**Press release**

Amsterdam, 5 August 2010

# Strong first half for Delta Lloyd Group

- **Net operational result up 5% to € 167 million**
- **Shareholders' funds grow by € 666 million to € 4.6 billion**
- **Interim dividend of € 0.40 per ordinary share**
- **Regulatory solvency 178%, BIS ratio of Delta Lloyd Bank 12.2%**
- **IFRS result € 1.069 million (H1 2009: € 379 million), net result € 767 million (H1 2009: € 211 million), thanks to strong investment performance in a volatile market environment**
- **5% organic growth in gross written premiums to € 2,892 million**
- **Belgian life business successful: 48% growth in gross written premiums**
- **Net new assets of investment funds more than doubles: € 825 million (H1 2009: € 345 million)**
- **Continued growth in bank savings balances (up 78% compared to year-end 2009)**
- **Refined strategy and simplified organisation**
- **Organisational simplification yields € 100 million in extra cost savings in 2011-2012**
- **Success of refocused consumer policy centres even more on customer interests**

**Delta Lloyd Group enjoyed a good half year. The main targets were achieved and Delta Lloyd Group's strong independent financial position was particularly evidenced by the 17% growth in shareholders' funds. Customers are increasingly opting for bank savings products, and savings account balances increased strongly to € 529 million. Life and general premium volume also grew compared with the same period in 2009. Belgium is an important life insurance market; premiums written rose by 48%. In line with the solid developments, the Group is paying an interim dividend of € 0.40 per ordinary share.**

**Executive Board Chairman Niek Hoek:** "The first six months of this year went well. The IFRS net result is high but is a very volatile indicator, so we primarily measure our performance by the growth in shareholders' funds and operational result. We are meeting our commitment to shareholders to pay a stable dividend, based on the good operational result and healthy solvency. This confirms our solid position in the financial services market. In the next few months, we will be working hard on providing an even better service to our customers under the Group's refined strategy. By simplifying the organisation, by further improving processes, products and communications and by generating structural cost savings. This will help us implement our strategy and provide our customers with the transparent and reliable products and services appropriate to the current times."

| **Key figures** *(in millions of euros)* | **First half 2010** | **First half 2009** | **Change** |
|---|---|---|---|
| | | | |
| Operational result after tax and non-controlling interests | 167 | 159 | 5% |
| Result (IFRS) before tax | 1,069 | 379 | 182% |
| Result (IFRS) after tax and non-controlling interests | 767 | 211 | 263% |
| Gross written premiums | 2,892 | 2,767 | 5% |
| Shareholders' funds (excl. non-controlling interests)[1] | 4,558 | 3,892 | 17% |
| Operating expenses | 469 | 479 | -2% |
| New business margin Life (excl. Germany) | 0.8% | 1.5% | -70bp |
| Life MCEV[1] | 5,115 | 4,224 | 21% |
| Group MCEV[1] | 5,336 | 4,495 | 19% |
| | | | |

[1] Compared with year-end 2009


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Delta Lloyd Group has formulated operational and financial objectives for 2010. The table below shows the achievement of the long-term targets in the first six months of the year.

| **Operational and financial objectives** | | **First half 2010 result** | **Objective** |
|---|---|---|---|
| ▪ | **Life: new business margin** | | |
| ▪ | Individual life insurance | **-1.2%** | > 2% |
| ▪ | Group life insurance | **2.2%** | > 1% |
| **1.** | **General** | | |
| ▪ | COR | **95.9%** | 98% |
| **2.** | **Efficiency** | | |
| ▪ | Operating expenses, including € 50 million in cost savings in 2010 | **469** | < 950[2] |
| **3.** | **Shareholder return** | | |
| ▪ | Operational return on equity | **8.6%** | 8-12% |
| ▪ | Dividend pay-out ratio[3] | **44%** | 40-45% |
| **4.** | **Capital position** | | |
| ▪ | Regulatory solvency | **178%** | >160-175% |

| **Key figures per ordinary share[4]** *(in euros)* | **First half 2010** |
|---|---|
| | |
| Closing price on 30 June 2010 | 13.92 |
| Shareholders' funds | 27.45 |
| Result (IFRS) after tax and non-controlling interests | 4.62 |
| Operational result after tax and non-controlling interests | 1.00 |
| Interim dividend | 0.40 |
| | |

## REFINED STRATEGY: EXTENSIVE SIMPLIFICATION

Delta Lloyd Group has refined its 'The Future Secured' strategy. The strategy was re-examined following Delta Lloyd Group's scenario exercises in 2009, the IPO last November and the rapidly changing context in the financial world as a consequence of the credit crisis.

The most noteworthy relevant trend is the need for further simplification. Customers are demanding clear, transparent, easy-to-understand products at low-cost. To meet this demand, Delta Lloyd Group needs to transform its organisation and the way in which it serves its customers. Processes, systems and communications must be drastically simplified.

The first step in this transformation involves a major simplification of the organisation, which will take effect on 1 January 2011. This will give an extra boost to the existing sharing programme, under which activities are concentrated as far as possible in a single location in order to share know-how and save costs. In addition, the existing five-pillar strategy has been reconfigured to meet today's requirements. Page 10 of this press release gives further details of the changes, and a separate press release has been issued today setting out the appointment of directors who report directly to the Executive Board in the new organisational structure.

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[2] Cost base target for the whole of 2010, including € 50 million in cost savings.

[3] Based on the dividend percentage to be paid in any year as set out in the dividend policy.

[4] Based on the number of ordinary shares in issue: 166,015,016.

## EXECUTIVE BOARD

The Delta Lloyd Group Supervisory Board intends to appoint O.W. (Onno) Verstegen (1963) to the Executive Board. He will succeed H.H. (Henk) Raué, who is stepping down on 1 April 2011, having reached the retirement age for Delta Lloyd Group Executive Board members. Onno Verstegen is currently chairman of Delta Lloyd Insurance. The Supervisory Board will notify the shareholders of the proposed appointment of Onno Verstegen on the next General Meeting. Onno Verstegen will start his duties on 1 January 2011.

## RESULTS

The result after tax and non-controlling interests under IFRS tripled to € 767 million (2009: € 211 million). This figure was positively affected by the interest rate movements and strong investment performance in the first half of 2010. Falling interest rates caused a high revaluation of fixed-income investments and derivatives held to hedge the interest rate risk in provisions. By contrast, the technical provisions, which are measured using the AAA-rated collateralised bond curve, were almost unaffected because this yield curve fell by only 5 basis points (10-year maturity). The main reasons for the major difference compared with the year-earlier period were the rising interest rates in the first six months of 2009 and impairments recognised because of lower stock market prices. The difference ('spread') between the ECB AAA curve and the AAA collateralised bond curve is expected to narrow. Any narrowing of the spread in the second half of 2010 is likely to have a negative impact on the IFRS result before tax.

The above underlines the volatility of results under IFRS in which interest and measurement effects play a major role. Partly for this reason, Delta Lloyd Group considers the operational result and the movement in shareholders' funds, which reflects all movements in equity, to be more relevant measures of its performance. This is also the reason for linking the dividend to the operational result after tax and non-controlling interests. The operational result rose by 5% to € 167 million (H1 2009: € 159 million). This demonstrates that the result on Delta Lloyd Group's operating activities is showing a steady improvement, and attests to the focus on cost reduction and value creation. Shareholders' funds increased by 17% to € 4.6 billion.

### Valuation at market interest rates

Since 2005, Delta Lloyd Group has predominantly used market interest rates to measure its balance sheet. This relates to both investments and insurance liabilities. The yield curve that Delta Lloyd Group uses to measure the majority of its insurance liabilities is derived from AAA-rated collateralised eurozone bonds. This curve is at almost the same level as at the end of 2009, meaning that liabilities have only increased slightly in value. A limited extra addition was made to the provision for insurance liabilities as a result of the movements in interest rates. For many years, Delta Lloyd Group has hedged against the risk of lower interest rates and the derivatives used for this purpose (swaptions) have contributed to the profit. The value of these instruments has risen as a result of the falling interest rates and increased volatility.

## EQUITY AND SOLVENCY

Delta Lloyd Group's capital position remains healthy. Shareholders' funds grew by 17% to € 4.6 billion due to the high IFRS result that was supported by the increase in value of the fixed-income portfolio and the good results on other investments. Solvency under IFRS was 301% (year-end 2009: 256%). The BIS ratio of the banking operations was 12.2% (year-end 2009: 12.3%).

Delta Lloyd Group's regulatory solvency (IGD, measured under the current capital adequacy regime) fell to 178% of the required capital (year-end 2009: 201%) and meets the minimum requirement of at least 160-175%. This fall was a consequence of the sharply lower ECB AAA curve (down 75 basis points, 10-year maturity), which is used to measure liabilities under the Solvency I regime. The increase in the provisions was not fully offset by a similar rise in investments (effect of -12%) because of higher risk premiums on bonds and the bearish equity markets. Under the current Solvency I rules, the increase in the provisions for policyholders translates into a higher required capital, which depresses the solvency margin (effect of -11%).

The regulatory solvency exceeded 185%[5] as at 31 July 2010, owing to the rising equity markets.

| **Capital and solvency** *(in millions of euros, unless stated otherwise)* | **30 June 2010** | **Year-end 2009** | **Change** |
|---|---|---|---|
| | | | |
| Total share capital and reserves | 4,558 | 3,892 | 17% |
| 'Hard' capital / tangible assets | 4,118 | 3,462 | 19% |
| | | | |
| Solvency (IGD) | 178% | 201% | -23bp |
| Solvency (IFRS) | 301% | 256% | 45bp |
| BIS ratio | 12.2% | 12.3% | -0.1pp |
| Core Tier 1 ratio | 9.8% | 10.0% | -0.2pp |
| | | | |

**Economic capital**
The economic capital of Delta Lloyd Group is estimated using the ICA (Individual Capital Assessment) model applied by the UK regulator and rose to 198% during the first half of the year, mainly as a result of the increase in available capital. Had the measurement been performed using the swap and liquidity premium curve with a liquidity premium of 39 basis points, the ICA ratio would have fallen to 137%.

## COMMERCIAL PERFORMANCE

Delta Lloyd Group's commercial performance in the first half of 2010 was satisfactory. Gross written premiums rose by 5% to € 2,892 million, mainly as a result of a rise in new single-premium life business and the non-recurring effect of the new accounting treatment of premiums relating to underwritten policies (see the notes on General). New general business, at € 92 million, was almost the same as last year (€ 93 million). New life business (€ 203 million, expressed as NAPI) was slightly higher than in the same period in 2009 (€ 201 million), partly because customers are increasingly choosing bank savings products rather than individual life products, while indexation in pension contracts was limited due to the low level of inflation. In line with these developments, bank savings showed further strong growth: compared with year-end 2009, bank savings balances rose by € 232 million to € 529 million. Total savings increased by € 207 million in the first half of 2010 to € 5.9 billion. In line with the declining housing market, mortgage origination, € 705 million, was lower than in the first half of 2009 (€ 887 million).

Asset Management's net new assets more than doubled to € 825 million (H1 2009: € 345 million). The inflow came from both insurance premiums and third-party distribution.

**Tighter consumer policy: greater focus on customer interests**
Delta Lloyd Group is successfully putting the greater focus on customer interests into practice. For example, by offering improved opportunities for on-line services (reporting changes and making claims), simplifying procedures and providing customers with advice on practical solutions rather than merely assessing whether customers are insured for something or not (e.g. when the volcanic ash cloud disrupted air travel, or offering practical assistance to repair damage). Other examples include re-writing terms and conditions and letters in a more plain language as well as aiming consistently for good accessibility and fast response times. Customer satisfaction surveys show that such efforts are appreciated.

[5] Estimate based on management information.

### COST REDUCTIONS

Cost reductions are required because of tighter margins and changing market conditions. A cost saving target of € 50 million has been set for 2010 and the Group is on course to achieve it. The discontinuation of sales of new products in Germany and the simplification of processes and IT systems are contributing to a reduction in operating expenses. Thanks to the realised savings, operating expenses for the first six months of 2010 were € 469 million, while the target for the whole of 2010 is a maximum cost base of € 950 million.

### EMPLOYEES

The number of employees fell to 6,681 (year-end 2009: 6,920), mainly because of the discontinued sales of new products in Germany. The number of external hires and temporary staff also fell. This is contributing to the aim of minimising the use of external hires, without compromising the flexibility of the organisation.

| **Employees** *(in FTE)* | **30 June 2010** | **Year-end 2009** | **Change** |
|---|---|---|---|
| | | | |
| **Total** | **6,681** | **6,920** | **-3%** |
| Permanent | 6,123 | 6,297 | -3% |
| Temporary | 557 | 624 | -11% |
| | | | |

# Results by segment

### LIFE

Competition in the individual life insurance market in the Netherlands is fierce. The popularity of individual life products continues to fall while bank savings products – often combined with term life policies – continue to gain in popularity. This was particularly clear at OHRA during this half year.

Gross written premiums rose from € 1,937 million to € 2,017 million. Single premiums totalled € 1 billion (H1 2009: € 952 million) but new regular premiums fell by 13% to € 111 million. Delta Lloyd Group continues to focus successfully on profitable growth in new group pension contracts. In the first half of the year, the Group concluded a number of large group contracts, in the Netherlands and in Belgium, worth a total of € 223 million. These contracts contributed positively to NAPI. At € 212 million, NAPI was lower than in the first six months of 2009 (€ 222 million) due to the higher single premium volume, the fall in new regular premiums and the non-indexation in pension contracts resulting from the low level of inflation. The new business margin on group contracts was well above target (2.2% compared with 1%) while that on individual contracts (excluding Germany) was below target (-1.2% compared with 2%) due to strong competition in the market for individual annuities and pensions. The average margin was 0.8% (H1 2009: 1.5%)

| **Life** *(in millions of euros)* | **First half 2010** | **First half 2009** | **Change** |
|---|---|---|---|
| | | | |
| **Total gross written premiums Life** | 2,017 | 1,937 | 4% |
| The Netherlands | 1,415 | 1,369 | 3% |
| Belgium | 422 | 285 | 48% |
| Germany | 180 | 283 | -36% |
| **NAPI** | 212 | 222 | -5% |
| **Operational result after tax and non-controlling interests** | 120 | 129 | -7% |
| **IFRS result after tax and non-controlling interests** | 736 | 236 | 212% |
| | | | |

| **MCEV** *(in millions of euros)* | **First half 2010** | **First half 2009** |
|---|---|---|
| | | |
| **MCEV at 1 January** | **4,224** | **3,445** |
| | | |
| Revaluation of mortgages | 167 | - |
| Value of new business | 15 | 17 |
| Value of in-force business | 303 | 276 |
| **Operating MCEV earnings(LEOR)** | **318** | **293** |
| Exceptional items | -40 | - |
| Asset outperformance | 451 | 491 |
| Capital (re)allocation | -6 | 91 |
| **MCEV at 30 June** | **5,115** | **4,321** |
| | | |

| **Value of new business** *(in millions of euros)* | **PVNBP**[6] | **Value of new business** | **Margin** |
|---|---|---|---|
| | | | |
| **The Netherlands** | 1,393.3 | 9.7 | 0.7% |
| **Belgium** | 485.0 | 5.4 | 1.1% |
| **Total** | 1,878.3 | 15.1 | 0.8% |
| | | | |

### BeFrank: joint venture between Delta Lloyd Group and BinckBank

Delta Lloyd Group is at the forefront of innovation in the Dutch pensions market, as demonstrated by the announcement of the joint venture between Delta Lloyd Group and BinckBank. The joint venture, BeFrank, is expected to start operations in group defined contribution pension schemes (second pillar) for the corporate market on 1 January 2011 (immediately after the Premium Pension Institutions Introduction Act *(Wet introductie premiepensioeninstelling)* comes into force). BeFrank wants to be distinctive as a new administrator offering low costs and excellent service, giving employees complete online information on their pensions.

### Agreement with consumer associations

In the past half year, agreement was reached with consumer organisations on cost caps on defined contribution plans (industry-wide) and the details of the compensation agreement on cost caps on

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[6] The present value of new business premiums (PVNBP) is equal to the single premiums received, plus the discounted value of new regular premiums based on the same policies as used to calculate the value of new business according to MCEV.

unit-linked insurance. Delta Lloyd Group has thus taken further steps towards regaining customer trust.

**Longevity risk**
Delta Lloyd Group performs regular analyses of the longevity risks it faces, addressing mortality rates and trends using market information and its own observations. The Dutch insurance market is currently discussing the consequences of the most recent published mortality figures on trends. Delta Lloyd Group considers the probability that the effect of updated mortality assumptions having a negative effect on the results to be higher than the probability of a positive effect. This effect could potentially be material.

**Delta Lloyd Life in Belgium**
Commercially, Delta Lloyd Life achieved a premium volume of € 422 million during the first half of 2010, an increase of 48% compared with the same period in 2009. Successful sales campaigns were conducted in traditional individual life insurance. Growth in the group pension market also continued, including the conclusion of a large pension contract. Delta Lloyd Life recorded good results from the Scala product range for the self-employed and SMEs.

**Delta Lloyd Germany**
In March 2010, Delta Lloyd Germany announced that it would discontinue sales of new production. While some new business was still written in Germany in the first half of 2010, this is not included in the new business figures. The discontinuation of sales is being undertaken carefully and in close consultation with the works council. The run-down will take some time but is proceeding satisfactorily. In 2010, a restructuring provision of € 40 million has been earmarked for this.

On 2 August 2010, Delta Lloyd Germany sold Gries und Heissel Bankiers AG. The negative sales result amounts to € 5.8 million. The transfer is subject to German regulatory approval.

## GENERAL

The increase in gross written premiums came almost entirely from the non-recurring effect of a change in the accounting of underwritten premiums.[7] Acquisition of new business was affected by the economic crisis (fewer purchases by both personal and commercial customers) and intense competition, which led to price pressure. The good result under IFRS stemmed from a lower combined ratio, realised investment income, lower impairments and higher releases of provisions compared with 2009. The lower COR was a result of lower administrative expenses and the good claims ratio, despite the severe winter. The operational result rose by 28%.

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[7] Until 2009, gross written premiums relating to underwritten policies were recognised with a three-month delay. From the first quarter of 2010, actual written premiums relating to underwritten policies in a particular quarter are recorded in that quarter. Premiums written on underwritten policies in the final quarter of 2009 (€ 43.5 million) have been included in the 2010 half-year figures. Corresponding claims and commission expenses result in an effect of € -0.9 million.

| **General**<br>*(in millions of euros)* | **First half 2010** | **First half 2009** | **Change** |
|---|---|---|---|
| | | | |
| **Total gross written premiums GI** | 875 | 830 | 5% |
| The Netherlands | 842 | 799 | 5% |
| Belgium | 33 | 31 | 6% |
| **Operational result after tax and non-controlling interests** | **49** | **38** | 28% |
| **IFRS result after tax and non-controlling interests** | 88 | 2 | n/a |
| | | | |

## BANK

The IFRS result of the Bank declined, primarily due to restructuring charges in Belgium and the lower interest rate margins. The reduction in operating expenses had a positive effect. The Dutch mortgage market contracted by 1.1% during the first half year. Delta Lloyd Bank's market share also fell and is now 2.3%. Aggregate savings in Belgium and the Netherlands continued to grow, from € 5.3 billion in the first half of 2009 to € 5.9 billion in the first half of 2010. The bank savings volume grew to € 529 million in the first six months of this year. Compared with year-end 2009, the bank's BIS ratio was virtually flat at 12.2%.

Delta Lloyd Bank announced previously that it wants to focus on mortgages and savings in the Netherlands. In this context Delta Lloyd Private Banking, which provides private asset management for over 400 clients, was transferred to Bank Ten Cate & Cie on 9 July.

| **Bank**<br>*(in millions of euros)* | **First half 2010** | **First half 2009** | **Change** |
|---|---|---|---|
| | | | |
| **Total mortgage portfolio** | **15,540** | **14,237** | **9%** |
| **Mortgage origination** | **705** | **887** | **-21%** |
| The Netherlands | 514 | 606 | -15% |
| Belgium | 190 | 281 | -32% |
| **Savings accounts** | **5,878** | **5,266** | **12%** |
| *Growth in bank savings* | 232 | 130 | 78% |
| **Operational result after tax and non-controlling interests** | **8** | **4** | **74%** |
| **IFRS result after tax and non-controlling interests** | **-2** | **-2** | **-33%** |
| | | | |

### Delta Lloyd Bank Belgium

Banking activities in Belgium grew in the reporting period. Customer numbers rose, savings accounts increased by 4% to € 3.6 billion and the mortgage and loan portfolios expanded by € 322 million. Deposits also grew in Belgium, despite low interest rates and fierce competition. Campaigns for investment products created an inflow of customer accounts.

In a comparative study, the well-known Belgian magazine 'Moneytalk' granted the maximum 5 stars to Delta Lloyd Private Banking for its customer management approach. The Uptrends bureau reported that the 99.9% availability of the Delta Lloyd website and online banking was the top of the market. The bank launched its new website at the end of January.

## ASSET MANAGEMENT

| **Asset management** *(in millions of euros)* | **First half 2010** | **First half 2009** | **Change** |
|---|---|---|---|
| | | | |
| **Operational result after tax and non-controlling interests** | 9 | 7 | 23% |
| **IFRS result after tax and non-controlling interests** | 13 | 6 | 111% |
| | | | |

The Delta Lloyd investment portfolio performed well relative to its benchmark, thanks in part to the use of derivatives and swaptions with the aim of limiting risks from falling share prices and interest rates. The proprietary portfolio (equities, derivatives, bonds, real estate) achieved a return of 7% and outperformed the benchmark (return of 1.3%) by 5.7 percentage points[8].

Net new assets grew strongly to € 825 million, despite the moderate investment climate. The new inflow came largely from insurance premiums, but third-party distribution also doubled compared with last year to € 153 million (H1 2009: € 71 million). Total assets under management rose to € 72 billion.

| **Total assets under management** *(in millions of euros)* | **First half 2010** | **Year-end 2009** | **Change** |
|---|---|---|---|
| **Total assets under management Delta Lloyd Group** | **71,606** | **67,799** | **6%** |
| | | | |

In February 2010, Delta Lloyd Group acquired full control of the Delta Deelnemingen Fonds, whose name has now been changed to Delta Lloyd Deelnemingen Fonds.

### Interests in southern Europe and Ireland

The total exposure of € 2.1 billion to southern European and Irish sovereign and semi-government debt reported in April 2010 was further reduced by 26% to € 1.6 billion. The market value of this portfolio was € 4.2 billion at 31 December 2009. The reduction is a consequence of the permanent risk/return assessment at Group level, under which the entire investment portfolio is being systematically evaluated. Given the mark-to-market measurement of Delta Lloyd Group's IFRS balance sheet, both realised and unrealised results on the total investment portfolio – including interests in southern Europe and Ireland – are included in shareholders' funds, which grew by 17% in the first half year.

## OTHER

| **Other** *(in millions of euros)* | **First half 2010** | **First half 2009** | **Change** |
|---|---|---|---|
| | | | |
| **Operational result after tax and non-controlling interests** | **-19** | **-20** | **7%** |
| **IFRS result after tax and non-controlling interests** | **-68** | **-31** | **-120%** |
| | | | |

[8] Estimate based on management information.

In the Other segment, Delta Lloyd Group reports the results of business operations that are not related to specific segments. This comprises the Group's mortgage activities that do not fall within the Life or Bank segments (including Amstelhuys), the label activities for Health, overhead costs (Group funding and Corporate Staff) and other non-core activities, principally the Health run-off. These run-off activities cover all current income and expenses relating to risks of the former health operations that already existed on 1 January 2009. In the first six months of 2010, the run-off produced a positive result before tax of € 40 million. The Health label activities also contributed, thanks to improved margins. The result of Amstelhuys was a negative € 34 million due to the volatility of the financial markets.

# Refinement of 'The Future Secured' strategy

**Simplicity, customer knowledge and co-creation**
Delta Lloyd Group's refined strategy is being driven by customers' changed requirements and is leading in particular to a fresh emphasis on product development and new alliances. Co-operation with strong distribution partners and the Group's comprehensive range of distribution channels are decisive factors in this respect. Customers' desire for transparency and simplicity demands the development of flexible and modular products that can be combined easily into propositions that are relevant to customers. The Group will invest substantial energy in building up knowledge of its customers so that product development can be aligned with their requirements, and risks and premiums can be differentiated. The strong position in distribution will be translated into customer and distribution partner connectivity. This encourages innovation and joint development of new solutions in co-creation. A specific chain position must always be selected in the co-operation with distribution partners and customers.

The Group is focusing on three complementary business strategies:

- Asset accumulation
- Volume in commodities
- Niche market growth

Delta Lloyd Group wants to develop into a financial services provider with strong brands and strong distribution partners working for customers in the Netherlands and Belgium through all available channels. The five pillars of The Future Secured strategy are thus given a different accent: certainty, distribution, simplicity, expertise and core values.

**Organisation will also be further simplified**
After transparency and simplicity vis-à-vis the customer, simplification will also be applied to the organisation: there will be a clear distinction between the commercial side (brands, marketing and sales) and development, administration and processing of products. The result is a better fit with customer wishes and requirements, a simpler structure and clear responsibilities. The simplification is accelerating the realisation of the sharing objectives and will produce substantial cost savings and enhance the quality of service.

The key points in the simplification of the Dutch organisation are:

- Purpose of simplification: transparency, simplicity and low costs for customers
- New Commercial Division to be responsible for marketing and sales of the Dutch insurance and banking activities of Delta Lloyd and OHRA
- Operational insurance activities to be placed in a Life Insurance Division and a General Insurance Division; number of risk bearers to be reduced from twelve to five
- Commercial and operational banking and insurance activities to be separated
- ABN AMRO Insurance joint venture to retain its current position in the Group

- Merging of corporate functions at Group level (reduction from thirteen to seven)
- Number of directors to be reduced from 52 to 32
- Organisational changes to take effect on 1 January 2011.

All commercial, marketing and sales activities in the Netherlands, and responsibility for the different brands such as Delta Lloyd and OHRA, will be in Delta Lloyd Group's new Commercial Division. The different brands and channels will retain their own management and features but, for example, synergy will be created from sharing know-how and facilities and targeted investment in the expansion of this channel. The Commercial Division will be led by Robert Otto.

The operational Dutch insurance activities (e.g. administration, processing) will be placed in a Life Insurance Division and a General Insurance Division. All operational life insurance activities in the Netherlands will be organised in the Life Insurance Division, led by managing director Leon van Riet. All operational general insurance activities in the Netherlands will come under the General Insurance Division, led by Managing Director Edwin Grutterink. The banking activities will remain with Delta Lloyd Bank. The ABN AMRO Insurance joint venture will remain a separate entity because of its nature, but will continue to work closely with the Group's other Dutch insurance businesses. Delta Lloyd Asset Management will continue as the Group's autonomous Asset Manager. IT, facilities management and procurement are being merged into a separate operational entity working for the entire Group and will be led by managing director Peter Heemskerk. The simplification means that employees will generally remain with their teams; the current locations will be maintained (Amsterdam, Arnhem, Helmond, Rotterdam and Zwolle).

**Legal simplification and efficiency**
The new organisational structure will be accompanied by a simpler legal and technical infrastructure. Compared with 2008, the number of risk bearers (individual insurance companies) will fall from twelve to five. The combination of activities will also lead to a reduction in the number of IT systems. In this way, Delta Lloyd Group not only expects to simplify processes but also to improve customer service. Furthermore, a less complex organisation can operate more cheaply and its capital requirement is lower.

The new senior management structure is not only simpler but also more efficient. Only seven rather than thirteen corporate functions will report to the Executive Board, and the number of director positions in the Netherlands will fall from 52 (early 2009) to 32. The majority of these reductions will be through natural wastage.

The appointments to the new senior management structure are presented in detail in a separate press release issued today. In mid-September, further details of the future organisation follow, including the appointment of directors who do not report directly to the Executive Board.

**Cost reductions**
A simpler organisation, a less complex range of products and services and fewer risk bearers will also reduce costs. And this is needed as a result of lower margins and increased price pressure.

The cost objective of the simplification is to lower operating expenses by 25% in 2012 compared with 2008 (€ 1.1 billion). This means a cost savings target of at least € 100 million for 2011-2012. Consequently, operating expenses in 2011 will be under € 900 million and below € 850 million in 2012.

| **Cost base** *(in millions of euros)* | **2012** | **2011** | **2010** | **2009** | **2008** |
|---|---|---|---|---|---|
| | | | | | |
| **Operating expenses (target)** | <850 | <900 | <950 | <1,000 | 1,122 |
| | | | | | |

## OTHER INFORMATION

### Share buy-back programme

On 10 June 2010, Delta Lloyd Group announced the launch of a share buy-back programme for a total of 1,650,000 ordinary shares, with the sole purpose of meeting the obligations of the management share-based incentive schemes. A total of 640,406 ordinary Delta Lloyd shares were repurchased in the period from 11 June 2010 to 30 June 2010 (inclusive) at a weighted average price of € 14.36 per share.

### Payment of interim dividend 2010

Delta Lloyd Group has decided to distribute € 66.4 million to shareholders, based on the operational result after tax and non-controlling interests. This means that an interim dividend of € 0.40 per ordinary share will be paid. The interim dividend may be paid entirely in cash or entirely in shares at the shareholder's option. The value of the stock dividend will be approximately the same as the value of the cash dividend and will be charged to the ordinary share premium.

For more information about the dividend, please refer to www.deltalloydgroup.com.

### Dates for the interim dividend 2010

- Ex-interim dividend: 9 August
- Record date: 11 August
- Start of dividend election period: 12 August
- End of dividend election option period: 25 August
- Payment date: 2 September

### Commentary on the results for the first six months of 2010

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| Press conference: | 5 August 2010, 9.30 am |
| Analyst presentation: | 5 August 2010, 11.30 am |
| Location: | Delta Lloyd Group, Amstelplein 6, 1096 BC Amsterdam |

This press release and the interim financial report 2010 are available in Dutch and in an English translation at www.deltalloydgroup.com. The analysts' presentation and press presentation are also available on www.deltalloydgroup.com.

At 9.30 am on Thursday, 5 August 2010, the Executive Board of Delta Lloyd Group will present a commentary on the half-year figures for journalists. A webcast of this meeting will be accessible on our website. At 11.30 am, Niek Hoek and Emiel Roozen will provide a presentation for analysts, which will also be available as a webcast on our site.

### Contact

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| Media relations | +31 (0) 20 594 44 88 |
| Investor relations | +31 (0) 20 594 96 93 |

### About Delta Lloyd Group

Delta Lloyd Group is a financial services provider offering life insurance, general insurance, asset management and banking products and services. Delta Lloyd Group's target markets are the Netherlands and Belgium. The Group operates primarily under the brand names of Delta Lloyd, OHRA and ABN AMRO Insurance in the Netherlands, and under the Delta Lloyd brand name in Belgium. Delta Lloyd Group has 6,100 permanent staff and is listed on NYSE Euronext Amsterdam.

## IMPORTANT INFORMATION

- Certain statements contained in this press release that are not historical facts are "forward-looking statements". These forward-looking statements are based on management's beliefs and projections and on information currently available to them. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Delta Lloyd Group's control and all of which are based on management's current beliefs and expectations about future events.

  Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. Delta Lloyd Group undertakes no duty to and will not update any of the forward-looking statements in light of new information or future events, except to the extent required by applicable law. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing Delta Lloyd Group and its subsidiaries. Such risks, uncertainties and other important factors include, among others: (i) changes in the financial markets and general economic conditions, (ii) changes in competition from local, national and international companies, new entrants in the market and self-insurance and changes to the competitive landscape in which Delta Lloyd Group operates, (iii) the adoption of new, or changes to existing, laws and regulations, (iv) catastrophes and terrorist-related events, (v) default by third parties owing money, securities or other assets on their financial obligations, (vi) equity market losses, (vii) long- and/or short-term interest rate volatility, (viii) illiquidity of certain investment assets, (ix) flaws in underwriting assumptions, pricing and/or claims reserves, (x) the termination of or changes to relationships with principal intermediaries or partnerships, (xi) the unavailability and unaffordability of reinsurance, (xii) flaws in Delta Lloyd Group's underwriting, operating controls or IT systems, or a failure to prevent fraud, (xiii) a downgrade (or potential downgrade) of Delta Lloyd Group's credit ratings, (xiv) the outcome of pending, threatened or future litigation or investigations, and (xv) a conflict between Aviva and minority shareholders in Delta Lloyd Group.

  Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, Delta Lloyd Group 's actual financial condition or results of operations could differ materially from those described herein as anticipated, believed, estimated or expected.

- Please see the Annual Report for the year ended 31 December 2009 for a description of certain important factors, risks and uncertainties that may affect Delta Lloyd Group's businesses.

- The figures in this press release have not been audited. They have been taken from the 2010 half-year financial report, which has been reviewed by Ernst & Young Accountants LLP.

- This press release contains the 2010 half-year figures of Delta Lloyd NV (Delta Lloyd Group), including Delta Lloyd Insurance, OHRA Insurance, ABN AMRO Insurance, Delta Lloyd Banking, Delta Lloyd Asset Management, Delta Lloyd Life Belgium and Delta Lloyd Germany.
- The figures included in this press release are based on the same accounting policies as presented in the 2009 Annual Report.
- The results and income of the ABN AMRO Insurance joint venture are fully consolidated in the figures. The 49% interest of ABN AMRO Bank Netherlands is reflected through 'non-controlling interests' in the consolidated income statement.