

NN GROUP FINANCIAL SUPPLEMENT

3Q2018



NN GROUP FINANCIAL SUPPLEMENT 3Q2018 INTRODUCTION

- The Financial Supplement includes quarterly financial trend data and is published on a quarterly basis.
- Figures are calculated at historical foreign exchange rates, unless otherwise stated.
- All 2Q2017, 3Q2017, 4Q2017, 1Q2018, 2Q2018 and 3Q2018 figures are including Delta Lloyd, figures of 1Q2017 have not been restated.
- Operating result and Adjusted allocated equity (as used in the calculation of Net operating ROE) are Alternative Performance Measures. These measures are derived from figures according to IFRS-EU. The operating result is derived by adjusting the reported result before tax to exclude the impact of result on divestments, the amortisation of acquisition intangibles, discontinued operations and special items, gains/losses and impairments, revaluations and market & other impacts. The adjusted allocated equity is derived by adjusting the reported total equity to exclude revaluation reserves, the undated subordinated notes classified as equity as well as the goodwill and intangible assets recognised as a result of the Delta Lloyd acquisition. Alternative Performance Measures are non-IFRS-EU measures that have a relevant IFRS-EU equivalent. For definitions and explanations of the Alternative Performance Measures reference is made to the section 'Alternative Performance Measures (Non-GAAP Measures)' in the NN Group N.V. 2017 Consolidated Annual Accounts.
- The segment 'Other' consists of banking business, reinsurance business, the holding company and certain other entities.
- APE represents annualised premium equivalents sold in the period, with single premiums calculated at 1/10th of the single premium amounts.
- The quarterly figures of the previous periods, excluding currency effects, are the sum of the monthly figures calculated at the average rate of each individual month of the current quarter.
- Rounding could cause some small differences.
- All figures are unaudited.

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1.1 CONSOLIDATED BALANCE SHEET: ASSETS

In EUR million	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Cash and cash equivalents	8,540	9,722	10,273	9,383	9,665	10,022	10,827
Financial assets at fair value through profit or loss							
- investments for risk of policyholders	32,095	32,250	32,196	33,508	33,532	34,506	26,282
- non-trading derivatives	4,385	4,784	4,905	5,116	4,910	5,297	3,817
- designated as at fair value through profit or loss	830	786	806	934	866	815	618
Available-for-sale investments							
- debt securities	97,173	98,013	97,971	97,002	97,228	99,368	71,186
- equity securities	7,351	7,592	7,908	7,980	8,610	8,493	7,451
Loans ¹⁾	57,427	56,635	56,131	56,043	55,736	54,395	33,938
Reinsurance contracts	1,007	1,017	969	880	919	1,053	262
Associates and joint ventures	5,092	4,921	3,523	3,450	3,153	3,113	3,001
Real estate investments	2,368	2,364	3,629	3,582	3,470	3,428	2,137
Property and equipment	154	148	140	150	151	155	88
Intangible assets	1,739	1,781	1,816	1,841	1,859	1,899	338
Deferred acquisition costs	1,788	1,822	1,803	1,691	1,666	1,682	1,715
Assets held for sale	-	-	-	-	2,422	2,422	2,491
Deferred tax assets	118	119	117	125	121	139	42
Other assets ¹⁾	4,725	5,841	5,360	5,377	5,281	5,088	3,218
Total assets	224,792	227,795	227,547	227,062	229,590	231,874	167,411

1.1 CONSOLIDATED BALANCE SHEET: EQUITY AND LIABILITIES

In EUR million	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Shareholders' equity (parent)	23,014	23,568	23,345	22,718	22,009	21,824	22,108
Minority interests	269	267	315	317	321	313	12
Undated subordinated notes	1,764	1,764	1,764	1,764	1,764	1,764	986
Total equity	25,047	25,599	25,424	24,799	24,094	23,901	23,106
Subordinated debt	2,451	2,457	2,463	2,468	2,474	2,478	2,301
Debt securities issued	1,989	1,989	1,988	1,988	2,566	2,577	1,093
Other borrowed funds ¹⁾	5,467	5,567	5,409	6,044	5,684	5,224	3,696
Insurance and investment contracts ²⁾³⁾							
- life insurance liabilities	123,050	124,196	124,504	123,459	124,084	124,240	82,754
- non-life insurance liabilities	6,132	6,312	6,382	5,772	5,903	6,008	3,882
- liabilities for life insurance for risk of policyholders	31,059	31,227	31,347	32,571	33,210	35,110	26,219
- investment contract liabilities	1,960	1,948	1,883	1,837	1,183	1,213	773
Customer deposits and other funds on deposit	14,949	14,942	14,725	14,434	14,583	14,572	10,603
Financial liabilities at fair value through profit or loss							
- non-trading derivatives	2,458	2,428	2,413	2,305	2,835	2,764	1,602
Liabilities held for sale	-	-	-	-	2,408	2,408	2,473
Deferred tax liabilities	1,740	1,973	1,940	1,830	1,655	1,632	2,706
Other liabilities ¹⁾	8,490	9,157	9,069	9,555	8,912	9,747	6,203
Total liabilities	199,745	202,196	202,123	202,263	205,496	207,973	144,305
Total equity and liabilities	224,792	227,795	227,547	227,062	229,590	231,874	167,411

1.2 TOTAL EQUITY

In EUR million	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Share capital	41	41	41	41	41	42	40
Share premium	12,572	12,572	12,572	12,572	12,572	12,571	12,153
Revaluation reserve available-for sale investments Debt securities	7,059	8,237	8,508	8,224	7,957	8,199	8,525
Revaluation reserve available-for sale investments Equity securities	1,609	1,585	1,519	1,602	1,973	1,843	1,627
Revaluation reserve crediting to life policyholders	-4,592	-4,951	-5,030	-4,976	-4,823	-4,884	-5,061
Other revaluations	31	29	26	26	28	28	27
Cashflow hedge reserve	3,596	3,928	3,760	3,721	3,264	3,492	4,103
Currency translation reserve	-134	-97	-95	-139	-118	-48	71
Net defined benefit asset/liability remeasurement reserve	-99	-107	-106	-106	-94	-92	-105
Retained earnings and other reserves	2,931	2,331	2,150	1,753	1,209	673	728
Shareholders' equity (parent)	23,014	23,568	23,345	22,718	22,009	21,824	22,108
Minority interests	269	267	315	317	321	313	12
Undated subordinated notes	1,764	1,764	1,764	1,764	1,764	1,764	986
Total equity	25,047	25,599	25,424	24,799	24,094	23,901	23,106
Shareholders' equity per share in EUR	68	70	70	68	65	65	69
Shares outstanding in the market (in million)	338	338	334	334	337	337	322

1.3 SHAREHOLDERS' EQUITY RECONCILIATION

30 September 2018

In EUR million

	(Allocated) Shareholders' equity	Less: Revaluation reserves and other adjustments ^{4) 27)}	Plus: Minority interest	Adjusted (allocated) equity
Netherlands Life	16,322	6,495	207	10,035
Netherlands Non-life	915	274	60	702
Insurance Europe	2,273	401	-	1,872
Japan Life	2,124	494	-	1,631
Asset Management	409	-0	-	410
Other ⁵⁾	728	1,376	2	-645
of which reinsurance business	257	46	-	210
of which banking business	748	2	-	747
of which other	-276	1,328	2	-1,602
Ongoing business	22,773	9,039	269	14,004
Japan Closed Block VA	241	-0	-	241
NN Group	23,014	9,039	269	14,245

1.4 CAPITAL BASE - SOLVENCY II

In EUR million	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Solvency II ⁽⁶⁾							
IFRS Shareholders' equity	23,014	23,568	23,345	22,718	22,009	21,824	22,108
Minority interest	269	267	315	317	321	313	12
Elimination of deferred acquisition costs and intangible assets	-2,349	-2,405	-2,446	-2,356	-2,396	-2,428	-849
Valuation differences on assets	1,292	1,423	1,530	1,948	1,570	1,596	1,500
Valuation differences on liabilities, including insurance and investment contracts	-7,058	-8,405	-8,890	-9,558	-7,965	-8,157	-11,584
Deferred tax effect on valuation differences	1,713	2,036	2,134	2,179	1,886	1,943	2,675
Difference in treatment of non-solvency II regulated entities	-1,109	-1,221	-1,237	-1,163	-1,297	-1,098	-1,064
Excess of assets over liabilities	15,772	15,263	14,751	14,085	14,128	13,993	12,799
Deduction of participation in Bank	-905	-890	-874	-884	-866	-843	-605
Qualifying subordinated debt	4,319	4,386	4,388	4,394	4,345	4,378	3,059
Foreseeable dividends and distributions	-221	-454	-486	-474	-190	-439	-456
Basic Own Funds	18,965	18,305	17,779	17,121	17,417	17,089	14,797
Non-available Own Funds	1,482	1,412	1,404	1,339	1,259	1,422	1,311
Non-eligible Own Funds	-	74	212	370	299	376	224
Eligible Own Funds (a)	17,483	16,819	16,163	15,412	15,859	15,291	13,263
of which Tier 1 Unrestricted	11,228	10,375	9,650	8,935	9,495	8,807	8,220
of which Tier 1 Restricted	1,854	1,894	1,896	1,885	1,868	1,891	1,095
of which Tier 2	2,377	2,404	2,405	2,420	2,390	2,399	1,891
of which Tier 3	933	1,042	1,067	1,085	1,091	1,097	747
of which non-solvency II regulated entities	1,091	1,104	1,145	1,087	1,015	1,098	1,309
Solvency Capital Requirement (b)	7,304	7,429	7,606	7,731	7,782	7,818	5,566
of which non-solvency II regulated entities	495	483	489	501	507	508	505
NN Group Solvency II ratio (a/b)	239%	226%	213%	199%	204%	196%	238%

1.5 CASH CAPITAL POSITION AT THE HOLDING COMPANY

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Cash capital position - beginning of period	1,799	1,631	1,434	1,789	1,731	2,977	2,489	1,434	2,489	2,489
Cash divestment proceeds	-	-	-	32	-	-	26	-	26	58
Dividends from subsidiaries ⁷⁾	338	536	256	370	332	820	296	1,130	1,447	1,818
Capital injections into subsidiaries ⁸⁾	-19	-0	-4	-45	-	-531	-21	-24	-552	-597
Other ⁹⁾	-26	-139	-54	-21	-64	-254	-58	-219	-377	-397
Free cash flow to the holding ¹⁰⁾	293	397	198	336	268	34	242	887	544	881
Addition Delta Lloyd cash capital position	-	-	-	-	-	413	-	-	413	413
Acquisition	-	-	-	-	-	-2,054	-180	-	-2,234	-2,234
Capital flows from / (to) shareholders	-193	-229	-	-117	-209	-256	-82	-422	-548	-665
Increase / (decrease) in debt and loans	-	-	-	-575	-0	616	508	-	1,124	549
Cash capital position - end of period ¹¹⁾	1,899	1,799	1,631	1,434	1,789	1,731	2,977	1,899	1,789	1,434

1.6 INVESTMENTS PER ASSET TYPE

30 September 2018

In EUR million	Asset-backed securities	Financial institutions and Covered bonds	Corporate bonds	Government bonds	Total debt securities	Public equity	Real estate equity	Private equity	Other equity securities	Total equity securities	Real estate	Mortgage	Deposits and other Loans	Other	Investments for risk of policyholders	Total
IFRS classification																
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	8,540	-	8,540
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,095	-
- investments for risk of policyholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,095
- non-trading derivatives	-	-	-	-	-	-	-	-	-	-	-	-	4,385	-	-	4,385
- designated as at fair value through profit or loss	-	-	-	10	10	-	-	-	819	819	-	-	-	-	-	830
Available-for-sale investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- debt securities	1,901	10,218	16,065	68,989	97,173	-	-	-	-	-	-	-	-	-	-	97,173
- equity securities	-	-	-	-	-	3,847	742	186	2,576	7,351	-	-	-	-	-	7,351
Loans	1,311	-	-	-	1,311	-	-	-	-	-	-	44,733	11,384	-	-	57,427
Associates and joint ventures	-	-	-	-	-	1	-	543	-	544	4,413	-	116	20	-	5,092
Real estate investments	-	-	-	-	-	-	-	-	-	-	2,368	-	-	-	-	2,368
Other assets ¹²⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	9,531	-	9,531
Total	3,212	10,218	16,065	68,999	98,494	3,848	742	728	3,396	8,714	6,780	44,733	11,500	22,476	32,095	224,792

1.7 PRO FORMA DEVELOPMENT OF ADMINISTRATIVE EXPENSES AFTER DELTA LLOYD ACQUISITION

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017	FY2016
Pro forma development of administrative expenses after Delta Lloyd acquisition											
Netherlands Life ¹³⁾	117	115	129	147	133	134	137	361	404	551	591
Netherlands Non-life ¹⁴⁾	94	94	102	118	104	113	115	290	332	450	481
Belgium	31	31	31	31	29	31	30	93	90	121	137
Asset Management	86	85	89	97	89	97	98	259	285	382	381
Banking business	47	50	53	60	55	56	59	149	170	230	235
Corporate/holding (including reinsurance business)	40	38	38	32	37	43	44	116	124	156	198
Total	414	413	442	485	447	475	483	1,269	1,405	1,891	2,024

1.8 EARNINGS PER ORDINARY SHARE

	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Basic earnings per ordinary share ¹⁵⁾										
Net result (in EUR million)	788	463	399	700	734	240	435	1,650	1,410	2,110
Coupon on undated subordinated notes (in EUR million)	-15	-15	-15	-15	-15	-15	-8	-44	-38	-52
Basic earnings (in EUR million)	774	449	384	686	720	226	427	1,606	1,372	2,058
Weighted average number of ordinary shares (in million)	337.4	334.6	334.2	335.7	336.9	328.8	322.9	335.4	329.6	331.1
Basic earnings per ordinary share (in EUR)	2.29	1.34	1.15	2.04	2.14	0.69	1.32	4.79	4.16	6.21
Diluted earnings per ordinary share ¹⁶⁾										
Basic earnings (in EUR million)	774	449	384	686	720	226	427	1,606	1,372	2,058
Weighted average number of ordinary shares (in million)	337.4	334.6	334.2	335.7	336.9	328.8	322.9	335.4	329.6	331.1
Dilutive instruments: Stock option and share plans (in million)	0.6	0.6	0.8	0.7	0.6	0.7	0.9	0.6	0.6	0.7
Weighted average number of ordinary shares (including dilutive instruments in million)	338.0	335.1	335.0	336.4	337.6	329.5	323.8	336.0	330.2	331.8
Diluted earnings per ordinary share (in EUR)	2.29	1.34	1.15	2.04	2.13	0.69	1.32	4.78	4.16	6.20

2.1 ANALYSIS OF RESULTS: TOTAL

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Analysis of results										
Netherlands Life	236	332	212	170	215	290	220	780	726	896
Netherlands Non-life	46	40	-32	25	1	-27	31	54	5	30
Insurance Europe	65	63	71	68	77	73	42	200	192	260
Japan Life	45	27	66	25	52	37	85	138	175	200
Asset Management	43	41	41	46	45	37	33	125	115	161
Other	28	4	-45	11	41	-7	-5	-13	29	40
Operating result ongoing business	463	508	313	345	431	404	406	1,283	1,241	1,586
Non-operating items ongoing business	516	233	257	510	541	211	168	1,007	920	1,430
of which gains/losses and impairments	457	342	28	356	433	132	145	828	709	1,065
of which revaluations	12	-18	222	172	89	34	52	216	174	346
of which market & other impacts	47	-90	6	-18	20	45	-29	-37	37	19
Japan Closed Block VA	8	-11	15	-3	3	12	-20	12	-6	-9
Special items	-57	-86	-79	-102	-45	-68	-19	-222	-132	-234
Amortisation of acquisition intangibles	-33	-33	-33	-33	-33	-33	-	-99	-66	-99
Result on divestments	56	0	4	28	0	-188	9	60	-178	-150
Result before tax	953	611	477	744	898	338	544	2,041	1,780	2,524
Taxation	160	145	78	32	159	92	109	382	360	391
Minority interests	5	4	-0	12	4	6	0	9	10	22
Net result	788	463	399	700	734	240	435	1,650	1,410	2,110
Shares outstanding in the market (in million)	338	338	334	334	337	337	322	338	337	334
Basic earnings per ordinary share in EUR ¹⁵⁾	2.29	1.34	1.15	2.04	2.14	0.69	1.32	4.79	4.16	6.21
Diluted earnings per ordinary share in EUR ¹⁶⁾	2.29	1.34	1.15	2.04	2.13	0.69	1.32	4.78	4.16	6.20
New business ongoing business										
Single premiums	331	389	428	497	388	455	389	1,147	1,232	1,730
Regular premiums	295	318	505	327	355	354	581	1,118	1,291	1,618
New sales life insurance (APE)	328	357	547	377	394	400	620	1,233	1,414	1,791

2.1 ANALYSIS OF RESULTS: TOTAL

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Key figures ongoing business										
Gross premium income	2,949	2,951	4,490	2,796	2,926	2,945	3,397	10,390	9,268	12,064
Total administrative expenses	523	519	546	602	553	582	427	1,588	1,562	2,164
Cost/income ratio (Administrative expenses/Operating income)	29.1%	28.5%	30.2%	34.6%	31.5%	31.8%	30.9%	29.3%	31.4%	32.3%
Combined ratio (Netherlands Non-life) ^{17) 18)}	97.1%	97.9%	106.3%	99.6%	102.5%	107.4%	95.9%	100.5%	102.9%	102.0%
Asset Management Assets under Management ¹⁹⁾	238	240	240	246	244	245	194	238	244	246
Life general account invested assets ¹⁹⁾	137	136	136	135	135	136	91	137	135	135
Investment margin/Life general account invested assets (bps) ²⁰⁾	72	69	68	70	68	70	92			
Total provisions for insurance and investment contracts ¹⁹⁾	159	159	159	158	158	159	104	159	158	158
of which for risk policyholder ¹⁹⁾	29	29	28	29	28	29	18	29	28	29
NN Life Solvency II ratio ⁶⁾	253%	239%	219%	217%	218%	220%	197%	253%	218%	217%
Delta Lloyd Life Solvency II ratio ⁶⁾	202%	190%	169%	153%	149%	139%		202%	149%	153%
Net operating result ²¹⁾	339	387	236	255	315	321	299	962	935	1,191
Adjusted allocated equity (end of period) ²²⁾	14,004	13,385	13,139	12,661	12,094	11,569	12,355	14,004	12,094	12,661
Net operating ROE ²³⁾	9.9%	11.7%	7.3%	8.2%	10.6%	10.7%	9.9%	9.7%	10.8%	10.3%
Key figures Japan Closed Block VA										
Account value	2,853	3,466	4,074	4,755	5,384	6,546	7,926	2,853	5,384	4,755
Number of policies	41,224	54,587	68,462	81,808	97,847	122,394	145,457	41,224	97,847	81,808
Key figures Total NN Group										
Solvency II ratio ⁶⁾	239%	226%	213%	199%	204%	196%	238%	239%	204%	199%
Total assets ¹⁹⁾	225	228	228	227	230	232	167	225	230	227
Shareholders' equity	23,014	23,568	23,345	22,718	22,009	21,824	22,108	23,014	22,009	22,718
Employees (internal FTEs, end of period)	14,200	14,031	14,191	14,505	14,732	15,000	11,327	14,200	14,732	14,505

2.1 ANALYSIS OF RESULTS: TOTAL - EXCLUDING CURRENCY EFFECTS

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Analysis of results										
Netherlands Life	236	332	212	170	215	290	220	780	726	896
Netherlands Non-life	46	40	-32	25	1	-27	31	54	5	30
Insurance Europe	65	63	70	68	76	73	43	199	193	261
Japan Life	45	27	66	26	52	36	78	138	166	192
Asset Management	43	41	41	46	45	37	33	125	115	161
Other	28	4	-45	12	41	-7	-5	-13	29	41
Operating result ongoing business	463	507	313	347	431	403	400	1,283	1,234	1,581
Non-operating items ongoing business	516	233	257	509	541	211	168	1,006	920	1,430
of which gains/losses and impairments	457	342	28	356	433	132	144	827	708	1,064
of which revaluations	12	-18	222	171	89	34	52	216	175	347
of which market & other impacts	47	-90	6	-18	20	45	-29	-37	37	19
Japan Closed Block VA	8	-11	15	-3	3	11	-21	12	-7	-10
Special items	-57	-86	-79	-102	-45	-68	-19	-222	-132	-234
Amortisation of acquisition intangibles	-33	-33	-33	-33	-33	-33	-	-99	-66	-99
Result on divestments	56	0	4	28	0	-188	9	60	-178	-150
Result before tax	953	611	476	746	898	336	538	2,041	1,772	2,518
Taxation	160	145	78	32	159	91	106	382	357	389
Minority interests	5	4	-0	12	4	6	0	9	10	22
Net result	788	463	399	701	735	239	431	1,650	1,406	2,107
Shares outstanding in the market (in million)	338	338	334	334	337	337	322	338	337	334
Basic earnings per ordinary share in EUR ¹⁵⁾	2.29	1.34	1.15	2.05	2.14	0.68	1.31	4.79	4.15	6.20
Diluted earnings per ordinary share in EUR ¹⁶⁾	2.29	1.34	1.15	2.04	2.13	0.68	1.31	4.78	4.14	6.19
New business ongoing business										
New sales life insurance (APE)	328	351	540	373	384	380	588	1,219	1,352	1,725
Key figures ongoing business										
Gross premium income	2,949	2,944	4,492	2,800	2,919	2,897	3,302	10,385	9,118	11,918
Total administrative expenses	523	517	544	600	550	576	421	1,584	1,546	2,146
Key figures Total NN Group										
Total assets ¹⁹⁾	225	227	227	227	230	231	165	225	230	227

2.2.1 ANALYSIS OF RESULTS: NETHERLANDS LIFE

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Analysis of results										
Investment margin	215	292	181	212	179	254	198	688	631	843
Fees and premium-based revenues	102	111	125	110	103	127	89	338	319	429
Technical margin	44	54	46	5	77	55	43	144	174	180
Operating income non-modelled business	0	0	0	0	-0	0	-0	0	-0	0
Operating income	361	457	352	328	358	436	330	1,171	1,124	1,452
Administrative expenses	117	115	129	147	133	134	99	361	366	513
DAC amortisation and trail commissions	9	9	11	11	10	11	10	29	32	43
Expenses	125	125	140	158	143	146	110	390	398	556
Operating result	236	332	212	170	215	290	220	780	726	896
Non-operating items	499	237	251	529	538	141	143	986	821	1,351
of which gains/losses and impairments	453	317	28	337	439	76	115	799	630	967
of which revaluations	-3	-7	217	187	77	19	57	206	153	340
of which market & other impacts	49	-74	6	5	22	46	-28	-19	39	44
Special items	-19	-12	-14	-12	-8	-12	-10	-46	-30	-42
Result on divestments	56	-	-	-0	-	-	-	56	-	-0
Result before tax	772	557	448	687	745	419	353	1,776	1,517	2,204
Taxation	116	129	78	61	129	70	70	323	268	329
Minority interests	2	2	1	7	2	3	0	5	6	13
Net result	654	426	369	619	614	346	283	1,449	1,243	1,862
New business										
Single premiums	117	101	123	114	120	112	83	342	315	428
Regular premiums	24	38	131	19	38	74	194	193	306	325
New sales life insurance (APE)	36	48	143	30	50	85	202	227	337	368
Key figures										
Gross premium income	724	775	1,343	699	731	763	880	2,842	2,373	3,072
Total administrative expenses	117	115	129	147	133	134	99	361	366	513
Cost/income ratio (Administrative expenses/Operating income)	32.3%	25.2%	36.7%	44.9%	37.1%	30.8%	30.1%	30.8%	32.6%	35.4%
Life general account invested assets ¹⁹⁾	103	102	102	102	102	102	67	103	102	102
Investment margin/Life general account invested assets (bps) ²⁰⁾	88	83	81	84	80	85	116			
Total provisions for insurance and investment contracts ¹⁹⁾	113	114	114	114	114	115	72	113	114	114
of which for risk policyholder ¹⁹⁾	22	21	21	21	21	22	13	22	21	21
Allocated equity (end of period) ²⁴⁾	16,322	16,776	16,481	16,128	15,467	15,298	15,152	16,322	15,467	16,128
NN Life Solvency II ratio ⁶⁾	253%	239%	219%	217%	218%	220%	197%	253%	218%	217%
Delta Lloyd Life Solvency II ratio ⁶⁾	202%	190%	169%	153%	149%	139%		202%	149%	153%
Net operating result	182	266	171	141	168	247	169	620	583	724
Adjusted allocated equity (end of period)	10,035	9,558	9,384	9,199	8,800	8,325	7,489	10,035	8,800	9,199
Net operating ROE ²⁴⁾	7.4%	11.2%	7.4%	6.3%	7.8%	12.5%	9.1%	8.7%	9.9%	9.0%
Employees (internal FTEs, end of period)	2,498	2,499	2,535	2,610	2,642	2,664	2,046	2,498	2,642	2,610

2.2.2 NETHERLANDS LIFE - PROVISIONS FOR LIFE INSURANCE AND INVESTMENT CONTRACTS

In EUR billion	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Provisions for life insurance and investment contracts for risk of company - roll forward										
Beginning of period	92.3	92.7	92.5	93.1	92.9	59.1	57.8	92.5	57.8	57.8
Deposits	0.4	0.4	1.0	0.4	0.3	0.4	2.0	1.7	2.7	3.1
Withdrawals / Benefits	-1.3	-1.3	-1.3	-1.6	0.9	-1.3	-0.9	-3.8	-1.3	-2.9
Net production	-0.9	-0.9	-0.3	-1.2	1.2	-0.9	1.1	-2.1	1.4	0.2
Acquisition / Divestments / Transfers	-	-0.0	0.0	0.1	-1.3	34.5	0.0	-	33.2	33.2
Market performance / Interest credited	0.1	0.5	0.5	0.5	0.3	0.3	0.2	1.1	0.8	1.3
FX impact and other	-	-	-	-	-	-	-	-	-	-
End of period	91.5	92.3	92.7	92.5	93.1	92.9	59.1	91.5	93.1	92.5
In EUR billion	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Provisions for life insurance and investment contracts for risk of policyholders - roll forward										
Beginning of period	21.4	20.9	21.4	21.0	21.9	12.5	14.6	21.4	14.6	14.6
Deposits	0.3	0.3	0.4	0.3	0.3	0.3	0.1	1.1	0.7	1.1
Withdrawals / Benefits	-0.3	-0.4	-0.6	-0.5	-2.6	-0.6	-2.3	-1.3	-5.5	-6.0
Net production	0.0	-0.1	-0.2	-0.1	-2.3	-0.3	-2.2	-0.2	-4.8	-4.9
Acquisition / Divestments / Transfers	-	0.0	-0.0	0.0	1.3	9.9	-	-	11.2	11.2
Market performance / Interest credited	0.2	0.6	-0.4	0.5	0.2	-0.2	0.1	0.4	0.1	0.6
FX impact and other	-	-	-	-	-	-	-	-	-	-
End of period	21.7	21.4	20.9	21.4	21.0	21.9	12.5	21.7	21.0	21.4

2.3.1 ANALYSIS OF RESULTS: NETHERLANDS NON-LIFE

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Analysis of results										
Earned premiums	741	692	735	712	686	700	400	2,168	1,785	2,497
Investment income	31	38	24	33	24	32	28	93	84	117
Other income	3	-3	-0	1	1	1	1	0	2	3
Operating income	775	727	759	745	711	732	428	2,261	1,871	2,617
Claims incurred, net of reinsurance	525	497	585	520	530	567	281	1,608	1,378	1,898
Acquisition costs	136	121	130	108	103	106	64	387	273	382
Administrative expenses	75	76	82	97	86	94	53	233	232	329
Acquisition costs and administrative expenses	211	196	213	205	188	200	117	620	505	710
Expenditure	736	693	798	725	718	767	398	2,228	1,884	2,608
Operating result insurance businesses	39	34	-39	20	-7	-35	30	33	-12	8
Operating result health business and broker business	7	6	8	5	8	8	1	21	17	22
Total operating result	46	40	-32	25	1	-27	31	54	5	30
Non-operating items	5	3	8	29	4	12	3	17	20	49
of which gains/losses and impairments	1	7	4	29	1	2	2	11	5	34
of which revaluations	4	-3	4	7	4	10	1	6	15	22
of which market & other impacts	-0	-1	-	-6	-	-	-	-1	-	-6
Special items	-8	-29	-22	-14	-3	-2	-0	-60	-5	-19
Result on divestments	-	-	-	-	-	-	-	-	-	-
Result before tax	43	14	-46	40	2	-17	34	11	20	60
Taxation	9	4	-14	-3	-3	-5	7	-1	-0	-3
Minority interests	3	1	-1	5	2	2	-	3	4	9
Net result	30	9	-30	38	3	-14	27	9	16	54
Key figures										
Gross premium income	590	678	1,262	553	585	653	788	2,530	2,026	2,579
Total administrative expenses ¹⁴⁾	94	94	102	118	104	113	63	290	280	398
Combined ratio ^{17) 18)}	97.1%	97.9%	106.3%	99.6%	102.5%	107.4%	95.9%	100.5%	102.9%	102.0%
of which Claims ratio ^{17) 18)}	68.7%	69.5%	77.4%	70.8%	75.0%	78.8%	66.5%	71.9%	74.6%	73.5%
of which Expense ratio ^{17) 18)}	28.5%	28.4%	28.9%	28.8%	27.4%	28.6%	29.4%	28.6%	28.3%	28.4%
Total insurance provisions ¹⁹⁾	6	6	6	6	6	6	4	6	6	6
Allocated equity (end of period) ²⁴⁾	915	920	936	978	1,001	1,029	694	915	1,001	978
Net operating result	34	30	-22	22	-0	-18	25	42	7	29
Adjusted allocated equity (end of period)	702	676	699	728	726	767	379	702	726	728
Net operating ROE ²⁴⁾	19.9%	17.4%	-12.3%	12.2%	0.0%	-12.8%	26.9%	8.1%	0.4%	4.3%
Employees (internal FTEs, end of period)	2,802	2,609	2,672	2,682	2,720	2,684	1,458	2,802	2,720	2,682

2.3.2 NETHERLANDS NON-LIFE - KEY FIGURES BY LINE OF BUSINESS

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Gross premium income by line of business										
Disability & Accident	144	178	613	101	140	156	478	935	774	875
Fire	180	220	269	190	190	230	136	669	556	746
Marine & Aviation	15	20	23	14	16	20	9	57	45	59
Motor	170	175	218	167	160	162	91	562	414	581
Miscellaneous	82	88	139	82	79	88	73	309	241	323
Indirect business	0	-3	0	-1	-1	-4	1	-2	-4	-4
Property & Casualty	446	500	649	451	445	497	310	1,595	1,253	1,704
Total	590	678	1,262	553	585	653	788	2,530	2,026	2,579
In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Operating result by line of business										
Disability & Accident	21	29	13	2	-12	29	29	62	46	48
Fire	13	6	-53	19	5	-6	12	-34	10	30
Marine & Aviation	2	0	2	1	0	-0	1	4	1	2
Motor	1	-0	-7	-4	-3	-44	-6	-6	-53	-57
Miscellaneous	2	-1	7	3	2	-13	-8	8	-19	-15
Indirect business	-1	-0	-1	-1	1	0	1	-2	2	1
Property & Casualty	18	5	-52	18	5	-63	0	-29	-58	-39
Health business and broker business	7	6	8	5	8	8	1	21	17	22
Total	46	40	-32	25	1	-27	31	54	5	30
	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Combined ratios Disability & Accident and Property & Casualty ^{17) 18)}										
Disability & Accident										
Combined ratio	94.3%	93.1%	94.9%	102.1%	105.8%	91.9%	86.6%	94.1%	95.4%	97.2%
of which Claims ratio	74.1%	74.2%	73.7%	80.4%	84.8%	71.1%	65.5%	74.0%	74.5%	76.1%
of which Expense ratio	20.1%	18.9%	21.1%	21.7%	20.9%	20.8%	21.1%	20.1%	20.9%	21.2%
Property & Casualty										
Combined ratio	98.6%	100.9%	112.4%	98.3%	100.8%	115.4%	103.6%	104.0%	107.3%	104.6%
of which Claims ratio	65.9%	66.6%	79.3%	65.8%	69.9%	82.9%	67.4%	70.7%	74.7%	72.1%
of which Expense ratio	32.8%	34.2%	33.1%	32.5%	30.9%	32.5%	36.2%	33.3%	32.6%	32.5%
Total										
Combined ratio	97.1%	97.9%	106.3%	99.6%	102.5%	107.4%	95.9%	100.5%	102.9%	102.0%
of which Claims ratio	68.7%	69.5%	77.4%	70.8%	75.0%	78.8%	66.5%	71.9%	74.6%	73.5%
of which Expense ratio	28.5%	28.4%	28.9%	28.8%	27.4%	28.6%	29.4%	28.6%	28.3%	28.4%

2.4.1 ANALYSIS OF RESULTS: INSURANCE EUROPE

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Analysis of results										
Investment margin	17	23	23	30	23	24	14	63	62	91
Fees and premium-based revenues	171	173	181	176	181	179	143	526	503	679
Technical margin	59	46	55	52	50	47	47	160	143	196
Operating income non-modelled business	0	1	0	1	1	1	1	1	2	3
Operating income Life Insurance	247	243	260	259	255	251	205	750	710	969
Administrative expenses	101	98	100	108	97	99	82	299	278	386
DAC amortisation and trail commissions	80	80	88	85	81	78	81	247	240	325
Expenses Life Insurance	181	177	188	193	178	178	162	546	518	711
Operating result Life Insurance	66	66	72	66	76	73	43	204	192	258
Operating result Non-life	-1	-3	-1	1	0	-0	-0	-4	0	1
Operating result	65	63	71	68	77	73	42	200	192	260
Non-operating items	19	10	-0	-52	-9	30	21	30	42	-10
of which gains/losses and impairments	3	18	-7	-20	-12	22	19	14	28	9
of which revaluations	16	-2	7	-15	5	8	2	21	15	-0
of which market & other impacts	0	-6	0	-17	-2	-0	-0	-5	-2	-19
Special items	-6	-7	-5	-10	-3	-8	-0	-19	-11	-21
Result on divestments	-	-	-	20	-	-	-	-	-	20
Result before tax	78	67	65	26	64	95	63	210	222	248
Taxation	20	16	13	-18	18	15	10	49	44	26
Minority interests	-	-	-	-	-	-	-	-	-	-
Net result	59	50	53	43	46	80	53	161	179	222
New business										
Single premiums	213	288	305	384	269	343	306	806	918	1,301
Regular premiums	107	117	156	137	114	135	145	381	394	531
New sales life insurance (APE)	129	146	186	175	141	170	175	461	486	661
Key figures										
Gross premium income	673	724	772	849	699	763	609	2,169	2,072	2,921
Total administrative expenses (Life & Non-life)	105	104	103	111	100	102	84	312	286	398
Cost/income ratio (Administrative expenses/Operating income)	41.2%	41.3%	38.8%	41.9%	38.2%	39.8%	40.0%	40.4%	39.3%	40.0%
Life general account invested assets ¹⁹⁾	18	19	19	19	19	19	10	18	19	19
Investment margin/Life general account invested assets (bps) ²⁰⁾	49	52	52	51	50	49	72			
Total provisions for insurance and investment contracts ¹⁹⁾	25	25	26	26	26	26	16	25	26	26
of which for risk policyholder ¹⁹⁾	7	7	7	7	7	7	6	7	7	7
Assets under Management Pensions ^{19/26)}	19	18	19	19	19	18	18	19	19	19
Allocated equity (end of period) ²⁴⁾	2,273	2,328	2,530	2,481	2,500	2,464	1,942	2,273	2,500	2,481
Net operating result	50	51	56	53	58	58	33	158	149	202
Adjusted allocated equity (end of period)	1,872	1,907	2,069	2,034	2,031	2,021	1,477	1,872	2,031	2,034
Net operating ROE ²⁴⁾	10.6%	10.3%	11.0%	10.5%	11.4%	13.3%	9.2%	10.6%	9.9%	10.2%
Employees (internal FTEs, end of period)	4,558	4,518	4,519	4,521	4,599	4,629	4,215	4,558	4,599	4,521

2.4.1 ANALYSIS OF RESULTS: INSURANCE EUROPE - EXCLUDING CURRENCY EFFECTS

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Analysis of results										
Investment margin	17	23	23	30	23	24	14	63	61	91
Fees and premium-based revenues	171	172	177	173	176	174	139	520	489	661
Technical margin	59	46	54	52	50	46	47	159	143	194
Operating income non-modelled business	0	1	0	1	1	1	1	1	2	3
Operating income Life Insurance	247	241	254	255	249	245	201	742	695	950
Administrative expenses	101	97	98	106	95	96	79	296	270	376
DAC amortisation and trail commissions	80	78	86	83	79	76	79	244	233	316
Expenses Life Insurance	181	175	183	188	173	172	158	540	503	691
Operating result Life Insurance	66	66	71	67	76	73	43	203	192	259
Operating result Non-life	-1	-2	-1	2	1	0	-0	-4	1	3
Operating result	65	63	70	68	76	73	43	199	193	261
Non-operating items	19	10	-0	-52	-9	30	21	30	42	-10
of which gains/losses and impairments	3	18	-7	-20	-12	22	19	14	28	9
of which revaluations	16	-2	7	-15	5	8	2	21	15	-0
of which market & other impacts	0	-6	0	-17	-2	-0	-0	-5	-2	-19
Special items	-6	-7	-5	-10	-3	-8	-0	-19	-11	-21
Result on divestments	-	-	-	20	-	-	-	-	-	20
Result before tax	78	67	65	26	64	95	64	210	224	250
Taxation	20	17	13	-18	18	15	10	49	43	26
Minority interests	-	-	-	-	-	-	-	-	-	-
Net result	59	50	52	44	46	80	54	161	180	224
New business										
New sales life insurance (APE)	129	141	177	166	130	157	163	447	450	617
Key figures										
Gross premium income	673	721	764	840	688	754	604	2,158	2,046	2,886
Total administrative expenses (Life & Non-life)	105	102	101	109	97	99	81	308	277	385

2.4.2 INSURANCE EUROPE - KEY FIGURES BY COUNTRY

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Gross premium income by country										
Belgium	212	221	251	279	208	237	86	685	531	810
Poland	90	89	93	136	90	90	85	273	265	401
Czech Republic	35	38	39	41	36	38	38	112	112	153
Hungary	58	63	60	67	95	63	58	181	215	282
Spain	117	134	153	146	114	161	156	404	431	577
Other	161	179	175	180	157	174	186	515	518	698
Insurance Europe	673	724	772	849	699	763	609	2,169	2,072	2,921
In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Operating result by country										
Belgium	17	13	9	25	16	15	1	39	32	57
Poland	22	23	25	25	22	20	17	70	60	84
Czech Republic	7	8	8	7	8	10	7	23	25	32
Hungary	3	3	3	1	4	4	4	10	13	13
Spain	7	6	9	12	8	7	7	22	23	35
Other	10	10	16	-2	18	16	6	36	40	37
Insurance Europe	65	63	71	68	77	73	42	200	192	260
In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
New sales (APE) by country										
Belgium	21	27	32	31	19	22	6	80	47	77
Poland	23	24	24	39	24	23	27	71	74	113
Czech Republic	4	5	4	4	4	6	6	14	17	21
Hungary	6	7	6	7	9	6	6	19	21	28
Spain	18	23	35	28	19	30	30	76	79	107
Other	56	60	85	67	66	82	100	201	248	315
Insurance Europe	129	146	186	175	141	170	175	461	486	661

2.4.2 INSURANCE EUROPE - KEY FIGURES BY COUNTRY - EXCLUDING CURRENCY EFFECTS

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Gross premium income by country										
Belgium	212	221	251	279	208	237	86	685	531	810
Poland	90	89	91	134	89	89	85	270	263	397
Czech Republic	35	38	39	41	37	39	40	112	116	157
Hungary	58	62	58	64	90	60	55	177	205	269
Spain	117	134	153	146	114	161	156	404	431	577
Other	161	177	172	176	152	168	181	511	501	677
Insurance Europe	673	721	764	840	688	754	604	2,158	2,046	2,886
In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Operating result by country										
Belgium	17	13	9	25	16	15	1	39	32	57
Poland	22	23	24	24	22	20	17	69	59	83
Czech Republic	7	8	8	7	8	11	7	22	26	33
Hungary	3	3	3	1	4	4	4	9	12	13
Spain	7	6	9	12	8	7	7	22	23	35
Other	10	10	16	-1	18	16	7	37	41	40
Insurance Europe	65	63	70	68	76	73	43	199	193	261
In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
New sales (APE) by country										
Belgium	21	27	32	31	19	22	6	80	47	77
Poland	23	24	23	38	23	23	27	70	74	111
Czech Republic	4	5	4	4	5	6	7	14	17	22
Hungary	6	7	6	6	9	6	6	19	20	27
Spain	18	23	35	28	19	30	30	76	79	107
Other	56	56	76	59	55	71	87	188	213	273
Insurance Europe	129	141	177	166	130	157	163	447	450	617

2.4.3 INSURANCE EUROPE - PROVISIONS FOR LIFE INSURANCE AND INVESTMENT CONTRACTS AND ASSETS UNDER MANAGEMENT PENSIONS

In EUR billion	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Provisions for life insurance and investment contracts for risk of company - roll forward										
Beginning of period	18.2	18.5	18.7	18.6	18.9	9.8	10.1	18.7	10.1	10.1
Deposits	0.3	0.3	0.3	0.5	0.2	0.2	0.2	0.9	0.5	1.0
Withdrawals / Benefits	-0.5	-0.5	-0.5	-0.8	-0.4	-0.4	-0.4	-1.5	-1.2	-1.9
Net production	-0.2	-0.2	-0.2	-0.3	-0.2	-0.2	-0.2	-0.6	-0.6	-0.9
Acquisition / Divestments / Transfers	0.0	-0.0	-0.0	-	-	9.2	-	-0.0	9.2	9.2
Market performance / Interest credited	-0.1	-0.0	0.0	0.3	-0.1	0.0	-0.1	-0.1	-0.1	0.2
FX impact and other	0.0	-0.1	-0.0	0.0	-0.0	0.0	0.0	-0.0	0.0	0.0
End of period	17.9	18.2	18.5	18.7	18.6	18.9	9.8	17.9	18.6	18.7
In EUR billion	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Provisions for life insurance and investment contracts for risk of policyholders - roll forward										
Beginning of period	7.1	7.1	7.0	6.8	6.7	5.8	7.9	7.0	7.9	7.9
Deposits	0.2	0.3	0.3	0.3	0.2	0.3	0.3	0.8	0.7	1.0
Withdrawals / Benefits	-0.1	-0.2	-0.1	-0.2	-0.2	-0.3	-0.2	-0.4	-0.7	-0.8
Net production	0.1	0.1	0.1	0.1	-0.0	-0.0	0.1	0.3	0.0	0.2
Acquisition / Divestments / Transfers	-	0.0	0.0	-	0.0	0.9	-	0.0	0.9	0.9
Market performance / Interest credited	0.1	0.0	-0.1	0.0	0.2	0.0	-2.2	0.0	-2.0	-2.0
FX impact and other	0.0	-0.1	-0.0	0.0	-0.0	0.0	0.0	-0.1	0.0	0.1
End of period	7.4	7.1	7.1	7.0	6.8	6.7	5.8	7.4	6.8	7.0
In EUR billion	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Assets under management pensions - roll forward										
Beginning of period	17.8	18.5	19.2	18.8	18.4	17.6	16.1	19.2	16.1	16.1
Deposits	0.4	0.4	0.4	0.4	0.4	0.4	0.4	1.2	1.1	1.6
Withdrawals / Benefits	-0.2	-0.2	-0.3	-0.3	-0.2	-0.2	-0.2	-0.7	-0.6	-0.9
Net production	0.2	0.2	0.2	0.1	0.2	0.2	0.1	0.5	0.6	0.7
Acquisition / Divestments / Transfers	-	-	-	-	-	-	-	-	-	-
Market performance / Interest credited	0.6	-0.4	-0.7	0.1	0.4	0.5	1.0	-0.6	1.9	2.0
FX impact and other	0.1	-0.4	-0.1	0.3	-0.2	0.0	0.3	-0.5	0.1	0.4
End of period	18.7	17.8	18.5	19.2	18.8	18.4	17.6	18.7	18.8	19.2

2.5.1 ANALYSIS OF RESULTS: JAPAN LIFE

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Analysis of results										
Investment margin	-1	-2	-3	-2	-1	-2	-3	-7	-5	-7
Fees and premium-based revenues	157	130	187	117	154	135	194	475	482	599
Technical margin	-0	-1	-1	-3	-0	1	13	-2	14	11
Operating income non-modelled business	0	-0	0	0	0	-0	0	-0	-0	-0
Operating income	156	127	184	112	152	134	204	466	491	602
Administrative expenses	35	33	32	36	35	36	32	100	103	139
DAC amortisation and trail commissions	76	67	85	51	65	61	87	229	213	264
Expenses	111	100	118	86	100	97	119	328	316	403
Operating result	45	27	66	25	52	37	85	138	175	200
Non-operating items	-3	-8	-5	-4	-3	-4	-1	-16	-7	-11
of which gains/losses and impairments	-0	-4	1	-0	-0	-0	8	-3	8	8
of which revaluations	-3	-4	-6	-4	-3	-4	-9	-14	-15	-19
of which market & other impacts	-	-	-	-	-	-	-	-	-	-
Special items	-1	-0	-0	-0	-	-	-	-2	-	-0
Result on divestments	-	-	-	-	-	-	-	-	-	-
Result before tax	40	19	60	21	49	34	85	119	167	188
Taxation	14	3	16	8	14	10	24	34	47	55
Minority interests	-	-	-	-	-	-	-	-	-	-
Net result	26	16	44	13	35	24	61	86	120	133
New business										
Single premiums	-	-	-	-	-	-	-	-	-	-
Regular premiums	164	163	218	171	203	145	243	544	590	762
New sales life insurance (APE)	164	163	218	171	203	145	243	544	590	762
Key figures										
Gross premium income	956	767	1,108	690	904	762	1,114	2,831	2,780	3,470
Total administrative expenses	35	33	32	36	35	36	32	100	103	139
Cost/income ratio (Administrative expenses/Operating income)	22.3%	25.7%	17.7%	32.2%	23.2%	26.6%	15.6%	21.4%	21.0%	23.1%
Life general account invested assets ¹⁹⁾	16	15	15	14	14	14	15	16	14	14
Total provisions for insurance and investment contracts ¹⁹⁾	14	14	14	13	13	13	13	14	13	13
of which for risk policyholder ¹⁹⁾	0	0	0	0	0	0	0	0	0	0
Allocated equity (end of period) ²⁴⁾	2,124	2,265	2,231	2,116	2,121	2,162	2,336	2,124	2,121	2,116
Net operating result	32	15	44	17	37	26	61	91	124	141
Adjusted allocated equity (end of period) ²⁷⁾	1,631	1,634	1,607	1,514	1,527	1,550	1,673	1,631	1,527	1,514
Net operating ROE ^{24) 27)}	7.9%	3.7%	11.4%	4.4%	9.6%	6.6%	15.1%	7.6%	10.4%	9.0%
Employees (internal FTEs, end of period)	830	839	804	801	804	792	734	830	804	801

2.5.1 ANALYSIS OF RESULTS: JAPAN LIFE - EXCLUDING CURRENCY EFFECTS

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Analysis of results										
Investment margin	-1	-2	-3	-2	-1	-1	-2	-6	-5	-7
Fees and premium-based revenues	157	129	189	120	154	127	178	476	460	580
Technical margin	-0	-1	-1	-3	-0	1	12	-2	13	10
Operating income non-modelled business	0	-0	0	0	0	-0	0	-0	-0	-0
Operating income	156	126	185	115	153	127	188	467	468	583
Administrative expenses	35	33	33	37	35	34	30	100	99	136
DAC amortisation and trail commissions	76	67	86	52	65	58	80	229	203	255
Expenses	111	99	119	89	100	92	110	329	302	390
Operating result	45	27	66	26	52	36	78	138	166	192
Non-operating items	-3	-8	-5	-4	-3	-4	-1	-16	-7	-11
of which gains/losses and impairments	-0	-4	1	-0	-0	-0	7	-3	7	7
of which revaluations	-3	-4	-6	-4	-3	-3	-8	-14	-14	-18
of which market & other impacts	-	-	-	-	-	-	-	-	-	-
Special items	-1	-0	-0	-0	-	-	-	-2	-	-0
Result on divestments	-	-	-	-	-	-	-	-	-	-
Result before tax	40	19	61	22	49	32	78	119	159	181
Taxation	14	3	16	8	14	9	22	34	45	53
Minority interests	-	-	-	-	-	-	-	-	-	-
Net result	26	15	44	14	35	23	56	86	114	128
New business										
New sales life insurance (APE)	164	162	220	176	204	137	223	546	565	740
Key figures										
Gross premium income	956	763	1,118	707	908	722	1,025	2,837	2,654	3,361
Total administrative expenses	35	33	33	37	35	34	30	100	99	136

2.5.2 JAPAN LIFE - PROVISIONS FOR LIFE INSURANCE AND INVESTMENT CONTRACTS

In EUR billion	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Provisions for life insurance and investment contracts for risk of company - roll forward										
Beginning of period	13.9	13.5	12.5	12.5	12.5	13.2	12.2	12.5	12.2	12.2
Deposits	0.9	0.7	1.0	0.6	0.8	0.7	1.0	2.5	2.5	3.1
Withdrawals / Benefits	-0.5	-0.5	-0.5	-0.4	-0.4	-0.4	-0.5	-1.5	-1.3	-1.8
Net production	0.3	0.2	0.5	0.2	0.4	0.2	0.5	1.0	1.1	1.3
Acquisition / Divestments / Transfers	-	-	-	-	-	-	-	-	-	-
Market performance / Interest credited	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2
FX impact and other	-0.3	0.2	0.4	-0.2	-0.5	-0.9	0.4	0.3	-1.0	-1.2
End of period	14.0	13.9	13.5	12.5	12.5	12.5	13.2	14.0	12.5	12.5

2.6.1 ANALYSIS OF RESULTS: ASSET MANAGEMENT

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Analysis of results										
Investment income	-0	-0	-0	-0	0	-0	-0	-1	-0	-0
Fees	129	126	130	143	134	135	118	385	387	530
Operating income	128	126	130	143	134	135	118	384	387	530
Administrative expenses	86	85	89	97	89	97	85	259	271	369
Operating result	43	41	41	46	45	37	33	125	115	161
Non-operating items	0	0	-0	0	0	-0	0	0	0	0
Special items	-1	-11	-5	-15	-2	-5	-0	-17	-7	-22
Result on divestments	-	-	-	-	-	-	-	-	-	-
Result before tax	42	30	36	31	43	32	33	108	108	139
Taxation	10	7	8	6	9	10	8	25	26	32
Minority interests	-	-	-	-	-	-	-	-	-	-
Net result	32	23	27	25	34	23	25	83	82	107
Key figures										
Total administrative expenses	86	85	89	97	89	97	85	259	271	369
Cost/income ratio (Administrative expenses/Operating income)	66.8%	67.4%	68.4%	68.1%	66.3%	72.4%	72.0%	67.5%	70.2%	69.6%
Net inflow Assets under Management (in EUR billion)	-1	-3	-2	-0	-2	2	-1	-6	-0	-0
Assets under Management ¹⁹⁾	238	240	240	246	244	245	194	238	244	246
Fees/average Assets under Management (bps)	22	21	21	23	22	25	24	21	23	24
Allocated equity (end of period) ²⁴⁾	409	427	454	447	453	452	426	409	453	447
Net operating result	32	31	31	34	34	28	25	95	87	121
Adjusted allocated equity (end of period)	410	428	454	447	453	452	427	410	453	447
Net operating ROE ²⁴⁾	30.9%	28.4%	27.8%	30.2%	30.4%	25.6%	23.9%	29.0%	26.5%	27.7%
Employees (internal FTEs, end of period)	1,030	1,066	1,080	1,171	1,185	1,220	1,086	1,030	1,185	1,171

2.6.1 ANALYSIS OF RESULTS: ASSET MANAGEMENT - EXCLUDING CURRENCY EFFECTS

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Analysis of results										
Investment income	-0	-0	-0	-0	0	-0	-0	-1	-0	-0
Fees	129	126	130	143	134	134	117	385	385	529
Operating income	128	126	130	143	134	134	117	384	385	528
Administrative expenses	86	85	89	97	89	97	84	259	270	368
Operating result	43	41	41	46	45	37	33	125	115	161
Non-operating items	0	0	-0	0	0	-0	0	0	0	0
Special items	-1	-11	-5	-15	-2	-5	-0	-17	-7	-22
Result on divestments	-	-	-	-	-	-	-	-	-	-
Result before tax	42	30	36	31	43	32	33	108	108	138
Taxation	10	7	8	6	9	10	8	25	26	32
Minority interests	-	-	-	-	-	-	-	-	-	-
Net result	32	23	27	25	34	22	25	83	82	107
Key figures										
Total administrative expenses	86	85	89	97	89	97	84	259	270	368

2.6.2 ASSET MANAGEMENT - ASSETS UNDER MANAGEMENT AND ASSETS UNDER ADMINISTRATION

In EUR billion	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017
Assets under Management (AuM) and Assets under Advice and Administration (AuA)							
Affiliates	154	158	156	159	158	160	118
Proprietary (general account assets)	130	133	131	133	132	134	99
Other affiliates business	24	25	25	26	26	26	19
Third parties	84	82	84	87	86	86	76
Institutional customers	41	40	41	43	41	41	34
Retail customers home markets	31	29	31	31	31	30	27
Retail customers others	13	12	13	14	14	14	15
Total Assets under Management	238	240	240	246	244	245	194
Assets under Advice and Administration	48	48	47	48	49	53	68

In EUR billion	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017
AuM by investment							
Equity	26	28	28	31	31	31	26
Fixed income	180	181	180	185	184	186	145
Multi asset	32	32	32	30	29	28	23
Total	238	240	240	246	244	245	194

30 September 2018	Affiliates	Proprietary	Other	Third Parties	Institutional	Retail home markets	Retail Others	Total
In EUR billion								
AuM roll forward								
Beginning of period	158	133	25	82	40	29	12	240
Net inflow	-1	-1	-0	0	-0	0	0	-1
Acquisition / Divestments / Transfers	-	-	-	-	-	-	-	-
Market performance (incl. FX Impact) and Other	-3	-1	-1	2	1	1	0	-0
End of period	154	130	24	84	41	31	13	238

In EUR billion	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017
AuM roll forward							
Beginning of period	240	240	246	244	245	194	195
Net inflow	-1	-3	-2	-0	-2	2	-1
Acquisition / Divestments / Transfers	-	-	-3	0	-0	52	-
Market performance (incl. FX Impact) and Other	-0	2	-1	2	1	-3	-0
End of period	238	240	240	246	244	245	194

2.7.1 ANALYSIS OF RESULTS: OTHER

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Analysis of results										
Interest on hybrids and debt ²⁸⁾	-27	-27	-27	-31	-35	-34	-31	-81	-99	-130
Investment income and fees	25	24	23	29	39	23	12	72	73	102
Holding expenses	-37	-36	-35	-30	-37	-38	-16	-108	-92	-121
Amortisation of intangible assets	-0	-0	-0	-0	-0	-0	-0	-1	-1	-2
Holding result	-40	-39	-39	-31	-34	-50	-36	-118	-119	-150
Operating result reinsurance business	19	7	-39	9	21	8	5	-14	35	43
Operating result banking business	33	35	33	32	35	34	24	100	92	124
Other results	16	2	1	3	19	0	2	18	21	23
Operating result	28	4	-45	11	41	-7	-5	-13	29	40
Non-operating items	-3	-9	3	7	12	32	1	-9	45	51
of which gains/losses and impairments	1	4	2	10	5	32	1	7	38	48
of which revaluations	-1	-3	1	-3	6	-0	0	-4	6	4
of which market & other impacts	-3	-9	-	-0	-	-	-	-12	-	-0
Special items	-22	-26	-31	-51	-29	-41	-8	-79	-78	-129
Amortisation of acquisition intangibles	-33	-33	-33	-33	-33	-33	-	-99	-66	-99
Result on divestments	-	0	4	9	0	-188	9	4	-178	-170
Result before tax	-30	-64	-102	-57	-9	-237	-3	-196	-249	-306
Taxation	-11	-12	-27	-21	-9	-11	-5	-50	-24	-45
Minority interests	0	-0	0	0	0	0	-0	0	0	0
Net result	-19	-52	-75	-36	-0	-226	2	-146	-225	-261
Key figures										
Gross premium income	6	7	6	5	6	5	6	18	17	22
Total administrative expenses	87	88	91	92	92	99	63	266	255	347
of which reinsurance business	2	2	3	3	3	3	4	6	10	13
of which banking business	47	50	53	60	55	56	43	149	154	214
of which corporate/holding	38	36	36	29	34	39	17	110	90	120
NN Bank common equity Tier 1 ratio ²⁹⁾	16.4%	16.2%	15.6%	15.2%	14.2%	14.0%	13.2%	16.4%	14.2%	15.2%
Total assets banking business ¹⁹⁾	22	22	21	21	21	21	15	22	21	21
Net operating result banking business	25	26	25	24	26	26	18	75	69	93
Adjusted allocated equity banking business (end of period)	747	730	722	700	686	658	528	747	686	700
Net operating ROE banking business ³⁰⁾	13.5%	14.3%	13.8%	13.6%	15.5%	17.2%	13.6%	13.8%	15.5%	15.0%
Total provisions for insurance and investment contracts ¹⁹⁾	0	0	0	0	0	0	0	0	0	0
Allocated equity (end of period) ²⁴⁾	728	576	389	216	64	-33	1,038	728	64	216
Net operating result ³¹⁾	8	-6	-46	-12	18	-19	-13	-44	-15	-27
Adjusted allocated equity (end of period) ^{22) 27)}	-645	-818	-1,074	-1,262	-1,442	-1,547	911	-645	-1,442	-1,262
Employees (internal FTEs, end of period)	2,441	2,457	2,538	2,674	2,733	2,958	1,740	2,441	2,733	2,674

2.7.1 ANALYSIS OF RESULTS: OTHER - EXCLUDING CURRENCY EFFECTS

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Analysis of results										
Interest on hybrids and debt	-27	-27	-27	-31	-35	-34	-31	-81	-99	-130
Investment income and fees	25	24	23	29	39	23	12	72	73	102
Holding expenses	-37	-36	-35	-30	-37	-38	-16	-108	-92	-121
Amortisation of intangible assets	-0	-0	-0	-0	-0	-0	-0	-1	-1	-1
Holding result	-40	-39	-39	-31	-33	-49	-36	-118	-118	-150
Operating result reinsurance business	19	7	-39	9	21	8	5	-14	35	43
Operating result banking business	33	35	33	32	35	34	24	100	92	124
Other results	16	2	1	3	19	0	2	18	21	24
Operating result	28	4	-45	12	41	-7	-5	-13	29	41
Non-operating items	-3	-9	3	7	12	32	1	-9	45	51
of which gains/losses and impairments	1	4	2	10	5	32	1	7	38	48
of which revaluations	-1	-3	1	-3	6	-0	0	-4	6	4
of which market & other impacts	-3	-9	-	-0	-	-	-	-12	-	-0
Special items	-22	-26	-31	-51	-29	-41	-8	-79	-78	-129
Amortisation of acquisition intangibles	-33	-33	-33	-33	-33	-33	-	-99	-66	-99
Result on divestments	-	0	4	9	0	-188	9	4	-178	-170
Result before tax	-30	-64	-102	-57	-8	-237	-3	-196	-248	-305
Taxation	-11	-12	-27	-21	-9	-11	-5	-50	-24	-45
Minority interests	0	-0	0	0	0	0	-0	0	0	0
Net result	-19	-52	-75	-36	0	-226	2	-146	-224	-260
Key figures										
Gross premium income	6	7	6	1	6	6	6	18	17	19
Total administrative expenses	87	88	91	92	92	99	63	265	254	347
of which reinsurance business	2	2	3	3	3	3	4	6	10	13
of which banking business	47	50	53	60	55	56	43	149	154	214
of which corporate/holding	38	36	36	29	34	39	17	110	90	119

2.7.2 BANKING BUSINESS - SAVINGS AND DEPOSITS AND MORTGAGES

In EUR billion	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Savings & Deposits - roll forward										
Beginning of period	14.7	14.4	14.1	14.2	13.7	10.6	10.2	14.1	10.2	10.2
Deposits	0.8	1.0	1.3	1.1	0.8	1.0	1.3	3.0	3.2	4.3
Withdrawals / Benefits	-0.7	-0.7	-1.0	-1.2	-0.8	-0.9	-1.0	-2.4	-2.7	-3.9
Net production	0.0	0.2	0.4	-0.1	0.0	0.2	0.4	0.6	0.6	0.4
Acquisition / Divestments / Transfers	-	-	-	-	0.5	2.9	-	-	3.4	3.4
Market performance / Interest credited	-	-	-	-	-	-	-	-	-	-
FX impact and other	-	-	-	-	-	-	-	-	-	-
End of period	14.7	14.7	14.4	14.1	14.2	13.7	10.6	14.7	14.2	14.1
In EUR billion	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Mortgages - roll forward										
Beginning of period	17.5	17.5	17.6	17.8	17.4	13.1	12.7	17.6	12.7	12.7
Production	1.2	1.2	1.5	1.1	1.1	0.9	1.1	3.9	3.1	4.1
Redemptions	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.3	-1.1	-1.1	-1.5
Net production	0.8	0.9	1.1	0.6	0.6	0.5	0.8	2.8	2.0	2.7
Acquisition / Divestments / Transfers	-0.6	-0.8	-1.3	-0.8	-0.2	3.8	-0.5	-2.7	3.0	2.3
Market performance / Interest credited	-	-	-	-	-	-	-	-	-	-
FX impact and other	-	-	-	-	-	-	-	-	-	-
End of period	17.8	17.5	17.5	17.6	17.8	17.4	13.1	17.8	17.8	17.6

2.8.1 ANALYSIS OF RESULTS: JAPAN CLOSED BLOCK VA

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Analysis of results										
Investment margin	-1	-1	-1	-1	-1	-1	-1	-2	-2	-2
Fees and premium-based revenues	5	7	6	7	9	11	12	19	32	39
Technical margin	-	-	-	-	-	-	-	-	-	-
Operating income non-modelled business	-0	0	0	-0	-0	-0	0	0	0	0
Operating income	5	6	6	7	8	11	11	17	30	37
Administrative expenses	2	2	2	3	3	3	3	7	9	12
DAC amortisation and trail commissions	1	1	1	1	1	1	1	2	4	5
Expenses	3	3	3	4	4	4	5	9	13	17
Operating result	2	3	3	3	4	6	7	8	17	20
Non-operating items	6	-14	12	-6	-1	5	-27	5	-23	-29
of which gains/losses and impairments	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0
of which revaluations	-	-	-	-	-	-	-	-	-	-
of which market & other impacts	6	-14	12	-6	-1	5	-27	5	-23	-29
Special items	-0	0	-0	-	-	-	-	0	-	-
Result on divestments	-	-	-	-	-	-	-	-	-	-
Result before tax	8	-11	15	-3	3	12	-20	12	-6	-9
Taxation	2	-3	4	-1	1	3	-5	3	-1	-2
Minority interests	-	-	-	-	-	-	-	-	-	-
Net result	6	-8	11	-2	2	9	-15	9	-5	-7
Key figures ²⁵⁾										
Gross premium income	1	1	1	1	1	1	1	2	3	3
Allocated equity (end of period) ³²⁾	241	275	323	351	404	452	519	241	404	351
Account value	2,853	3,466	4,074	4,755	5,384	6,546	7,926	2,853	5,384	4,755
Net Amount at Risk	38	80	106	25	80	180	434	38	80	25
IFRS Reserves	157	218	256	188	271	401	677	157	271	188
Number of policies	41,224	54,587	68,462	81,808	97,847	122,394	145,457	41,224	97,847	81,808
Employees (internal FTEs, end of period)	41	43	43	46	49	53	49	41	49	46

2.8.1 ANALYSIS OF RESULTS: JAPAN CLOSED BLOCK VA - EXCLUDING CURRENCY EFFECTS

In EUR million	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Analysis of results										
Investment margin	-1	-1	-1	-1	-1	-1	-1	-2	-2	-2
Fees and premium-based revenues	5	7	6	7	9	11	11	19	30	38
Technical margin	-	-	-	-	-	-	-	-	-	-
Operating income non-modelled business	-0	0	0	-0	-0	-0	0	0	0	0
Operating income	5	7	6	7	8	10	10	17	29	36
Administrative expenses	2	2	2	3	3	3	3	7	9	12
DAC amortisation and trail commissions	1	1	1	1	1	1	1	2	4	5
Expenses	3	3	3	4	4	4	4	9	13	17
Operating result	2	4	2	3	4	6	6	8	16	19
Non-operating items	6	-14	12	-6	-1	5	-27	5	-23	-29
of which gains/losses and impairments	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0
of which revaluations	-	-	-	-	-	-	-	-	-	-
of which market & other impacts	6	-14	12	-6	-1	5	-27	5	-23	-29
Special items	-0	0	-0	-	-	-	-	-0	-	-
Result on divestments	-	-	-	-	-	-	-	-	-	-
Result before tax	8	-11	15	-3	3	11	-21	12	-7	-10
Taxation	2	-3	4	-1	1	3	-5	3	-1	-2
Minority interests	-	-	-	-	-	-	-	-	-	-
Net result	6	-8	11	-2	2	8	-16	9	-5	-8

2.8.2 JAPAN CLOSED BLOCK VA - ACCOUNT VALUE

In EUR billion	3Q2018	2Q2018	1Q2018	4Q2017	3Q2017	2Q2017	1Q2017	9M2018	9M2017	FY2017
Account value - roll forward										
Beginning of period	3.5	4.1	4.8	5.4	6.5	7.9	8.2	4.8	8.2	8.2
Deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Withdrawals / Benefits	-0.6	-0.7	-0.7	-0.8	-1.1	-1.1	-0.5	-2.0	-2.7	-3.5
Net production	-0.6	-0.7	-0.7	-0.8	-1.1	-1.1	-0.5	-2.0	-2.7	-3.5
Acquisition / Divestments / Transfers	-	-	-	-	-	-	-	-	-	-
Market performance / Interest credited	0.1	0.0	-0.2	0.2	0.2	0.3	-0.0	-0.0	0.4	0.6
FX impact and other	-0.1	0.0	0.1	-0.1	-0.2	-0.5	0.3	0.1	-0.5	-0.6
End of period	2.9	3.5	4.1	4.8	5.4	6.5	7.9	2.9	5.4	4.8

NOTES

- 1) As of the first quarter of 2018 the various cash collateral amounts paid and received are all presented in Other assets and Other liabilities. The relevant comparative figures for previous periods have been amended. This change impacts the classification in the Condensed consolidated balance sheet, impacting the line items Loans, Other borrowed funds and Other assets and liabilities, with no net impact on shareholders' equity. There was no impact on the Condensed consolidated profit and loss account.
- 2) To be better aligned with external presentations, investment contract liabilities for risk policyholders are no longer presented as liabilities for life insurance for risk policyholders, but included in investment contracts. Previous quarters have been adjusted accordingly.
- 3) The 30 June 2017 presentation of life insurance liabilities and investment contract liabilities was adjusted as the result of the integration of Delta Lloyd.
- 4) Revaluation reserves for debt securities, equity securities and property in own use, the cash flow hedge reserve, the related crediting to policyholders, the coupon on undated subordinated notes recognised in equity as well as the goodwill and intangible assets recognised as a result of the Delta Lloyd acquisition.
- 5) The segment 'Other' comprises of the allocated equity of banking business, reinsurance business and the cash capital position, other assets and debt of the holding company.
- 6) The solvency ratios are not final until filed with the regulators. The Solvency II ratios for NN Group and NN Life are based on the partial internal model. The Solvency II ratio for Delta Lloyd Life (Delta Lloyd Levensverzekering N.V.) is based on the standard formula. The 31 December 2017 Solvency II ratio of Delta Lloyd Life has been updated.
- 7) Includes interest on subordinated loans provided to subsidiaries by the holding company.
- 8) Includes the change of subordinated loans provided to subsidiaries by the holding company.
- 9) Includes interest on subordinated loans and debt, holding company expenses and other cash flows.
- 10) Free cash flow to the holding company is defined as the change in cash capital position of the holding company over the period, excluding acquisitions, capital transactions with shareholders and debtholders.
- 11) Cash capital is defined as net current assets available at the holding company.
- 12) Other assets contain Reinsurance contracts, Property and equipment, Intangible assets, and Deferred acquisition costs.
- 13) Including AZL.
- 14) Including health business and broker business.
- 15) Basic earnings per ordinary share is calculated as the net result, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity, divided by the weighted average number of ordinary shares outstanding (net of treasury shares).
- 16) Diluted earnings per share is calculated as if the share plans and warrants outstanding at the end of the period had been exercised at the beginning of the period and assuming that the cash received from exercised share plans and warrants was used to buy own shares against the average market price during the period. The net decrease in the number of shares results from the cancellation of shares following the share buy back programme.
- 17) As of 2Q17, the calculation methodology for the combined ratio has been updated and now excludes the discount rate unwind on the D&A insurance liabilities. All comparative combined ratios have been updated to reflect this change.
- 18) Excluding health business and broker business.
- 19) End of period, in EUR billion.
- 20) Four-quarter rolling average. As of 2Q17, the calculation reflects the impact of including Delta Lloyd on an annualised basis.
- 21) Net operating result of the ongoing business, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity.
- 22) Allocated equity, adjusted for revaluation reserves and excluding undated subordinated notes classified in equity as well as the goodwill and intangible assets recognised as a result of the Delta Lloyd acquisition.
- 23) Net operating ROE is calculated as the (annualised) net operating result of the ongoing business, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity, divided by (average) adjusted allocated equity of ongoing business. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves, the undated subordinated notes classified as equity as well as the goodwill and intangible assets recognised as a result of the Delta Lloyd acquisition. Reference is made to the section 'Alternative Performance Measures (Non-GAAP Measures)' in the NN Group N.V. 2017 Consolidated Annual Accounts.
- 24) Net operating ROE is calculated as the (annualised) net operating result of the segment, divided by (average) adjusted allocated equity. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves. Reference is made to the section 'Alternative Performance measures (Non-GAAP measures)' in the NN Group N.V. 2017 Consolidated Annual Accounts.
- 25) End of period, except Gross premium income.
- 26) The numbers shown under AuM are client balances which exclude IFRS shareholders' equity related to the respective pension businesses and include the assets under administration.
- 27) As of 2Q17, the net operating result and adjusted allocated equity used to calculate the Net operating ROE of Japan Life are adjusted for the impact of internal reinsurance ceded to NN Group's reinsurance business.
- 28) Does not include interest costs on subordinated debt treated as equity.
- 29) The Common equity Tier 1 ratio is not final until filed with the regulators. The 2017 ratios are for NN Bank, prior to the merger with Delta Lloyd Bank. The ratios for 2018 onwards are for the merged banking business of NN Bank and Delta Lloyd Bank.
- 30) Net operating ROE is calculated as the (annualised) net operating result of the banking business, divided by (average) adjusted allocated equity. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves. Reference is made to the section 'Alternative Performance Measures (Non-GAAP Measures)' in the NN Group N.V. 2017 Consolidated Annual Accounts.
- 31) Net operating result is adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity.
- 32) Allocated equity, adjusted for revaluation reserve.

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.

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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