

## Press release

Amsterdam, 2 November 2010

## Delta Lloyd Group sees gross written premiums rise 7%

- **Delta Lloyd Group achieved further growth in Life, Pensions and Bank Savings in the first three quarters of 2010.**
- **Gross written premiums were up 7% to € 3,784 million compared to the first three quarters of 2009. Bank savings balances more than doubled to € 618 million and net inflow of new money grew to € 910 million.**
- **Shareholders' funds of Delta Lloyd Group were stable at just over € 4.5 billion, after interim dividend payments and repurchased shares, relative to first-half 2010.**
- **Regulatory solvency (IGD) of Delta Lloyd Group decreased slightly to 172% relative to half-year 2010, but remains within the set targets. Regulatory solvency as at the end of October 2010 was around 182%<sup>1</sup>. Regulatory solvency for the insurance activities as at the end of September 2010 amounted to 200%.**

Gross written premiums <sup>2</sup> (in millions of euros)	Until end of third quarter		Difference
	2010	2009	
<b>Total gross written premiums</b>	<b>3,784</b>	<b>3,525</b>	<b>7%</b>
Life	2,621	2,392	10%
General Insurance	1,163	1,133	3%

### LIFE

Life GWP (gross written premiums) grew in the Netherlands and Belgium by 10% to € 2.6 billion relative to the same period last year. The market for personal life insurance is contracting, competition in this market is intensive and the volume of bank savings products, an alternative for individual life insurance, is growing fast. The pension market has improved compared to the same period in 2009. In the first three quarters of 2010, Delta Lloyd Group secured large pension contracts in the Netherlands and Belgium to the value of € 333 million (single premium). Delta Lloyd Group is managing to achieve profitable growth with these new collective pension contracts. The concluded contracts made a positive contribution to NAPI<sup>3</sup>, working out at € 304 million. This is 4% higher than in the first three quarters of 2009 (€ 293 million).

New life business (on PVNBP basis, excluding Germany)<sup>4</sup> amounted in the first three quarters of 2010 to € 2,762 million (first three quarters of 2009: € 2,800 million). See the appendix for more details on the premium volumes.

<sup>1</sup> Estimate based on management information.

<sup>2</sup> Delta Lloyd Germany announced its intention to discontinue selling new insurance on 4 March 2010. The gross written premiums and NAPI of Delta Lloyd Germany were not included in these figures. Gross written premiums in Germany amounted in the first three quarters of 2010 to € 266 million (first three quarters 2009: € 449 million)

<sup>3</sup> NAPI is equal to the received regular premiums plus 10% of the single premiums.

<sup>4</sup> Present Value of New Business Premiums (PVNBP) is equal to the received single premiums plus the present value of new regular premiums, calculated on the basis of the same principles as used for the value of the new business under MCEV.

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## GENERAL INSURANCE

General GWP (gross written premiums) grew to € 1,163 million (first three quarters of 2009: € 1,133 million). This increase is entirely attributable to a change in the administrative processing of premiums relating to underwriting agents portfolios ('volmachten')<sup>5</sup>. The combined ratio (COR) is better than in the first three quarters of 2009 and on target.

## BANK AND ASSET MANAGEMENT

Many customers see bank savings products as an alternative to individual unit-linked insurance. Since these products were launched in 2009, Delta Lloyd Group has built up a strong position in bank savings. Since year-end 2009 bank savings balances at Delta Lloyd Group have grown by € 321 million to € 618 million. In the first three quarters of 2009 these balances amounted to € 246 million.

Due to the difficult economic conditions and sluggish housing market in the Netherlands and Belgium, the total number of mortgages provided is continuing to decrease. At Delta Lloyd Group new mortgage business in the Netherlands and Belgium fell in the first three quarters of 2010 by 27% to € 1,182 million (first three quarters of 2009: € 1,622 million). Delta Lloyd Group's market share in new mortgages increased to 2.5% compared to 1.9% in the third quarter of 2009 and 2.3% at half-year 2010.

The net inflow of new money in asset management grew compared to the first three quarters of 2009. In the first three quarters of 2010 this amounted to € 910 million (first three quarters of 2009: € 195 million). The new money mainly came from insurance premiums.

## SHAREHOLDERS' FUNDS AND SOLVENCY

The shareholders' funds of Delta Lloyd Group remained stable compared to first-half 2010 at over € 4.5 billion. This includes the payment of interim dividend and repurchase of own shares, which jointly had an effect of -€ 68 million in the third quarter. Without this effect, shareholders' funds would have increased by € 43 million.

<b>Capital and solvency</b> <i>(in millions of euros, unless indicated otherwise)</i>	<b>Third quarter 2010</b>	<b>Half- Year 2010</b>	<b>Difference</b>
Shareholders' funds	4,533	4,558	-0.5%
'Hard' capital/tangible assets	4,101	4,118	-0.4%
Solvency (IGD)	172%	178%	-6pp
Solvency (IFRS)	303%	301%	2pp
BIS ratio	12.3%	12.2%	0.1pp
Core Tier 1 ratio	10.0%	9.8%	0.1pp

Regulatory solvency (IGD; measured under the current solvency system) of Delta Lloyd Group has decreased to 172% of the required capital (half-year 2010: 178%), while the minimum target is 160-175%. The newly concluded pension contracts have led to an increase in the required solvency capital. In addition, the regulatory solvency declined, primarily as a result of the negative movements of the yield curve, the payment of the interim dividend and the repurchase of own

<sup>5</sup> Until the end of 2009, the gross written premiums relating to underwriting agents portfolios (volmachten) were stated with three months delay. As from 2010, the actual premiums relating to underwriting agents portfolios are stated for that quarter. This means that the written premiums relating to underwriting agents portfolios from the last quarter of 2009 of € 43.5 million are included in 2010.

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shares. These negative effects were partly offset by the increased value of the fixed income portfolio, the interest rate derivatives and the equity portfolio. Due to the increased interest rates and the rising stock markets, the regulatory solvency of Delta Lloyd Group worked out at around 182%<sup>6</sup> at the end of October.

The average regulatory solvency for the insurance activities under supervision is strong at 200% at the end of September. This ratio is commonly used in the insurance market and differs from the solvency of Delta Lloyd Group because it does not include the capital of the holding company and the other activities.

The IFRS-based solvency of Delta Lloyd Group was 303%, virtually unchanged relative to half-year 2010 (301%). The bank's BIS ratio remained strong at 12.3% (half-year 2010: 12.2%).

### **EMTN AND ECP PROGRAMME**

As announced on 7 October, Delta Lloyd Group has set up a Euro Medium Term Note (EMTN) and plans to issue senior unsecured debt for an amount of € 0.5 billion at maximum to refinance the working capital before the end of this year. In addition, Delta Lloyd Group has set up a Euro Commercial Paper (ECP) for a total amount of € 1.5 billion. Delta Lloyd Group plans to raise a maximum of € 0.5 billion under this programme before the end of this year.

### **Rating**

The long-term counterparty credit strength of Delta Lloyd NV was rated A- by Standard & Poor's Ratings Services on 1 October 2010. The A+ ratings of Delta Lloyd Levensverzekering NV and Delta Lloyd Schadeverzekering NV remain unchanged and were affirmed on that date. Delta Lloyd Group's status in relation to majority shareholder Aviva has changed in the Standard & Poor's rating system from 'strategically important' to 'non-strategic', reflecting Delta Lloyd Group's growing independence, both strategic and financial. All mentioned entities' outlook is negative, as a result of the negative outlook on Aviva.

### **For more information, contact Delta Lloyd Group**

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### **Conference call for analysts and investors**

CEO Niek Hoek will provide a brief commentary on this press release during a conference call (in English) for analysts and investors on Tuesday 2 November 9 a.m. CET on +31 (0)10 294 42 23. This number can be reached from 8.45 a.m.

### **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 is listed on NYSE Euronext Amsterdam.

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<sup>6</sup> Estimate based on management information

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## Appendix 1

### New life insurance business third quarter 2010 versus 2009

The Present Value of New Business Premiums (PVNBP) is equal to the received single premiums plus the present value of new regular premiums, calculated on the basis of the same principles as used for the value of the new business under MCEV.

New life insurance business <sup>7</sup> (based on PVNBP, in millions of euros)	Until end of third quarter		Difference
	2010	2009	
<b>Total PVNBP</b>	<b>2,762</b>	<b>2,800</b>	<b>-1%</b>
<b>Of which single premiums</b>	<b>1,470</b>	<b>1,310</b>	<b>12%</b>
- Life insurance and savings	114	120	-5%
- Pensions and annuities	1,356	1,190	14%
<b>Of which regular premiums</b>	<b>1,292</b>	<b>1,490</b>	<b>-13%</b>
- Life insurance and savings	293	260	13%
- Pensions and annuities	999	1,230	-19%

## 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

<sup>7</sup> Excluding Germany which announced its intention to discontinue selling new insurance on 4 March 2010. The PVNBP of Delta Lloyd Germany was therefore not included.

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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.