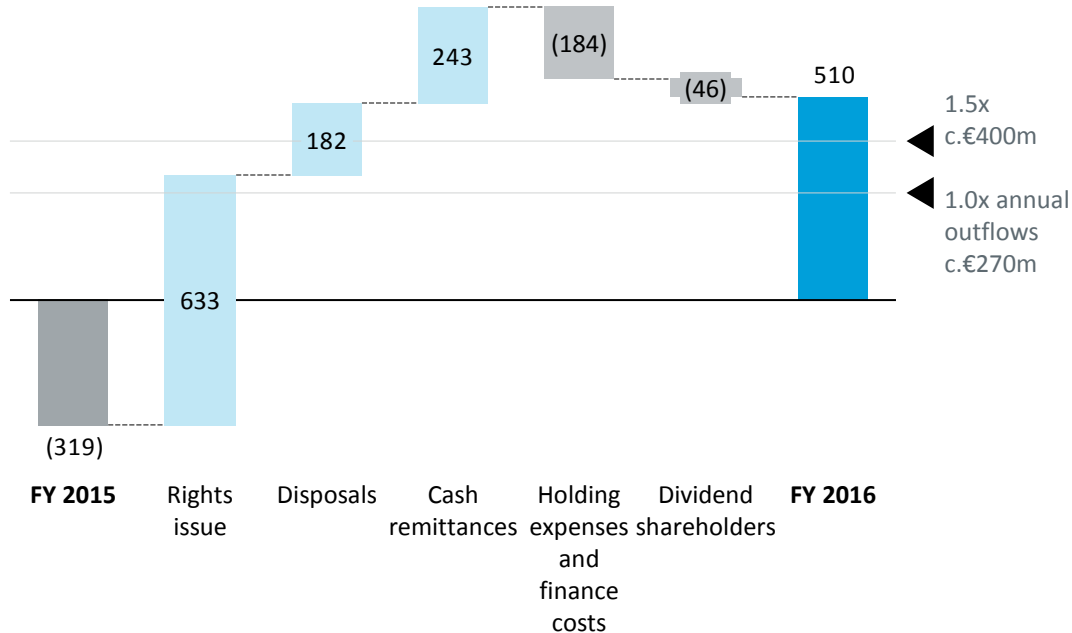
- Reported net capital generation based on year start assumptions for excess spread and UFR drag
 - *headwinds from investment derisking and ongoing low interest rates*
 - *opportunities over time from continued cost reduction, improved business performance and investments*
- Actions taken this year:
 - *improved life product design*
 - *GI underwriting and portfolio actions*
 - *cost reduction on track with raised ambition*
 - *increased mortgage allocation*

1. Before market volatility and non-operational variances, net of tax and minority interest; 2. Illustrative contributions of how Delta Lloyd could achieve target over time as announced in February 2016, based on 2016 year start economics; 3. Excluding Life

Holding company cash structurally improved



Holding company cash development (€m)

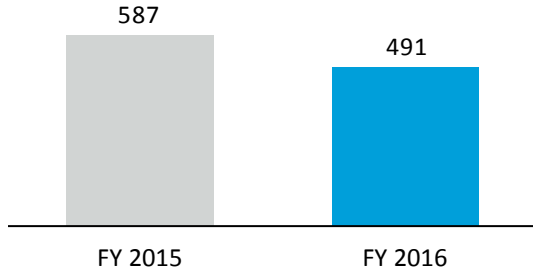


- Holding company cash is above target cash buffer of c.€400m
- Substantial disposal proceeds (e.g. Van Lanschot)
- Revolving Credit Facility initiated at Holding company to support LAC DT and strengthen flexibility
- €575m senior loan due in November 2017

Life: focused on margin improvement

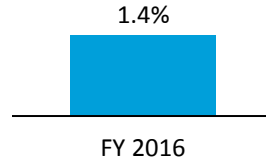


NAPI (€m)



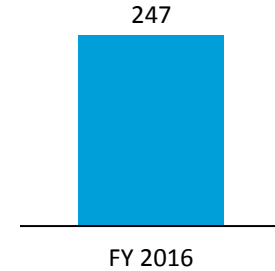
- Lower Dutch market impacted DC volumes
- Shift to capital light products
- Lowered interest rate guarantees in Belgium

New business margin (SII NBM)



- Low margins in DC pensions in the Netherlands
- Strong margins in protection in Belgium

Net capital generation (€m)

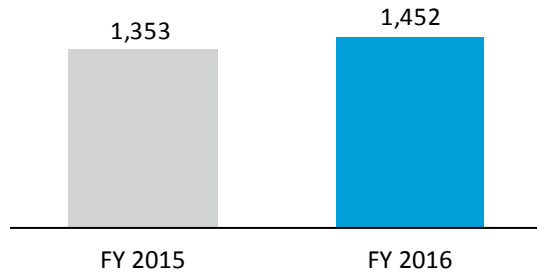


- New business after strain €(24)m
- Excess spread / UFR reflects year start economics
- Positive experience variances

General Insurance: impacted by exceptional weather

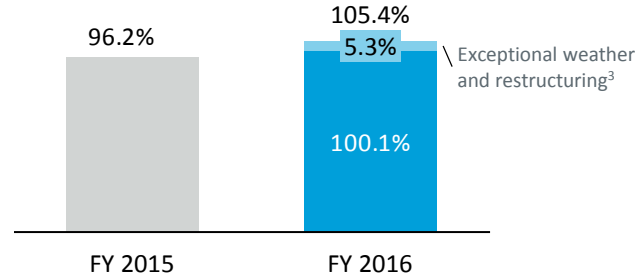


GWP (€m)¹



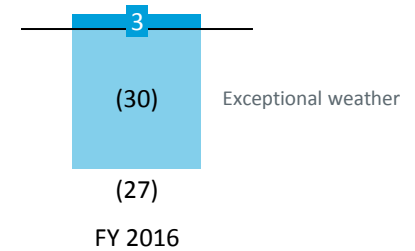
- Increase mainly from acquisition of portfolios through authorised agents

Combined Ratio (COR)²



- P&C: exceptional weather, several large fire claims and prior year impact
- Income protection: good performance

Net capital generation (€m)



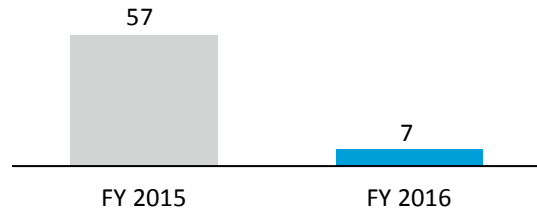
- Weak COR reflects exceptional weather
- SCR increase reflects premium growth

1. Excluding terminated and run off activities
2. Excluding terminated and run off activities and market interest movements
3. Impact exceptional weather in June (3.1pp) and restructuring (2.2pp)

Asset Management / Bank: modest contribution

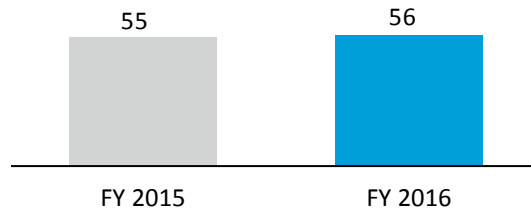


Operational technical result AM (€m)



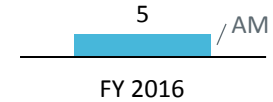
- Lower fee income due to revised fee agreement with internal clients, net outflows and lower performance fees

Operational technical result Bank (€m)¹



- Increase in fee and commission income

Net capital generation (€m)



- Asset Management contribution reflects modest profitability
- Bank expected to restart dividend in the medium term

1. Excluding amortisation of the premium paid by the bank on the purchase of a loan portfolio from the Life business in 2014. Majority of amortisation in Bank's statutory profits expected through 2020

Wrap up

Focusing on capital, performance and customer

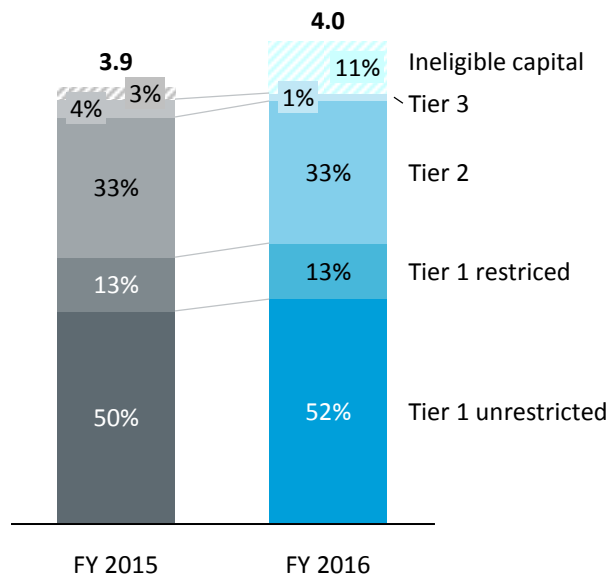
- Clear progress on management priorities capital, performance and customer
 - *solvency ratio towards lower end of target range reflecting adverse longevity development and DNB guidance on LAC DT to the industry*
 - *action taken to improve operational performance and deliver on capital generation; result of this will become further visible in 2017*
 - *strong IFA and customer satisfaction scores reconfirmed*
- Recommended NN Group offer in best interest of our stakeholders
 - *provides a certain cash premium for shareholders and also a secure future for policyholders*
 - *will create a leading insurance and pension company in the Dutch market, with strong presence in Belgium and an attractive proposition in asset management and banking*

Appendices

Capital composition and resilience



Own funds (Standard Formula, €bn)¹



Solvency Ratio Sensitivities²

		FY 2016	H1 2016
Credit spread with volatility adjustment ³	-50bps	25pp	7pp
	+50bps	(23)pp ⁴	(11)pp
Funding spread	-50 bps	10pp	4pp
	+50 bps	(10)pp	(4)pp
Interest rate	-25 bps	0pp	(3)pp
	+25 bps	(1)pp	4pp
Equity	-10%	(5)pp	(2)pp
	+10%	5pp	2pp
Property	-10%	(6)pp	(2)pp
	+10%	6pp	2pp

1. % of eligible capital; 2. Sensitivities exclude the impact on OFS and assume DTA recoverability and LAC DT remain unchanged; 3. Movement in VA 23bps for FY 2016 and 28 bps for HY 2016. For all credit spreads (excl. mortgages); 4. Impact on corporates €(132)m, (sub)sovereigns €(1,028)m, volatility adjustment €859m and other spreads categories €(78)m. Increased sensitivity is mainly due to the change in the risk weighting of the model portfolio underlying the volatility adjustment

Shareholders' funds development



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Shareholders' funds development (€m)

IFRS shareholders' funds 1-Jan-16	2,569
Gross operational result	915
Market volatility	(295)
Other (incl. non-operational items and Amstelhuys)	(260)
Tax and MI	(129)
Net result	231
Other comprehensive income	(244)
Change in shareholders' funds (excluding rights issue)	(13)
Rights issue	629
IFRS shareholders' funds 31-Dec-16	3,185

- Revaluation of pension assets in Net result reversed by actuarial losses in Other comprehensive income
- Negative impact from methodology changes for IFRS valuation curve¹ and longevity provision²
- Adverse longevity development in Q4

Estimated breakdown market volatility (€m)

	H1 2016	H2 2016	FY 2016
Credit spread effect	658	(699) ³	(41)
Own pension fund assets	369	(88)	281
Change IFRS curve ¹	326		326
Refinement longevity provision ²	(331)		(331)
Q4 adverse longevity development		(235)	(235)
Other (incl. UFR and pull-to-par of assets)	95	(390)	(295)
Total	1,117	(1,412)	(295)

1. Change of valuation curve used for IFRS reporting from Collateralised AAA curve to Solvency II VA curve. No Solvency II impact
2. Refinement of calculation methodology to align with the expected cash flow profile used under Solvency II. No Solvency II impact
3. Consists of c.€(260)m from own risk bond portfolio and c.€(440)m from decrease in the volatility adjustment in our IFRS discount curve

Cash remittances



(€m)	FY 2016		FY 2015
	Cash remittances ¹	SF Ratio	Cash remittances ¹
Delta Lloyd Leven	20	135%	60
Delta Lloyd Life Belgium	52	141%	12
Delta Lloyd Schade	57	137%	47
ABN Amro Leven	31	267%	18
ABN Amro Schade	29	208%	13
Delta Lloyd Asset Management	34		18
Delta Lloyd Bank	1	17.1% ²	-
Corporate and other	19		255 ³
Total	243	143%	424

- Low remittance from Delta Lloyd Leven to support solvency
- Good contribution from Delta Lloyd Belgium
- Delta Lloyd Schade and ABN Amro Insurance remittances reflect rebase to risk appetite
- High remittances from Asset Management as a result of good performance 2015
- Increasing regulatory requirements negatively impact remittance of Delta Lloyd Bank

1. Cash remittances include dividend and interest payments on intercompany loans
 2. CET1 ratio
 3. One off remittance concerning the sale of subsidiaries (Delta Lloyd Bank Belgium and Delta Lloyd Deutschland)

Operational result



Operational result (€m)

	FY 2016	FY 2015
Operational Technical Result	161	230
Life	147	84
GI	(24)	65
Asset Management	7	57
Bank	56	55
Corporate & Other activities	(26)	(31)
Investment spread	754	711
Direct Yield	1,264	1,275
Cost of Liabilities	(511)	(565)
Gross operational result	915	940

- Life: higher expense result and positive impact model improvement¹, partly offset by lower mortality result
- General Insurance: negative impact exceptional weather, several large fire claims and prior year impact
- Asset Management: lower fee income due to lower assets under management, lower performance fees and revised internal fee agreement
- Higher investment spread reflecting lower required interest

1. Release of provision due to inclusion of decrease rate of the second insured person in the annuity policies at AAV Leven

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