

Amsterdam, 23 February 2017

Focusing on capital, performance and customer

- Solvency ratio of 143% (2015: 131%), towards the lower end of our target capital range, reflecting adverse longevity development and DNB guidance on LAC DT to the industry
- Solvency II net capital generation of € 172 million, after the impact of exceptional weather of € 30 million, equivalent to underlying net capital generation of € 202 million
- Holding company cash structurally improved to € 510 million (2015: € -319 million)
- Operational expenses down 5% to € 589 million (2015: € 619 million), well below our target of € 610 million for 2016, 2018 target revised down to € 530 million
- Business performance continues to be a priority, value of new business of € 27 million and combined ratio (COR) of 105.4%¹ (2015: 96.2%), executing on pricing and product design
- While we are making good progress on our priorities, we have agreed, in the best interest of all stakeholders, to recommend the acquisition by NN Group and build a new combined company
- Delta Lloyd solvency safeguarded, should NN Group acquisition not proceed, from net capital generation, merger of Belgian and Dutch life activities and implementation of PIM
- Final cash dividend for 2016 suspended, reflecting offer by NN Group

Hans van der Noordaa, Chairman of the Executive Board:

“In 2016, we successfully executed a range of actions to strengthen our capital and cash position. We have made good progress on initiatives to improve our client focus, business performance and reduce costs, and we expect to see results of these during 2017. However, we operate in a difficult environment, with margins consistently under pressure, record low interest rates and challenging regulatory developments. We believe the combination with NN Group is in the best interest of our stakeholders and will create a leading insurance and pension company in the Dutch market, with strong presence in Belgium and an attractive proposition in asset management and banking.”

Key performance indicators¹

<i>(in millions of euros, unless otherwise stated)</i>	FY 2016	FY 2015	Change
Solvency II Standard formula (SF) ratio	143%	131%	12pp
Solvency II net capital generation	172	n.a.	n.a.
Holding company cash	510	-319	260%
Dividend per share in euro	0.10	0.21 ²	-51%
Gross operational result	915	940	-3%
Operational expenses	589	619	-5%
Net IFRS result	231	128	80%
Shareholders' funds after non-controlling interests	3,185	2,569	24%
Solvency II Life value new business	27	n.a.	n.a.
Solvency II NAPI	491	587	-16%
Combined ratio	105.4%	96.2%	9.2pp
GWP General Insurance	1,452	1,353	7%

¹ KPIs are expressed after the effect of exceptional weather of € 40 million equivalent to € 30 million post tax

² Based on the number of ordinary shares at 31 December 2016

¹ reflecting exceptional weather in June and restructuring charges

Strategic and business overview

In 2016, we made good progress on implementing our Closer to the Customer strategy and our management priorities of capital, performance and customer. We successfully executed our capital plan, our cash position is substantially improved and we are well on track for the implementation of the Partial Internal Model (PIM). However, during the fourth quarter, our capital position was negatively impacted by adverse longevity development and DNB guidance on LAC DT to the industry. Consequently, our Solvency II ratio declined to 143% (Q3 2016: 156%).

Our operational performance continues to be a priority, with a disappointing Life SII VNB of € 27 million and a COR of 105.4%. However, we outperformed on our operational expenses target for 2016, revised down further our 2018 expense target and we have taken action to structurally improve technical results in Life and GI, including pricing, product design and exiting unattractive and unprofitable business segments. We aim to be the preferred insurer for our customers and business partners. In 2016, we increased our NPS customer satisfaction scores and, for the fifth consecutive year, intermediaries and financial advisors rated us the number one pension provider in the Netherlands. In December 2016, Delta Lloyd Algemeen Pensioenfonds (APF) received a licence to administer a general pension fund.

Delta Lloyd operates in a highly competitive, mature market, where margins on both life and non-life products are consistently under pressure. Organisational agility and scale benefits are necessary to deliver acceptable margins and make ongoing investments. In addition, the regulatory and macro environment remains challenging with volatile markets, record low interest rates and low yields. We believe that consolidation in the Dutch market will, and should, take place in the near or mid-term future.

On 23 December, NN Group and Delta Lloyd announced that they reached a (conditional) agreement on an improved recommended public offer for the entire issued and outstanding ordinary share capital of Delta Lloyd. NN Group and Delta Lloyd agreed to certain non-financial covenants in respect of corporate governance, post-closing legal merger, strategy, organisation, integration and employees. The offer price of € 5.40 (cum dividend) represents a premium of approximately 38% relative to the average closing price during the last month and a premium of approximately 55% relative to the average closing price during the last three months prior to the initial announcement.

We recommend shareholders vote in favour of the offer and all resolutions at the EGMs to be held on 29 March 2017. Both the Executive and Supervisory Boards of Delta Lloyd support and recommend the improved offer. We believe that the combination of the Dutch and Belgium activities of both companies will result in an overall stronger platform within the Benelux from which to provide enhanced customer propositions and generate shareholder return. The combination will have a robust balance sheet and an improved solvency ratio.

Outlook

Following the announcement of the agreement with NN Group, we are working towards achieving the shareholder, regulatory and antitrust approvals required to complete the transaction. We expect these in the second quarter. Meanwhile, we have started high level preparation for the planned integration to ensure a seamless transition for our stakeholders.

It is important that the business maintains its progress on management priorities as a standalone company, until such time as all approvals are achieved. In that context, we remain committed to our existing targets to bring operational expenses down to € 530 million in 2018 and Solvency II net capital generation of € 200-250 million per year over time. We also continue to work on our existing plans for the PIM, until completion of the transaction.

We expect to see results of our initiatives to improve our technical profitability in Life and GI during 2017. We remain confident in the solvency position of Delta Lloyd as a standalone business should the NN Group acquisition not take place, reflecting among other things, net capital generation as well as the strong progress and potential for solvency benefits of the merger of our Belgian and Dutch life activities and the PIM.

Dividend

We have decided not to pay a final dividend for 2016, in view of NN Group's recommended offer for Delta Lloyd. Any final dividend paid would reduce the purchase price of € 5.40 per ordinary share. The total dividend for 2016 equals the interim dividend of € 0.10 per ordinary share, which was paid in September 2016.

Capital management

- Solvency II Standard Formula (SF) solvency ratio increased to 143% (2015: 131%)
- Solvency II net capital generation was € 172 million, after the impact of exceptional weather of € 30 million, equivalent to underlying net capital generation of € 202 million
- Holding company cash structurally improved to € 510 million (2015: € -319 million)
- Delta Lloyd solvency position safeguarded, should NN Group acquisition not proceed, from net capital generation, merger of Belgian and Dutch life activities and implementation of PIM

SF solvency ratio

At 31 December, the SF solvency ratio was 143% (2015: 131%) which is towards the lower end of our target capital range of 140-180%.

Solvency II - Standard Formula

<i>(in millions of euros)</i>	FY 2016	FY 2015
Available Own funds	4,483	4,039
Non eligible Own funds	481	118
Eligible Own funds	4,002	3,920
Required Economic Capital	2,806	3,001
Surplus/Deficit	1,197	919
SF ratio	143%	131%

In October 2016, we announced our intention to merge our Belgium and Dutch life activities to deliver solvency benefits and economies of scale. While we have made good progress, we agreed with NN Group not to finalise the merger before completion of the acquisition of Delta Lloyd by NN Group. In the event this acquisition does not take place, it would still be our intention to proceed with the merger. This would have an estimated impact of +7pp² on our SF solvency ratio.

Over the year, the SF solvency ratio increased by 12pp to 143% reflecting the € 650 million rights issue (+27pp), management actions including the sale of our shareholding in Van Lanschot (+19pp) and net capital generation after exceptional weather (+8pp). These positive effects were partly offset by methodology and assumption changes, particularly mortality (-15pp), the change in LAC DT (-8pp), market and other movements (-12pp), the run-off of transitionals (-6pp) and interim dividend (-2pp).

During the fourth quarter, the SF solvency ratio decreased by 13pp to 143% (Q3 2016: 156%) reflecting methodology and assumption changes, particularly mortality (-17pp) and the change in LAC DT (-8pp). These negative effects were partly offset by net capital generation (+2pp), asset and liability management (ALM) actions (+4pp) and market and other movements (+5pp). Market movements consisted mainly of positive impacts from a volatility adjustment (VA) increase and increased market interest rates.

The negative impact of methodology and assumption changes predominantly reflected adverse longevity development. In particular, this development included the implementation of the new industry mortality table regarding the total Dutch population published in September ('AG2016'),

² Pro forma estimate at year-end 2016 of +7pp being greater than +5pp pro forma at half-year 2016 announced in October, reflecting largely greater contribution from non eligible capital.

together with the update of our mortality experience assumptions reflecting our own portfolio. While both effects are adverse, i.e. increased life expectancy, the update of our mortality experience assumptions was the major driver. Our mortality experience assumptions are based on extended historic information and are increasingly influenced by the effect of large buy-out contracts sold between 2008 and 2013.

At year-end 2016, the risk margin benefit from the longevity hedge was excluded from solvency. We have fully explored the restructuring of the hedge to safeguard this benefit. However, we decided not to execute a restructuring due to the imminent implementation of the PIM.

On 3 February 2017, DNB published further guidance on LAC DT to the industry to be implemented no later than the second quarter of 2017. At year-end 2016, Delta Lloyd has adopted the latest guidance. As a consequence, the deduction from SCR in respect of LAC DT reduced to € 387 million (2015: € 524 million) representing 47% potential maximum (2015: 58%).

Our solvency ratio was adversely impacted further by the non-eligibility of our own funds. At year-end, a large amount of our own funds was classified as non-eligible and so did not contribute to our solvency ratio, reflecting applicable tiering constraints. In particular, our available Tier 3 capital is largely non-eligible, following the increase in net deferred tax assets in combination with a decrease in SCR which resulted in less capacity for Tier 3.

Net capital generation

Solvency II net capital generation was € 172 million, after the impact of exceptional weather of € 30 million, equivalent to underlying net capital generation of € 202 million.

Net capital generation, by segment

<i>(in millions of euros)</i>	FY 2016
Total net capital generation	172
Life	247
General Insurance	-27
Asset Management	5
Corporate & other activities	-53

Our reported Solvency II net capital generation reflects economic conditions at the end of 2015. We expect our net capital generation going forward to be adversely impacted by ongoing low interest rates as well as the effect of our de-risking program and lower market credit spreads.

We are committed to delivering on our target of net capital generation of € 200-250 million per year over time. We are focused on building further net capital generation through, amongst other things, continued cost reduction, improved business performance and investments.

Partial Internal Model

The implementation of our Partial Internal Model (PIM) is well on track. Possible benefits of the PIM include a reduced solvency capital requirement (SCR), reduced risk margin and improved LAC DT, to be realised from January 2018. An industry review among peers showed a potential solvency uplift of 10-15³% compared to the standard formula approach. We have rebuilt our risk calibrations reflecting industry practice and feedback from DNB. We plan to submit our application for regulatory approval

³ Based on analysis of comparable peer group during 2015 and not necessarily indicative of uplift for Delta Lloyd. Subject to regulatory approval

no later than 30 June 2017. Shortly after completion of the acquisition of Delta Lloyd by NN Group, we will inform the market should any adjustments to the submission be necessary.

Capital position Bank

At year-end, the CET 1 ratio of the bank was 17.1% (2015: 12.4%). This capital position includes the positive effect of converting € 30 million subordinated debt at the bank to equity and a capital injection from the holding of € 7.5 million in 2016. We expect to improve capital efficiency by additional capital actions, namely optimising mortgage risk weighted assets and improving profitability.

Holding company cash

Holding company cash has increased to € 510 million (2015: € -319 million), reflecting the rights issue, management actions and cash remittances from our businesses. Total remittances from the businesses increased to € 243 million (2015: € 196 million), although Delta Lloyd Leven did not pay a dividend during 2016, reflecting its solvency position being below its target risk appetite. HoldCo expenditures were considerably lower in 2016, reflecting inter company tax settlements and a higher external cash dividend in the prior year. HoldCo costs were higher in 2016, reflecting in part the financial impact of the negative past service pension costs of € 29 million in 2015. Delta Lloyd has put in place a € 600 million Revolving Credit Facility (RCF). This is a five year standby facility and will increase our financial flexibility.

Holding company cash

<i>(in millions of euros)</i>	FY 2016	FY 2015	Change
Opening net cash position	-319	-558	43%
Remittances from businesses	243	196	24%
Capital injection and loans to subsidiaries	-8	-84	91%
Corporate and other activities	796	566	41%
Acquisitions / divestments	182	229	-20%
Borrowings / Issue of ordinary shares	614	337	82%
HoldCo expenditure	-204	-438	54%
HoldCo finance costs	-64	-70	8%
HoldCo costs	-114	-70	-63%
Other	-2	-186	99%
Cash dividend pay-out	-23	-113	80%
Ending net cash position	510	-319	260%

Financial overview

- Gross operational result decreased to € 915 million (2015: € 940 million)
- Net IFRS result increased to € 231 million (2015: € 128 million)
- Shareholders' funds increased to € 3.2 billion (2015: € 2.6 billion)
- Operational expenses down 5% to € 589 million (2015: € 619 million), well below our target of € 610 million for 2016

Operational and IFRS result

<i>(in millions of euros)</i>	FY 2016	FY 2015	Change
Operational technical result	161	230	-30%
Life	147	84	76%
General Insurance	-24	65	-137%
Asset Management	7	57	-88%
Bank	56	55	2%
Corporate and other activities	-26	-31	17%
Investment spread	754	711	6%
Direct yield	1,264	1,275	-1%
Cost of liabilities	-511	-565	10%
Gross operational result	915	940	-3%
Market volatility	-295	-641	54%
Movement assets	2,572	-1,022	n.m.
Movement liabilities	-2,867	381	n.m.
Provision onerous contracts for subsidiaries sold	-	-162	100%
Other, including non-operational expenses	-260	23	n.m.
Tax and minority interests	-129	-32	n.m.
Net IFRS result	231	128	80%

Gross operational result decreased to € 915 million (2015: € 940 million), reflecting lower technical results partly offset by higher investment spread. The negative technical profitability at GI, caused in part by the exceptional weather in the south of the Netherlands in June and lower technical results at asset management, were only partly offset by strong result on expenses within the technical result of Life. The higher investment spread of € 754 million (2015: € 711 million) reflected lower required interest.

The net IFRS result was € 231 million (2015: € 128 million), which included the effect of adopting a new IFRS discount curve and the market value increase on our own pension assets. Shareholders' funds increased by 24% to € 3.2 billion (2015: € 2.6 billion). This was mainly due to the rights issue and the net IFRS result, offset by higher liabilities of Delta Lloyd's own pension scheme due to lower interest rates.

In 2016, the movement in the value of our liabilities outweighed the movement in our assets, resulting in market volatility of € -295 million. This reflected, amongst other things, the adverse longevity development of € -235 million.

The full year market volatility is considerably below the positive market volatility observed in the first half. For the first half, we reported a positive credit spread effect of around € 658 million on our own risk bond portfolio following the Brexit referendum and an asset value impact of around € 369 million on own pension assets. For the full year, the impact of credit spreads on our own risk bond portfolio was around € 398 million and the asset value impact of own pension assets was around € 281 million, reflecting some reversal of the 'safe haven' credit spread effects following Brexit during the second half of 2016. Furthermore, we have experienced a decrease in the volatility adjustment in our IFRS discount curve from 18 basis points to 13 basis points in the second half. The latter had an impact of around € -440 million on our IFRS result in the second half of 2016. The combined credit spread effect of the own bond portfolio and the decrease in the volatility adjustment in our IFRS discount curve was € -41 million in 2016. Similarly, the adverse longevity development of € -235 million had a negative impact in the second half. Other, including non-operational expenses, was € -260 million and significantly below last year, reflecting higher non-operational expenses in 2016 and a higher result on Amstelhuys and participations in prior year.

Expenses

In 2016, we initiated actions to improve further our efficiency in Life and GI, to reduce operational expenses in corporate staff functions and to streamline the IT organization. As a consequence, operational expenses amounted to € 589 million (2015: € 619 million) which is well below our target of € 610 million for 2016. The decrease in operational expenses primarily reflected our efforts in Life, including the creation of an 'open' and 'service' book organization, and lower pension service expenses. We have lowered our operational expense target to € 530 million in 2018, reflecting our confidence in our cost reduction plans.

During the year, non-operational expenses increased to € 215 million (2015: € 158 million), reflecting project spend of € 121 million (of which € 42 million for our work on the PIM), reorganisation provisions of € 41 million (one-off, enabling staff reduction), and € 25 million related to the restructuring of our own pension scheme from a defined benefit to a collective defined contribution scheme.

Life Insurance

- Value of new business (SII VNB) was € 27 million
- SII new business margin (SII NBM) was 1.4%
- SII NAPI down -16% to € 491 million (2015: € 587 million), due to lower market volume and focus on capital light business
- Net capital generation was € 247 million

Life insurance

<i>(in millions of euros)</i>	FY 2016	FY 2015	Change
SII Value of new business	27	n.a.	n.a.
The Netherlands	11	n.a.	n.a.
Belgium	16	n.a.	n.a.
SII New business margin	1.4%	n.a.	n.a.
The Netherlands	0.9%	n.a.	n.a.
Belgium	2.2%	n.a.	n.a.
New annualised premium income (NAPI)	491	587	-16%
The Netherlands	145	228	-36%
Belgium	345	359	-4%
New annualised premium income (NAPI)	491	587	-16%
Individual life	147	183	-20%
Group defined benefit	240	263	-9%
Group defined contribution	104	141	-27%
Insurance liabilities for operational result	37,900	35,639	6%
Operational technical result	147	84	76%
Investment spread	776	727	7%
Gross operational result	923	810	14%
Net capital generation	247	n.a.	n.a.

The performance of our Life segment was mixed, with weak SII VNB net of capital strain, but with satisfactory overall net capital generation and solid progress on cost reduction. In 2016, Life SII VNB was € 27 million. Taking into account a capital strain of € 51 million, the impact on net capital generation was € -24 million during the period. The corresponding new business margin (SII NBM) was 1.4%, reflecting low margins for DB and DC pensions in the Netherlands and strong margins for protection business in Belgium. We are taking action to improve margins and, in particular, the SII VNB net of capital strain, which include optimising pricing, business mix and product design and further cost reduction.

During 2016, the volume of new business (SII NAPI) decreased to € 491 million (2015: € 587 million), reflecting lower individual sales and lower defined contribution (DC) volumes. In the Netherlands, the pension market for new DC business contracted this year, as no new pension legislation was introduced. New business in DC was down to € 99 million (2015: € 133 million) while our market share remained strong. SII NAPI in defined benefit (DB) products decreased by nearly 60% to € 20 million, reflecting the contribution of DB pensions renewals at an adequate level of profitability. Strong commercial performance in the last weeks of 2016 will be reflected in the new business

figures of the first quarter of 2017. In Belgium, SII NAPI in DB was stable at € 220 million (2015: € 217 million). We have further lowered guaranteed interest rates in Belgium in early 2017.

The gross operational result increased by 14% to € 923 million (2015: € 810 million), reflecting higher operational technical result, particularly result on expenses, and higher investment spread, reflecting lower interest rates. Net capital generation was € 247 million, reflecting the positive experience variance in the best estimate liabilities, largely offset by weak new business (net of strain).

For the fifth consecutive year, intermediaries and financial advisors rated us the number one pension provider in the Netherlands in the IG&H consultancy performance survey. At the end of 2016, Delta Lloyd APF received a licence to administrate a general pension fund. This will contribute to building profitable volume in a sizeable market.

We remain committed to improving business performance and profitability within our life segment by pricing discipline, reducing costs and enhancing product design. In the second half, Delta Lloyd Leven has successfully implemented an 'open book' organization and a 'service book' organization. Open book focuses on growth and excellent customer service, service book focuses on managing run-off portfolios in a very efficient way.

General Insurance

- Combined ratio (COR) of 105.4% (2015: 96.2%). Adjusted for exceptional weather and restructuring, underlying COR of 100.1%
- GWP 7% higher at € 1,452 million (2015: € 1,353 million)
- Net capital generation was € -27 million, reflecting negative technical profitability and required capital impact from premium growth
- Exited from several unprofitable and unattractive business segments

General insurance

<i>(in millions of euros unless otherwise stated)</i>	FY 2016	FY 2015	Change
Combined ratio	105.4%	96.2%	9.2pp
Property and casualty	112.6%	101.3%	11.3pp
Income protection	70.5%	72.3%	-1.8pp
Gross written premiums	1,452	1,353	7%
Property and casualty	1,227	1,136	8%
Income protection	225	217	4%
Operational technical result	-24	65	-137%
Net earned premium	1,320	1,252	5%
Benefits and claims	-963	-822	-17%
Expenses and commissions	-381	-365	-4%
Investment spread	29	41	-29%
Gross operational result	6	106	-95%
Net capital generation	-27	n.a.	n.a.

In 2016, General Insurance financial performance was weak. However, during the period, decisive action was taken to deliver acceptable returns going forward by adjusting prices and exiting unprofitable segments.

The combined ratio (COR) was 105.4% (2015: 96.2%). The underlying COR, adjusted for exceptional weather in June (3.1pp) and restructuring (2.2pp), was 100.1%.

The COR in Income protection improved by 1.8pp to 70.5%, reflecting positive prior year claims development primarily in WGA-ER. The COR in Property and casualty rose to 112.6%, reflecting the exceptional weather conditions in June, together with a number of large fire claims and negative prior year impact at technical insurance.

Gross written premiums increased to € 1,452 million from € 1,353 million in 2015, which was mainly attributable to the acquisition of portfolios through authorised agents. The gross operational result decreased to € 6 million (2015: € 106 million) largely due to the effect of the negative technical profitability. The lower investment spread primarily reflects the effects of equity derisking. Net capital generation was € -27 million, after the negative impact of exceptional weather of € 30 million.

We have taken action to ensure that each GI product line delivers acceptable returns and remain committed to our COR target of 98% or better across the cycle. Our actions included reducing costs, adjusting prices and exiting unprofitable and unattractive business segments. During 2016, we sold the Xclusief portfolio (upper market retail insurance package) and decided to discontinue the garage keeper portfolio, the agriculture portfolio in the underwriting agency channel and the inward reinsurance contracts portfolio. They have all been placed in run-off. Furthermore, we entered into a strategic partnership with Voogd & Voogd to supply personal general insurance products, which started on 1 January 2017. Through this partnership we expect to achieve better service at lower costs.

Asset Management

- Total assets under management stable at € 71 billion (2015: € 70 billion), reflecting market developments and third party outflows
- Operational result decreased to € 7 million (2015: € 57 million)
- Net capital generation was € 5 million

Asset management

<i>(in millions of euros)</i>	FY 2016	FY 2015	Change
Net inflow new money	-843	-249	-239%
Institutional	-409	154	n.m.
Third party	-434	-403	-8%
Total assets under management	70,998	70,012	1%
Own risk	49,598	46,221	7%
Third party	21,400	23,791	-10%
Operational technical result	7	57	-88%
Fee and commission income	97	144	-32%
Fee and commission expenses	-44	-44	-1%
Operational expenses	-46	-43	-8%
Gross operational result	7	57	-88%
Net capital generation	5	-	n.a.

In the Asset Management segment, the net outflow of third party funds was € -843 million (2015: € -249 million) reflecting an outflow in retail funds and institutional mandates. Total assets under management were broadly stable at € 71 billion (2015: € 70 billion) reflecting market developments and third party outflows. As part of our derisking, we continued the shift in asset allocation from equity to fixed income, mortgages and residential real estate.

Gross operational result was down to € 7 million (2015: € 57 million), due to lower fee and commission income (€-47 million) based on a revised agreement between Asset Management and internal clients (€ -8 million), derisking and third party outflows, as well as a very strong contribution from performance fees in the prior year (€ -23 million). The corresponding net capital generation was € 5 million.

In 2016, Asset Management launched two innovative new investment funds. The Private Debt Fund invests in small and medium-sized companies in the Benelux. It offers institutional clients the opportunity to finance the growth of companies and sectors not typically present in public bond markets. The new Delta Lloyd ESG Fund is innovative and popular among investors, with over € 2 billion in assets under management. It has been voted best ESG fund globally by independent research firm AF Advisors.

Bank

- Production of new mortgages increased to € 1.7 billion (2015: € 1.2 billion)
- Gross operational result improved modestly to € 56 million (2015: € 55 million)

Bank

<i>(in millions of euros)</i>	FY 2016	FY 2015	Change
Mortgage portfolio	14,294	13,266	8%
Savings balance (incl. banksparen)	3,414	3,359	2%
Technical result	56	55	2%
Net interest income	81	82	-2%
Net fee and commission income	25	22	12%
Operational expenses	-50	-49	-1%
Gross operational result	56	55	2%

In 2016, the production of new mortgages increased 42% to € 1.7 billion (2015: € 1.2 billion), benefitting from the buoyant mortgage market. The total mortgage portfolio for the group increased 8% to € 14.3 billion (2015: € 13.3 billion). Part of the new mortgage production has been allocated to the life and GI businesses' balance sheet.

The bank's savings portfolio increased 2% to € 3,414 million (2015: € 3,359 million), driven by an improved commercial offering. The gross operational result improved modestly to € 56 million (2015: € 55 million), due to lower interest income and higher fee and commission income. There was no net capital generation, as the Bank did not pay a dividend to the holding, reflecting a planned increase in CET 1 capital due to regulatory requirements.

Our improved service to financial advisors and the Customer Excellence Programme led to higher client satisfaction.

Corporate and Other Activities

Corporate and other activities

<i>(in millions of euros)</i>	FY 2016	FY 2015	Change
Gross operational result	-78	-89	13%
Corporate activities	-103	-114	9%
Label health	21	21	0%
Treasury result	4	4	16%
Net capital generation	-53	n.a.	n.a.

The Corporate and Other Activities segment mainly consists of holding company overheads, interest expenses, treasury and the commercial result of the health insurance activities. The gross operational result improved to € -78 million (2015: € -89 million), reflecting lower expenses at group level.

Net capital generation of Corporate and Other Activities was € -53 million.

Financial calendar

Date	Event
22 March 2017	Publication Annual Report 2016
29 March 2017	Extraordinary General Meeting
24 May 2017	Publication of Interim management statement first three months of 2017
07 June 2017	Annual General Meeting

Conference call full year results on 23 February 2017

On Thursday 23 February 2017, Delta Lloyd will host a conference call for analysts (in English), which can also be followed via audiocast on our website.

Conference call: 23 February 2017, 09.30 am (CET)
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This press release and the analyst presentation are also available at www.deltalloyd.com.

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Financial tables

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Transition to Solvency II metrics

Given our focus on the active management of the group's capital, we have developed a new key performance indicator – Solvency II net capital generation.

Net capital generation is the Solvency II surplus movement in the period as calculated based on a number of assumptions and reflecting expected investment returns on existing business, contribution of new business after strain, release of required capital and risk margin, the effect of amortisation of UFR benefit and the technical result of non-life businesses, all expressed after tax. It excludes economic variances, non-operating items, impact of transitional measures, surplus relating to other financial sector entities and specified management actions.

The change to Solvency II had an impact on the value of new business (VNB) together with respective volumes and margins. Specifically for VNB, a number of changes to the methodology were implemented this year to further align with Solvency II requirements. The most significant changes to the VNB includes the application of Solvency II contract boundaries, the removal of frictional costs and the replacement of cost of non-hedgeable risk with risk margin. Furthermore, look-through benefits are not included.

The application of contract boundaries also impacts new business volumes. New business under the old regime included new contracts and extensions to existing contracts. New business under the new regime includes new contracts and renewals of existing contracts, whereas extensions are recognised as existing business. These changes are reflected in our New Annualised Premium Income (NAPI). In 2016, NAPI was higher under the new regime, due to a higher NAPI for renewals than NAPI for extensions to existing contracts.

We have developed a Solvency II aligned operational result metric. The IFRS investment spread in this metric is aligned with the lower excess return approach under Solvency II net capital generation. We plan to use this approach for any regular public reporting in 2017.

1. Solvency II - Standard Formula movement analysis YTD

	Ratio
Year-end 2015	131%
Rights issue	27%
Sale VL, other ALM actions*	19%
Run-off transitionals	-6%
Net Capital Generation	9%
Exceptional weather**	-1%
Methodology and assumption changes	-15%
LAC DT	-8%
Market movements and other	-12%
Interim dividend	-2%
Year-end 2016	143%

* Includes adverse impact of the exclusion of the risk margin benefit from the longevity hedge (-7pp)

** Exceptional weather: exceptional rain and hailstorm in June 2016

2. Solvency II - Standard Formula movement analysis QTD

	Ratio
9M 2016	156%
ALM actions*	4%
Run-off transitionals	-1%
Net Capital Generation	2%
Methodology and assumption changes	-17%
LAC DT	-8%
Market movements and other	6%
Year-end 2016	143%

* Includes adverse impact of the exclusion of the risk margin benefit from the longevity hedge (-5pp), together with the positive impact of restoring the unwanted asset liability duration gap during Q4 (+5pp).

3. Net capital generation, by component

	Life	GI	AM	Corp&Other*	Group
<i>(in millions of euros)</i>					
Total net capital generation	247	-27	5	-53	172
Excess Spread over VA (expected)	172	10	-	-33	149
Unwind UFR (expected)	-80	-	-	-	-80
Life new business (net of strain)	-24	-	-	-	-24
Unwind of risk margin	40	8	-	-	48
Unwind of SCR	103	-21	-	-	82
Technical Results (Operational)	35	-24	5	-19	-3

* There was no net capital generation for Bank, as the Bank did not pay dividend to the Holding, reflecting a planned increase in CET 1 capital due to regulatory requirements.

4. Overview value new business (SII VNB)

<i>(in millions of euros)</i>	SII FY 2016	MC* FY 2016	MC* FY 2015
Total Netherlands	11	-52	33
Total Belgium	16	42	39
Total VNB	27	-9	72
Individual life	24	38	42
Group defined benefit	3	-46	-45
Group defined contribution	0	-1	81
Total VNB	27	-9	72

* VNB based on market consistent (MC) techniques, including an uncertainty margin on economic capital and frictional costs based on Solvency I capital requirements

5. Overview new business premium income (SII / SI NAPI)*

<i>(in millions of euros)</i>	Solvency II FY			Solvency I FY		
	2016	FY 2015	Change	2016	FY 2015	Change
Individual life	147	183	-20%	62	93	-33%
Group defined benefit	240	263	-9%	100	103	-3%
Group defined contribution	104	141	-27%	157	235	-33%
Total NAPI	491	587	-16%	319	432	-26%
Individual life NL	26	49	-47%	35	55	-37%
Group defined benefit NL	20	47	-57%	62	101	-39%
Group defined contribution NL	99	133	-25%	156	185	-16%
Total NAPI NL	145	228	-36%	252	340	-26%
Individual life BE	121	134	-10%	28	39	-29%
Group defined benefit BE	220	217	1%	38	2	n.m.
Group defined contribution BE	4	8	-48%	1	51	-97%
Total NAPI BE	345	359	-4%	67	91	-27%

* NAPI = 10% single premium + annual premium

6. Combined ratio

<i>(in millions of euros, unless otherwise stated)</i>	FY 2016	FY 2015	Change
Property & casualty	112.6%	101.3%	11.3pp
Income protection	70.5%	72.3%	-1.8pp
Total COR	105.4%	96.2%	9.2pp

7. Quarterly progress of key performance indicators

<i>(in millions of euros, unless otherwise stated)</i>	FY 2016 YtD	FY 2016 Sec	9M 2016 Sec	6M 2016 Sec	3M 2016 Sec
SII Life value new business	27	1	8	5	14
SII NAPI	491	101	123	135	132
Combined ratio	105.4%	112.0%	97.7%	114.4%	97.0%
GWP General Insurance	1,452	317	301	369	465

Important information

- This press release contains the figures of the full year 2016 for Delta Lloyd NV ('Delta Lloyd'), inclusive of Delta Lloyd Levensverzekering, Delta Lloyd Schadeverzekering, ABN AMRO Verzekeringen, Delta Lloyd Life Belgium, Delta Lloyd Asset Management and Delta Lloyd Bank.
- The results and income of the ABN AMRO Verzekeringen joint venture are fully consolidated in the figures. Adjustment for the 49% interest of ABN AMRO Bank Netherlands is included in 'non-controlling interests' in the consolidated income statement.
- The figures in this press release have not been audited. They are partly based on the financial supplement 2016 and partly on internal management information reports.
- Certain statements contained in this press release that are not historical facts are 'forward-looking statements'. Forward-looking statements are typically identified by the use of forward looking terminology such as 'believes', 'expects', 'may', 'will', 'could', 'should', 'intends', 'estimates', 'plans', 'assumes', 'anticipates', 'annualised', 'goal', 'target' or 'aim' or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy that involve risk and uncertainties. The forward-looking statements in this press release 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'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 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 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 operates, (iii) the adoption of new, or changes to existing, laws and regulations including Solvency II, (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's underwriting, operating controls or IT systems, or a failure to prevent fraud, (xiii) a downgrade (or potential downgrade) of Delta Lloyd's credit ratings, and (xiv) the outcome of pending, threatened or future litigation or investigations, or other factors referred to in this press release.
- Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, Delta Lloyd'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 2015 for a description of certain important factors, risks and uncertainties that may affect Delta Lloyd's businesses.